

## Medium Term Financial Strategy 2022/23 - 2025/26 Budget Pressures

Portfolio Holder	Service Group	Budget Pressure (New or Revision)	New Reference number	Old Reference Number	Lead Officer	Proposal Description	Risk Level	Budget 2021/22	2022/23	2023/24	2024/25	2025/26	Reason	Justification
								£000s	£000s	£000s	£000s	£000s		
						Name, What is the Pressure, Why has it occurred and what are the key assumptions behind the values and dependencies that might impact on this (explain if these change by year)	High, Medium, Low* for definitions see below data Pick from drop down	Current Year Gross Budget					Pick from drop down	Pick from drop down
Emily Darlington	Adult Services	Revision	P22-1L	P001-L	Victoria Collins	<b>Learning Disability (LD) Services</b> - The budget pressure is modelled on the number of young people with LD reaching adulthood who need support from Adult Services in supported living placements and direct payments. The revised budget pressure reflects the shortfall from 2021/22 (27 costed transitions) plus the new transition cohort in 2022/23 (25 costed transitions). The increase in complexity of transition packages has increased the average cost per package to £68.7k.	MEDIUM	11,594	2,078	1,626	380	380	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Previously Approved	P22-2L	P002-L	Victoria Collins	<b>Learning Disabilities</b> - Care costs due to support breakdown due to ageing parent carers. Estimates for 2022/23 and for future years assume three additional service users per year based on an average cost of care per year of approximately £50k each allowing for annual inflation and uplift.	MEDIUM	11,594	159	164	169	169	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Revision	P22-3L	P003-L	Victoria Collins	<b>Older People</b> - General net demographic growth of 3% based on forecast MK population changes. Principally this will fund growth of home care packages. The increased growth in 2021/22 is to adjust for an understatement in the previous forecast. The forecast for 2022/23 returns to the normal demographic growth based on 3% growth.	HIGH	14,290	602	390	489	504	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Revision	P22-4L	P004-L	Victoria Collins	<b>Physical Disabilities</b> - General net demographic growth of 2% based on forecast MK population changes. Principally this will fund growth of homecare packages. Growth pressures are lower in 2021/22 than previously anticipated as a result of the impact of demand management initiatives and the reduction in demand for Direct Payments. The reduction in pressure will continue in 2022/23 and plateau at £0.095m for 2023/24 and 2024/25.	MEDIUM	6,827	264	95	95	95	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	Revision	P22-5L	P005-L	Victoria Collins	<b>Mental Health (MH) and Autism Services</b> . The number of care packages have grown in 21/22 as expected and 22/23 placements have been forecast to grow by another 25 packages creating an overall pressure of £578k plus 3 21/22 transitions and 1 22/23 complex MH transition package at a further cost of £127k. Therefore total pressure is £705k which is offset against client contributions of (£133k) creating a net £571k pressure for 22/23. The transition costs are based on a full year for 23/24 adding £166k to expected growth of £459k	MEDIUM	1,505	571	625	459	459	DEMOGRAPHY	FINANCIAL Model
Emily Darlington	Adult Services	New	P22-6N	New	Victoria Collins	<b>Community Support Team</b> - creation of a new team, pilot funded from one-off underspends, therefore no current year pressure but now requested to include in the base budget. The pressure will be mitigated against a saving put forward in Annex C (S22-3N).	LOW	0	316	0	0	0	DEMOGRAPHY	FINANCIAL Model
						<b>Total Adult Services</b>			<b>3,990</b>	<b>2,900</b>	<b>1,592</b>	<b>1,607</b>		
Zoe Nolan	Children's Services	Revision	P22-7L	P014-L	Mac Heath	<b>Home to School Travel</b> - the number of pupils entitled to home to schools transport is expected to increase by 3.03% in special schools and 1.88% in mainstream schools in 22/23 and future years. There is a higher increase in 22/23 to bring the base budget in to line with current spend, the future years pressure is based on the expected increase for new journey's as a result of increasing pupil numbers and their complexities.	MEDIUM	4,993	440	289	339	345	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	Revision	P22-8L	P015-L	Mac Heath	<b>Children with Disabilities</b> - The number of children with an EHCP has increased from 2,276 in 20/21 and currently sits at 2,505 in 21/22 (an increase of 10%). This has coincided with an increase in the number of children being supported and receiving a direct payment through the Children with Disabilities team with the number of service users increasing from 165 in September 20 to 188 in September 21.	MEDIUM	1,123	180	85	94	103	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	New	P22-9N		Mac Heath	<b>Children's Social Care Placements</b> - Increase in the complexities of children becoming looked after and those requiring permanent placements such as special guardianship, adoption, staying put and residence orders. The current lack of in-house capacity has resulted in children being placed in external, higher cost placements. Also due to the complexity of children's needs, specialist placements such as high cost secure and residential placements are also being required. The pressure for 22/23 is based on the current known placements and trends. Going forward, for 23/24 onwards demand has been estimated by looking at the expected increased in child population which we have used an average of 1.25%.	HIGH	18,368	264	250	253	256	DEMOGRAPHY	BUSINESS CASE
Zoe Nolan	Children's Services	New	P22-10N		Mac Heath	<b>Regional Adoption Agency</b> - MKC is in a partnership with Central Beds Council. Interagency costs are being reviewed so they are met by each LA, this will mean there will likely be an additional cost to MKC as there are a higher number of adoptions undertaken by MK as a result of demographic factors.	MEDIUM	760	53	0	0	0	DEMAND: NEW	BUSINESS CASE
Zoe Nolan	Children's Services	New	P22-11N		Mac Heath	<b>Adoption Rate Review</b> - The adoption rate has been reviewed so that it aligns to the fostering rate. Thereby creating equity and transparency of the eligibility and offer, which will meet the DfE guidance in offering a fair and objective process for current and prospective adopters.	LOW	662	86	0	0	0	DEMAND: NEW	BUSINESS CASE
Zoe Nolan	Children's Services	New	P22-32N		Mac Heath	<b>Children's Social Work</b> staffing pressure as a result of the cost of social worker progressions over the next 18 months, including budget to pay for a liaison officer post in the Multi-Agency Safeguarding Team and budget for an additional level three social worker to meet the number of referrals into the Family Support Service	LOW	11,093	121	0	0	0	DEMAND: NEW	BUSINESS CASE
						<b>Total Children's Services</b>			<b>1,144</b>	<b>624</b>	<b>686</b>	<b>704</b>		

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						<b>Total Public Health</b>			0	0	0	0		
Rob Middleton	Finance & Resources	New	P22-13N		Steve Richardson	Microsoft Licences - with the move to a subscription based software approach, there is a need to increase the number of licences costing, £0.140m. In addition, there is also an anticipated spike increase upon renewal of the contract in July 2022.	LOW	567	163	47	0	0	DEMAND: NEW	BUSINESS CASE
Rob Middleton	Finance & Resources	New	P22-14N		Steve Richardson	Insurance Premiums - the latest advice the authority has received from the insurers is that the premiums will increase from April 2022.	MEDIUM	1,124	41	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
						<b>Total Finance &amp; Resources</b>			204	47	0	0		
						<b>Total Chief Executive, Social Care and Housing</b>			5,338	3,571	2,278	2,311		
Pete Marland	Law and Governance	New	P22-16N		Sharon Bridglalsingh	Additional Legal Staff to cover Children's Social Care Cases - in April 2021 officers approved the recruitment of an added CS lawyer to cover the long standing pressure in this work. This post will assist in covering the less complex cases. The budget for the more complex cases is held within Children's Services and another pressure is being shown elsewhere. The overall pressure is £55k but due to vacant posts, cover costs could temporarily exceed the core pressure in 22/23	LOW	1,789	75	-20	0	0	DEMAND: NEW	BUSINESS CASE
Pete Marland	Law and Governance	New	P22-33N		Sharon Bridglalsingh	Councillors Allowances - The current scheme of councillor's allowances has run for 4 years (the maximum life of an indexed scheme) and is being reviewed with effect 22/23 for a further 4 years.	LOW	830	60	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
						<b>Total Law &amp; Governance</b>			135	-20	0	0		
Pete Marland	Planning & Placemaking	New	P22-34N		Paul Thomas	Planning Specialist Post - Waste and Minerals - Provide specialist support to cover waste and minerals support to planners. The pressure of this cost is covered by the increase in the land charges income budget in the savings schedule.	LOW	1,094	54	0	0	0	DEMAND: NEW	BUSINESS CASE
						<b>Total Planning &amp; Placemaking</b>			54	0	0	0		
Lauren Townsend	Environment and Property	Previously Approved	P22-17L	P031-L	Stuart Proffitt	Demographic Growth - waste contracts (refuse collection, food and garden waste collection and disposal, street cleansing, and household waste sites) based on an increase to reflect additional properties in MK ranging over the next 4 years from 1.37% to 2.37%. Projections are based on new homes projections.	LOW	17,845	379	475	420	303	DEMOGRAPHY	FINANCIAL Model
Lauren Townsend	Environment and Property	Previously Approved	P22-18L	P032-L	Stuart Proffitt	Demographic Growth - landscape maintenance based on 2% growth in landscape adopted areas, in line with estimated highways growth.	LOW	2,307	46	49	52	54	DEMOGRAPHY	FINANCIAL Model
Lauren Townsend	Environment and Property	Previously Approved	P22-19L	P033-L	Stuart Proffitt	Demographic Growth - highways and street lighting maintenance, winter service and street lighting energy due to 2% growth in adopted highway per annum	LOW	5,029	101	103	105	107	DEMOGRAPHY	FINANCIAL Model
Lauren Townsend	Environment and Property	Revision	P22-20L	P046-N	Stuart Proffitt	Gully Emptying - MK has 72,000 Gullies that require ongoing maintenance, this represents a 27% increase in assets compared to 2014, when the current maintenance schedule was put in place. Additional funding to reflect increased numbers will mean that an asset based approach can be developed and the 18-month maintenance cycle maintained.	LOW	426	50	0	0	0	POLICY CHOICE	BUSINESS CASE
Lauren Townsend	Environment and Property	Revision	P22-21L	P059-L	Stuart Proffitt	Highways Adoption income increased in 19/20 by net of added staffing costs of £400k in relation to the adoptions from the Western Expansion Area. However, this increased income will not be on going and so was tapered down over 2 years (21/22 and 22/23) Now plan to end in 23/24 as income still strong and agency staff still needed.	MEDIUM	-1361	0	280	0	0	DEMAND: NEW	BUSINESS CASE
Lauren Townsend	Environment and Property	New	P22-22N		Stuart Proffitt	Residual waste tonnage - tonnage increased during the pandemic and has appeared to stabilise at a level greater than that when the 22/23 budget was set and as a result, additional tonnages have meant that we have exceeded the levels to qualify for £0 gate fee, and therefore we are charged at the higher for the excess. This area remains under close review given the nature of changing behaviours (in the context of home working etc.).	MEDIUM	1032	536	0	0	0	DEMAND: NEW	BUSINESS CASE
Lauren Townsend	Environment and Property	New	P22-23N		Stuart Proffitt	Waste contamination - An increase in household waste generally is resulting in higher contamination charges at the MRF.	LOW	964	80	0	0	0	DEMAND: NEW	BUSINESS CASE

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Lauren Townsend	Environment and Property	New	P22-24N		Stuart Proffitt	RWTF insurance - There is an expected increase in the market for insurance around waste management facilities and as a result, the premiums are expected to increase. Under the contract with our provider, we are responsible for the uplift in insurance above that of the initial agreed sum.	LOW	0	170	0	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
Lauren Townsend	Environment and Property	New	P22-30N		Stuart Proffitt	Commissioning 2023 - estimated additional cost of reprocurement of waste and landscape services. Costs are based on current professional advice and will be clarified as the market position is confirmed during the tender process	HIGH	14,264	0	1,750	0	0	CONTRACTUAL CHANGE (NEW CONTRACT WITH HIGHER PRICE)	BUSINESS CASE
Lauren Townsend	Environment and Property	New	P22-28N		Stuart Proffitt	Sponsorship income - we have seen a decline in demand and therefore income (generated from roundabout and bus shelter advertising) and this is not anticipated to recover.	MEDIUM	-280	87	0	0	0	DEMAND: NEW	BUSINESS CASE
Lauren Townsend	Environment and Property	New	P22-29N		Stuart Proffitt	Flood Risk Role - Following the Christmas 2020 floods a dedicated post was created to facilitate community engagement and manage internal flood risk. This post required ongoing funding.	LOW	97	50	0	0	0	DEMAND: NEW	BUSINESS CASE
Lauren Townsend	Environment and Property	New	P22-36N		Stuart Proffitt	Environmental Records Centre / Natural Environment Partnership - Partnership costs currently unbudgeted	LOW	0	25	0	0	0	DEMAND: NEW	BUSINESS CASE
						<b>Total Environment and Property</b>			<b>1,524</b>	<b>2,657</b>	<b>577</b>	<b>464</b>		
						<b>Total Deputy Chief Executive</b>			<b>1,713</b>	<b>2,637</b>	<b>577</b>	<b>464</b>		
						<b>GRAND TOTAL</b>			<b>7,051</b>	<b>6,208</b>	<b>2,855</b>	<b>2,775</b>		

Risk level	Description
High	Very Likely to change and the impact could be significant >£200k in any one year
Medium	Likely to change and impact could be up to but not more than £200k per annum
Low	Fixed or unlikely to change and impact less than £50k in any one year

Risk Level	2022/23	2023/24	2024/25	2025/26
High	866	2,390	742	760
Medium	4,409	3,164	1,536	1,551
Low	1,776	654	577	464
<b>Total</b>	<b>7,051</b>	<b>6,208</b>	<b>2,855</b>	<b>2,775</b>