



Minutes of the meeting of the BUDGET AND RESOURCES SCRUTINY COMMITTEE held on TUESDAY 18 SEPTEMBER 2018 AT 7.00 pm

Present: Councillor R Bradburn (Chair),
Councillors Cannon, Darlington, Ganatra, Gilbert, P Geary, Khan,
Miles and Rankine

Apologies: Councillor C Wilson – Councillor Miles substituting
Councillor K Wilson – Councillor Darlington substituting

Officers: P Simpson (Corporate Director (Resources and Commercial Development)), S Richardson (Service Director (Finance and Resources)), A Rulton (Strategic Finance Business Partner), R Bate (Head of Service – Revenue and Benefits), M Ashton (Acting Finance Director – LGSS), E Richardson (Overview and Scrutiny Officer)

BR10 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

BR11 MINUTES

The Chair advised the Committee that the recommendations on the General Fund Revenue Account, Housing Revenue Account, Dedicated Schools Grant and Capital Programme Outturn Report for 2017/18 made to Cabinet following the meeting on 17 July 2018 had been received and noted by Cabinet at its meeting on 4 September 2018.

RESOLVED –

That the Minutes of the meeting of the Budget and Resources Scrutiny Committee held on 17 July 2018 be agreed and signed as a correct record by the Chair.

BR12 UPDATE ON IMPROVMENTS TO THE MILTON KEYNES COUNCIL BENEFITS SERVICE

The Committee had previously scrutinised the problems faced by the Council's Benefits Section in delivering a service to the residents of Milton Keynes at the meeting held on 13 March 2018 and had requested the Head of Service (Revenue and Benefits) to provide an update at the September meeting.

The Committee received a short presentation from the Head of Service, who updated it on service improvements and successes,

including Key Performance Indicators, shared service integration, continuing challenges and some key messages for the future.

The Committee then discussed the presentation with the Head of Service and noted the following:

- (a) The number of agency staff employed in the section was currently only 8 people out of an establishment of 60. This would continue to reduce as resilience within the Section was increased;
- (b) There were currently 28 vacancies outstanding for new staff, which were in the process of being filled;
- (c) An apprenticeship had been developed within the service with in-house training to NVQ Level 3 in Revenues and Benefits and Customer Service. This provided career progression into a permanent post after a year's training;
- (d) Team Leader / Manager apprenticeships had also been developed for established staff on a part-time basis to improve their skills whilst they continued in their substantive posts. This meant that vacant Team Leader / Manager posts could be filled from a pool of in-house trained staff;
- (e) The Head of Service hoped, in future, to be able to sell spare capacity to other local authorities if it became available;
- (f) It was now taking an average of 32 days to process new claims, down from 56 days in March;
- (g) 'Change of Circumstances' cases could be handled more quickly, taking an average of 6.5 days;
- (h) The severe flooding in Milton Keynes during May 2018 had produced a spike of claims earlier in the summer, but this had now eased and the service was back to business as usual
- (i) The Head of Service acknowledged that at peak times it could take some time to get through by telephone to speak to someone in person. He asked councillors to, if possible, encourage people to use some of the other alternatives ways of making contact which were now available. He would check average response times and get back to the Committee with the information;
- (j) There was a need for the Benefits Service to work in a more joined-up fashion with both Council Tax and the Housing Department so that claimants need only to speak to one person to get all their issues resolved;
- (k) Horsham District Council was now a customer of LGSS for Revenue and Benefits Services, bringing some specialist staff into the mix. Additional customers would increase both the department's resilience and produce savings through economies of scale;

- (l) The service was gearing up for the introduction of Universal Credit by getting the right staff in the right place before it went live in Milton Keynes;
- (m) The Revenues and Benefits team were also giving a series of presentations and communications to staff in various departments who would be involved in dealing with the Universal Credit system;
- (n) The Council did have reserves in place which could be called on to cover the initial impact of the transition to Universal Credit if required.

RESOLVED -

1. That the Head of Service (Revenue and Benefits) be thanked for his presentation updating the Committee on the progress to improve service delivery by the Benefits Team..
2. That the Committee commends the Benefits Service for the progress made so far and welcomes the proposals for further improvements.
3. That the Head of Service (Revenues and Benefits) be asked to bring a further progress report to the March 2019 meeting of the Budget and Resources Committee. The Committee is particularly interested to learn about the impact of the roll out of Universal Credit scheduled for November 2018.

BR13

MEDIUM TERM FINANCIAL OUTLOOK 2019/20 TO 2022/23

The latest report on the Council's Medium Term Financial Outlook had been presented to Cabinet on 4 September and provided an update of the Council's current financial position, together with an Outlook for the future.

The Committee received a short presentation which outlined the current Medium Term Financial position, the approach to the 2019/20 budget setting process which included a longer term transformation plan, the key issues which had arisen since the 2018/19 budget had been agreed in February, and what needed to happen in the future.

Current issues included an increase in the number of discretionary housing payments to meet the Council's new obligation under the 2017 Homelessness Prevention Act to help people stay in their homes, particularly those living in the private rental sector. The Committee was also advised that Microsoft was withdrawing the local authority discount on its IT operating licenses. They were the dominant players in this particular market and it would be very difficult for any local authority to move to another supplier in the short term.

The Committee raised a concern that whilst it realised that it was an unknown quantity, there did not appear to be any post-Brexit planning built into the Council's Medium Term Financial Plan. The

Service Director (Finance and Resources) explained that some money had been put aside in the Council's reserves as a short term buffer against any negative consequences of Brexit, but that, in his view, rising inflation was probably a bigger risk.

The Committee was advised that the whole of the public sector was talking to central government via the Local Government Association and that hopefully more clarity will develop over the next couple of months so that councils can start to plan as the detail comes forward. The Corporate Director (Resources and Commercialism) explained that it could be 3-4 years before any negative consequences of Brexit were felt, but he was confident that Milton Keynes was much better placed than some other local authorities to deal with these if they happened. There would be more detail in the report on the 2019/20 budget which would be presented to Cabinet in December.

The Business Rate retention scheme was important to Milton Keynes but it was a complicated scheme for local authorities to administer. Councils had to project what they thought Business Rates should be, but the final figure was then set by central government which might not reflect local conditions. Revisions to the scheme were in the pipeline, with the possibility of the Council retaining up to 75% of the local Business Rates. This would have to be offset by reductions in government grants and the income from Business Rates would be more subject to risk and external influences, such as a serious downturn in the economy. However, Milton Keynes had the potential do well from the changes, but again the detail was awaited. For the revised scheme to work successfully, local authorities would need to get closer to the local business communities and engage more with them.

The Committee also learnt that Milton Keynes Development Partnership (MKDP) was looking into how more businesses could be attracted to Milton Keynes, although at present there was no-one on the board with inward investment experience.

The Committee suggested that the Council needed to look at the longer term impact of savings; short term savings could look good on paper, but experience had shown that they were not necessarily as good in the medium to long term. The Council also needed to engage with the market early in order to shape contracts, specify services and keep costs down.

RESOLVED –

1. That the Service Director (Finance and Resources) be thanked for his presentation advising the Committee of the Council's Medium Term financial position and assessment of possible future issues.
2. That the Budget and Resources Scrutiny Committee takes a detailed look at the original business case for the development of the Residual Waste Treatment Facility in order to assess the

knock-on effect on the Council's budgets of the delay in income realisation and make recommendations as the future management of other such projects.

3. That the lessons learned in respect of claiming savings within a budget before they are received from the development of the Residual Waste Treatment Facility are taken note of when future budget proposals are being prepared.
4. That during the preparation of the draft 2019/20 budget it is made clear to both councillors and the public that the additional 3% charge for social care services on Council Tax was a temporary measure which the Government had allowed the Council to take in 2018/19 and will not apply for the coming financial year (2019/20).

BR14

GETTING TO GRIPS WITH THE CAPITAL PROGRAMME

The Committee received a presentation from the Strategic Finance Business Partner (Capital Programme) explaining what the Capital Programme was, how it was funded, and the new governance procedures to improve its overall management.

The new procedures included:

- Quarterly reporting to Cabinet, including report forecasts, changes to the programme and requests to release capital funding;
- The new "Gateway" process included scheme prioritisation appraisals, resource allocation, spend approval and new "pipeline" projects;
- Corporate Governance was provided by Programme Boards, Portfolio Boards and the Corporate Portfolio Board which oversaw the whole programme.

The Committee discussed the use of S106 money. Projects needed to be in place before the funds could be claimed and some ideas could take a long time to develop into a proper project. This should be easier with the new 'pipeline' process to review future projects. The Committee sought clarification as to whether any S106 funds were at risk of not being spent and being returned to the developer and requested that an update be brought to its December meeting.

RESOLVED –

1. That the Strategic Finance Business Partner (Capital Programme) be thanked for her presentation setting out how the Capital Programme operates and the measures being put in place to improve its overall management.
2. That the Corporate Director (Resources and Commercial Development) brings a report to the December meeting of the Budget and Resources Scrutiny Committee on the number and range of projects which could have been supported by the

application of S106 funding but which did not happen because initial plans were not in place to enable the Council to make a claim for S106 funding.

3. That the Overview and Scrutiny Officer circulates to the Committee the documentation relating to S106 funding received at the meeting held on 13 March 2018 for the benefit of the new members of the Committee, and as a refresh for continuing members, prior to the October Challenge meetings.

BR15

OCTOBER 2018 DRAFT BUDGET CHALLENGE MEETINGS

The Committee noted that the Work Programme for the October Challenge Meetings to scrutinise and discuss the identified pressures in the draft 2019/20 budget proposals had been agreed with Cabinet Members and Directorates as follows:

- 03 October – Political Context and Place Directorate;
- 09 October – People Directorate;
- 16 October – Resources and Corporate Core; and
- 23 October – Review and Report.

The Committee also noted that this year the Cabinet had refreshed its approach to developing the budget from “Smarter, Sustainable, Different” to “Thinking Differently, Being Smarter, Working Together”.

The Committee’s Planning Group had issued a set of guidance notes to assist Cabinet Members, senior budget holders and their finance support staff in the preparation of the reports for the Challenge meetings and it was hoped that this would provide clarity for those presenting to the Committee during the Challenge meetings as to the Committee’s expectations.

RESOLVED –

That the publication of the agenda for the October 2018 Challenge Meetings on 24 September 2018 be noted by the Committee.

THE CHAIR CLOSED THE MEETING AT 21.30