

April 2025

# Changing because we have to



‘Local government finances are becoming unsustainable, due to increasing demand on essential frontline services, the impact of delayed finance reform and the erosion of investment in preventative programmes.

While funding to local authorities, available through the Local Government Finance Settlement (from council tax, central government grants and business rates), increased by 4% between 2015-16 and 2023-24 to £55.7 billion, it was not reflected in funding per person during the same period, which fell by 1%.

Nor has the funding kept pace with the demand for services to people most in need of support, mainly adult and children’s social care, temporary accommodation and the special educational needs and disabilities (SEND) system, which has increased over and above population growth. Over half (58%) of the £72.8 billion spent by local government in 2023-24 was on adult and children’s social care’.

**National Audit Office**

**Local Government Financial Sustainability Report**

February 2025

## All councils are under financial pressure

Although income has increased, the demands put on councils continue to rise, especially children's social care, adult social care and homelessness. It is no different here. Adding to the problem are the rising costs we're having to deal with.

We've been taking a year-to-year approach to setting and managing our budget. This is mainly because we've only been receiving annual financial settlements from the government, making longer-term planning difficult.

But in December 2025 we're expecting a three-year financial settlement from the government. This will give us greater financial certainty and an opportunity to make changes to ensure the council's finances are as sustainable as possible.

Our last forecast shows we have a **£32 million budget gap** opening up over the next three years – it will probably be more. This means further change is unavoidable unless we get more government funding. This seems unlikely in the near future.



## **There is no going back**

Local government has changed beyond all recognition. Many of the things that councils used to do, and the way we used to be able to do things, are now long gone.

Here in Milton Keynes, we've done our very best to keep providing the services local people care about most, from weekly bin collections to keeping libraries and family centres open, but many other services have had to stop or change. Although we have many dedicated and hard-working colleagues, many of our teams are smaller than they have ever been, and it is becoming increasingly difficult to meet the expectations of a city of 300,000 people.

### **We can't carry on like this for much longer.**

We know that change is difficult, and some of the new ways of working set out here won't lead to better services. But they do address the financial reality we are facing and will help the council to continue to be able to deliver the important services that residents need in the best way we can.



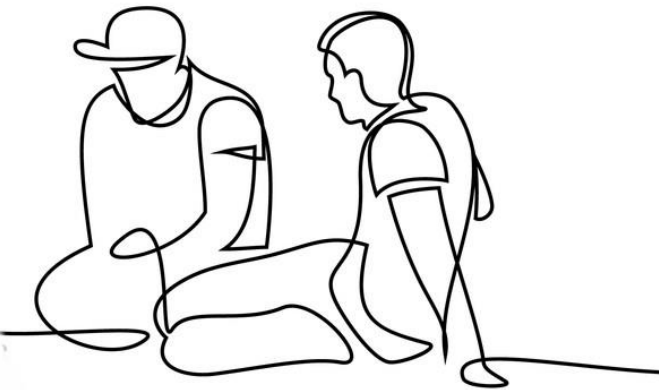
## There are some things we cannot change

The council must work within the law and comply with an extensive set of regulations. This means we're often unable to change what we do or even the way we do it very much. Only the government, or the courts, can allow us to do that.

There are also challenges in the wider market. For example, the high cost of children's residential care is largely due to a limited supply. While we can attempt to tackle such issues at a local level, we acknowledge that many of these problems are national concerns that require government action. Then there are the unavoidable costs that all organisations have, such as software licenses and insurance, which continue to increase.

### **This all limits our scope to reduce our costs.**

So, our strategy focuses on the things we can change. We have a strong track record of delivering change and making savings. At the heart of our new strategy are three *must do's*. Each of the *must do's* will lead to action plans, which will need to adapt depending on how things pan out over the next three years.



# **Our three *must do's***

- 1 Become a highly productive organisation**
- 2 Use evidence to improve service impact**
- 3 Only do things ourselves where it makes sense**

# 1

## **Become a highly productive organisation**

### **Where we must get to by 2029**

- 1.1 Empowered colleagues who need less management and supervision and who demonstrate they are doing their job well; fulfilling all aspects of their job description.
- 1.2 A simplified organisational structure, with less internal bureaucracy and all our managers taking responsibility for council-wide performance.
- 1.3 Streamlined operations, based on the principle of only doing what is needed to get the job done with technology being used to lower our running costs.
- 1.4 Colleagues recognised for the value they add, with greater use of incentivisation where it can increase productivity.
- 1.5 Accepting that failure is often part of innovation and change and it is OK to try things that don't work out.

# 2

## **Use evidence to improve service impact**

### **Where we must get to by 2029**

- 2.1 A council-wide 'what works' approach that maximises the use of available evidence to improve service impact and secure best value for money.
- 2.2 The consistent application of a test and learn methodology when developing new ways of working which starts small and builds on proof of success.
- 2.3 A stronger focus on prevention and early action, spending money where there is robust evidence it will have a positive impact and reduce demand on more expensive interventions.
- 2.4 Greater use of data to target those communities and residents most in need of our help.
- 2.5 Recognition that providing services is not always the answer; building community resilience and self-reliance is often likely to be better and more sustainable.



**Only do  
things  
ourselves  
where it  
makes sense**

## **Where we must get to by 2029**

- 3.1 A clear rationale for each service the city council directly provides and the functions we carry out, so we know why we are doing it ourselves.
- 3.2 More co-designed, jointly run and co-funded services working with other public bodies, like the NHS and schools as well as the voluntary and community sector.
- 3.3 Consistent and proactive management of the organisations who provide services on our behalf to ensure we are getting the best from them.
- 3.4 Simplified, price-driven commissioning, less on-the-spot purchasing and an emphasis on developing our local market through encouraging new and diverse providers.
- 3.5 Greater co-production and co-operation with our local town and parish councils and neighbouring unitary councils.

## **Only do things ourselves where it makes sense**

One of our *must-do's* is to **only do things ourselves where it makes sense**. This means looking at all our services and functions to see if there is a more cost-effective way to do things.

There are many reasons why we might use another organisation to run a service or carry out a function, for example:

- They have specialist or commercial skills that we don't.
- They have tried and tested systems and processes.
- They have size and scale which we can benefit from.
- They can unlock volunteering or community action.

And this means they can do the same thing at a lower cost.

Of course, this isn't new – we already work with other organisations to deliver services, like bin collections, where Suez, a large multi-national company, does this for us. We also work with smaller, local organisations like Citizens Advice Milton Keynes to provide support services to carers.

## **Building resilience and self- reliance**

Councils can no longer afford to do everything they once did for residents. More and more of our funding is now having to be spent on people with very significant needs.

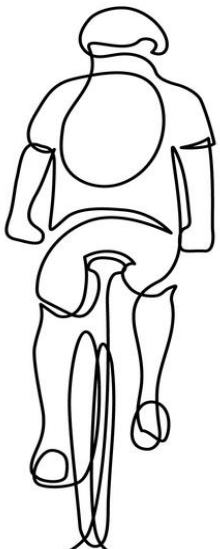
This means our communities will have to become more resilient and for local organisations, like charities and the voluntary sector, to help residents create happy and thriving neighbourhoods.

It also means we have to find new ways to support everyone to be more self-reliant and able to deal with adversity, from a severe or acute life event or the stresses of everyday life, with limited support from the council.

We'll only do this through joined-up working with public bodies like schools and the NHS and focusing much more on what people and communities can do for themselves rather than what they can't and equipping them with new skills.

Of course, there are limits of what might be achieved. We recognise the impact of structural inequalities like poverty.

## **We can get through this**



Although the challenge ahead shouldn't be underestimated, we're a well-managed organisation, with a track record of delivering successful change, for example:

- We've transformed our waste and recycling services
- Rationalised our estate and cut accommodation costs
- Transferred assets to parish and town councils
- Established many shared services with the NHS
- Reduced spending on agency workers and consultants

Another advantage we have is the time to plan changes and implement them carefully - this isn't a one-year strategy, it covers a three-year period from April 2026 to March 2029.

We remain committed to an 'invest to save' approach, where we use our reserves to support change and on innovations and technology that will lower costs in the long term. We're also determined to continue being a good place to work, offering our colleagues a modern working environment and the opportunity to make a positive contribution to the community.

## Next steps

We're interested in what people think about this strategy. Does it go far enough? Is it focused on the right things? Have we missed something out?

We will be asking for feedback on the strategy during May 2025. We'll then consider what we hear and make any changes to the strategy.

The Cabinet Member for Finance and Resources will make a formal decision to adopt the strategy in June 2025. We will then start implementing the strategy.

Then, in December 2025 when we receive our three-year financial settlement from government, we'll be able to work out the size of the financial challenge facing us and produce an updated version of the strategy with savings and efficiency targets.

Comments on the strategy can be emailed to us at:  
**[change@milton-keynes.gov.uk](mailto:change@milton-keynes.gov.uk)**

