

LGA Corporate Peer Challenge

Milton Keynes City Council

Monday 10th March to Thursday 13th March 2025

Feedback report



Corporate Peer Challenge

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1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending four days at Milton Keynes City Council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of Sector-led Improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

2. Executive summary

Milton Keynes City Council (the council) is a high-performing and well-run council with a strong track record of delivery. The council clearly understands its many strengths and its challenges, as well as the needs of the place. As a thriving city it has many exciting opportunities: it is the youngest, fastest growing and most ethnically diverse city in the South East; indeed multi-culturalism has really worked in Milton Keynes. The peer team enjoyed spending time in Milton Keynes and seeing the interesting regeneration projects and developments that the council is driving forward.

The council has benefited from strong and consistent leadership. Both the Leader of the council and the chief executive were commended for their passion and commitment to improving the council and the city. Both were consistently described by councillors, officers, and external stakeholders as highly visible, collaborative and engaging.

Under their leadership the council has embraced partnership working; it is an outward facing organisation that is maximising its role as an effective convener. As a result, the council plays a credible role on the local and regional stage, both at the political and officer levels.

By working effectively with a diverse range of partners, including neighbouring councils and other public sector partners, positive outcomes are being realised. For example, the development of the 'MK Deal', involving the Bedfordshire, Luton and Milton Keynes Integrated Care Board (ICB) is pooling £10m of NHS funds, which is leading to greater place-based working. The council is, however, encouraged to prepare for a more challenging financial environment across the ICB in the context of the very significant financial deficit.

As well as public sector partners, the council has strong relationships with individual community and voluntary sector (VCS) organisations, particularly the MK Food Bank. Despite this progress, the peer team recommends the council to have a more strategic conversation with the VCS in the city.

The granting of City Status in 2022 was a significant milestone for Milton Keynes and this clearly instilled a huge amount of pride across the city. The peer team feel the council is well-positioned to build on this achievement to elevate both the council's and city's profile and maximise its unique strengths and ambitions. This will require a shift from the council's existing modest approach to one that proactively markets Milton Keynes and celebrates its successes; the involvement of senior councillors, especially in outward facing communications, is encouraged.

The council's ['Strategy for 2050'](#) sets ambitious, long-term goals for the future of Milton Keynes. The peer team found these priorities to be well-understood among councillors, officers and partners, with significant buy-in to delivering this vision.

Delivering this vision relies heavily on the capacity and capability of the council's workforce; fortunately, this is a clear position of strength as colleagues are passionate, enthusiastic and proud to work at Milton Keynes City Council. There is a caring and inclusive culture, and colleagues are empowered by visible senior leaders to continuously identify ways to do things better to improve service delivery. The council also embraces equality, diversity and inclusion, with senior leaders championing the 'Workplace for Everyone' initiative, and this is a platform that can be built on to increase the diversity of the senior team.

In a similar vein, councillors and officers work constructively together. Councillor and officer working relationships are seen as effective, supportive and characterised by mutual respect. Nevertheless, there remains work to do to improve the overview and scrutiny function; casework processes could better reflect councillor and officer requirements; and the uptake of councillor training could be better. Furthermore, looking ahead to the elections in 2026, the councillor training offer should be ready for a potential new intake.

The council's prudent approach over many years has led to a relatively stable financial position. Reserves have been maintained and officers and councillors have identified future financial pressures facing the council. Sound governance and audit processes supplement its culture of effective financial management and planning.

Despite these strengths, achievements and extensive delivery, the council has a genuine commitment to continuous improvement; the development of the three-year 'stability strategy' provides a great opportunity to build on the council's reputation for getting things done, and getting them done well. The peer team commends the council's ambition and looks forward to seeing how Milton Keynes continues to thrive in the future.

3. Recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

3.1 Building on the success of achieving city status and in light of your

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18 Smith Square, London, SW1P 3HZ www.local.gov.uk Telephone 020 7664 3000 Email info@local.gov.uk

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Chair: Councillor Louise Gittins

Chief Executive: Joanna Killian

President: Baroness Grey-Thompson

devolution ambitions, do more on marketing the great progress made by the city and the council to residents and wider audiences.

The achievement of city status in 2022 was a significant milestone for Milton Keynes. Whilst there is much to be proud of, both for the city and the council, there is potential to increase the marketing of your achievements. This will ensure councillors, staff, partners, residents, see how they can support the delivery of this vision; and it will drive the awareness of Milton Keynes' strengths to wider audiences.

3.2 Improve your Overview and Scrutiny function.

Councillors and senior officers are keen to provide more effective scrutiny; the council should work with councillors and officers to enhance and embed a culture of more effective overview and scrutiny across the council.

3.3 In preparation for all out elections in 2026, ensure your councillor training offer for statutory committees is ready for a potential new intake and improve councillor uptake of training.

Whilst the council's development offer for councillors is welcomed, councillor attendance at training is inconsistent and can be improved. The council should also review its existing councillor training programme for statutory committees to ensure that potential new councillors in 2026 can fulfil their roles.

3.4 Ensure the casework processes reflect councillor and officer requirements

Ensure the casework management system works for all councillors, for council services and, through improved performance, for the residents they serve. Use this to improve the quality of advice from service areas.

3.5 Make the role of senior councillors in outward facing communications more prominent

Following the change in May 2024 to an administration with an outright majority, there could more consideration of a greater role for senior councillors in external facing communications.

3.6 Consider how, as you develop the stability strategy, you involve councillors, your workforce and their representatives

The development of the stability strategy is crucial for the next phase of the council's improvement journey. It is vital that all councillors and staff at all levels are suitably engaged so they are bought into the strategy's ambitious objectives.

3.7 Lead a conversation with the Community and Voluntary Sector on developing future strategies, with one eye on the financial pressures the council faces

The council already has strong relationships with various community and voluntary sector organisations across the city. There is potential to further collaborate and build on this in a strategic way.

3.8 Prepare the organisation and partners for the more challenging financial environment across the ICB in the context of a very significant financial deficit, whilst maintaining the positive attributes and culture of the place partnership

The council's senior leadership role with the ICB is already supporting both local government and the NHS to delivering its work on prevention and tackling health challenges facing the local population. The effective and constructive partnership working across the ICB stand partners in good stead for adjusting expectations and focus, especially in the context of significant financial constraints.

3.9 On succession planning, develop the Workplace for Everyone work to ensure opportunities for progression are helping increase the diversity of the senior team

Whilst the workforce broadly reflects the diversity of the city that it serves, there is underrepresentation at the senior management level. The council could explore ways to enhance the Workplace for Everyone programme to include targeted management talent pathways for underrepresented groups.

4. Summary of peer challenge approach

4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Susan Parsonage, Chief Executive, Wokingham Borough Council
- Cllr Eamonn O'Brien, Leader, Bury Council
- Cllr Joe Harris, Leader, Cotswold District Council
- Mark Bennett, Director HR OD and Transformation, Manchester City Council
- Shaun Darcy, Director Finance and Assurance, Walsall Council
- Megan Hermes, LGA Regional Adviser
- Nick Searle, LGA Peer Challenge Manager

4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its

current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?

5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every Corporate Peer Challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

4.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at Milton Keynes City Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent four days onsite at Milton Keynes City Council, during which they:

- Gathered evidence, information, and views from more than 40 meetings, in addition to further research and reading.

- Spoke to more than 100 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

5. Feedback

5.1 Local priorities and outcomes

Milton Keynes is an exciting city that serves a relatively young and diverse population of 287,060 people. It is the most ethnically diverse city in the South East of England, with all ethnic groups other than White British combined making up 49.9% of school pupils and 37.8% of all age residents.

The peer team found that the council has a robust understanding of its local context, the diversity of the place and the needs of the city, informed by its robust Joint Strategic Needs Assessment, which it developed with partners.

The council's priorities are outlined in the [Milton Keynes Strategy for 2050](#), which was published in January 2021 and then refreshed in January 2025. The ambitious strategy sets out the long-term vision for the city, what the priorities are and how opportunities can be created for residents. There are a number of supporting strategies and plans, namely the council's three-year Council Plan, which in turn is supported by an annual delivery plan. A list of planned management actions has been developed by the CLT and progress against this detailed list of actions is reported publicly after six months, and at the end of the council year. A 100 Day Action Plan was also published in 2024 by the new administration to reflect urgent priorities.

Communication of the council's priorities to staff, members and stakeholders is key to ensuring that they understand their role in supporting its objectives. The peer team heard that the development of the Strategy for 2050 involved meaningful engagement with staff, councillors and external partners. To further support this, the peer team consistently observed a strong awareness, understanding and ownership

of priorities amongst staff, councillors and external partners.

The council consistently strives to make improvements in service delivery and has made good progress on several of its key priorities. On housing, the council owns and manages more than 11,000 homes. Although it has a balanced 30-year business plan, the goals of meeting energy and Decent Homes standards across its full housing stock by 2030 are challenging. Despite these challenges, the peer team acknowledges the progress achieved to date to improve the stock, and encourages the council to not lose momentum on achieving its ambitions.

In 2013 the council established the Milton Keynes Development Partnership (MKDP), tasked with developing land and assets in the city. On regeneration, housing development and infrastructure, the peer team saw the Bletchley Public Realm improvements and visited the Lakes Estate and was impressed with the development to date and the vision. The peer team also enjoyed visiting the Waste Recovery Park, which is a standout example of innovation that will lead to reductions in the amount of waste sent to landfill as well as creating energy to power homes.

Like many councils across the country, homelessness continues to present a significant challenge. The council is investing in prevention and implemented various measures to tackle demand and control costs: in 2024 it opened Harben House as a new homelessness assessment and accommodation centre for homeless individuals and families. The peer team recognises the council is already working with landlords to explore alternative models of temporary accommodation. Whilst this approach is commended, the peer team encourages the council to broaden and align with a wider group of council services and voluntary sector partners focussing on early intervention and prevention.

The council cannot meet all its priorities on its own and there are many examples of genuine collaboration with partners, including the Neighbourhoods Project, Integrated Discharge Hub, and the work with the MK Food Bank. Furthermore, there are many good examples of co-production in adult services. The peer team encourages the council to look at how this approach can be replicated in other parts of the council.

Whilst public health is an important part of the council, the peer team found that it

could be more joined up both internally and with the Integrated Care Board. In tackling big areas that need improvements, such as late presentations of cancer and high teenage smoking during pregnancy, the peer team encourages the council to adopt a similar approach to the one undertaken to tackle obesity.

The council has set ambitious climate targets, striving for carbon neutrality by 2030 and carbon negativity by 2050. While the 2019-2050 sustainability strategy outlines a roadmap for achieving these goals, further embedding climate commitments across the organisation is necessary. Compared to other corporate priorities, staff awareness of the council's climate initiatives remains lower. Introducing internal training, such as carbon literacy programs for staff and members, could foster greater momentum and support the council's ambitious environmental objectives.

Transport remains a long-standing challenge for Milton Keynes due to the city's unique design, but the council is actively addressing this with robust plans. The five-year transport strategy, currently in development, shows promise for alleviating current challenges and transforming mobility in the city. While there is a risk of over-reliance on bus franchising, subject to future national legislation, the council's engagement has been comprehensive, and their commitment to reimagining transport systems is clear. By leveraging EV technology and promoting active travel, Milton Keynes has the potential to become a sector leader in innovative transport solutions.

The publication of the Devolution White Paper in December 2024 set out the government's commitment to widen devolution. Following this, areas were encouraged to develop proposals to establish mayoral combined authorities or mayoral combined county authorities. MKCC, working with Bedfordshire and Luton Councils (known as BLMK), submitted a proposal but was not one of the six areas invited to join the government's Devolution Priority Programme. Despite this disappointment, the council clearly recognises that devolution is a significant opportunity to address strategic gaps.

The council takes social value seriously and established 'More for MK' to drive forward its efforts to support smaller local suppliers and be a living wage employer. The peer team heard of examples where More for MK was integrated into tenders

and looking forward procurement activity will continue to include More for MK in specifications of requirements where appropriate to do so.

5.1.1 Performance

The peer team reviewed the various performance reports, including the reporting of Key Performance Indicators (KPIs), and found them to be comprehensive and well presented. The summary of service performance and KPIs is regularly reviewed by CLT and reported to the Policy and Performance Scrutiny Management Committee, along with comprehensive dashboards for each directorate and a PowerBi report.

On data more broadly, HR and Customer Services have good data dashboards. These are used to provide insight and help to drive service delivery and performance improvement. There is an opportunity to scale up this approach to include other data sets and other service areas, for example in areas such as adult social care and housing services. This could also assist in data driven decision making as part of the delivery of the stability strategy.

Regarding statutory services, positive progress has been made in children's services, and this is reflected in the recent 'Good' overall judgement from Ofsted in October 2024. Having received a 'Requires Improvement' judgement for a number of inspection cycles prior to 2024, the council was understandably delighted with this recognition. Notably, the council's support for young people leaving care was rated 'Outstanding'. The council's adult education was also rated 'Good' by Ofsted.

All adult social care departments are now subject to assessments by the Care Quality Commission (CQC). Milton Keynes City Council is currently waiting for notification from CQC about the timeframe for their assessment. It is, however, well led, with a good understanding of its strengths and areas of improvement.

Beyond these externally assessed services, the council's headline indicators are captured in the [LGA's LG Inform headline](#) report. This compares council performance to its chartered institute of public finance and accountancy (CIPFA) nearest neighbours. It shows how the council is generally in line or often compare favourably with its CIPFA nearest neighbours.

Examples of strong performance:

- General Fund Reserves: Among the benchmarking group, Milton Keynes has the highest amount of general fund reserves as a percentage of service spend in 2023/24 (71.6%).
- 2023/24 affordable homes delivery: Milton Keynes completed 1,000 affordable homes, well above the next council (712) and significantly above the benchmarking mean of 257.
- Waste: The percentage of household waste sent for reuse, recycling and composting performs well and is above average for the benchmarking group, with even higher expectations for latest figures soon to be released.

Examples where Milton Keynes is an outlier or performing below its CIPFA nearest neighbour group:

- Total number of households in temporary accommodation: in the 2023/24 Q2, Milton Keynes has the second highest number of households in temporary accommodation of the benchmarking group (9.52 per 000s).
- Social care expenditure: Milton Keynes is the lowest in the benchmarking group for total expenditure on both children social care per head of population (aged 0-17), and adult social care per head of population (aged 18+). On adults, overall spending will likely be affected by the relative proportion of older people in the population. Milton Keynes has a smaller percentage of the population aged 65 and over compared to England overall, and a smaller percentage of the population aged 65 compared to the average for the South East region.

5.2 Organisational and place leadership

The peer team heard consistent and positive feedback on the Council's political and officer leadership, which is highly visible and respected across the city and wider region.

The Leader of the council and the chief executive are seen as engaging and

collaborative, both inside the council and by external partners. The council has benefited from political stability, with an experienced and 'strong' Leader who has now led the council for over ten years. Cabinet is also seen as cohesive.

The council has eight directorates covering adult services; public health; children's services; customer and community services, finance and resources; law and governance; environment and property; and planning and place-making.

The senior officer team, known as the Corporate Leadership Team (CLT), consists of the chief executive, the deputy chief executive and eight directors, which includes the section 151 officer and the monitoring officer. Similar to the political leadership, there is stable and effective senior officer leadership, with only one interim in the top 50 management group. CLT is collectively described as collaborative and accessible to the workforce at all levels. CLT champion and support colleagues engaging in Equality, Diversity and Inclusion (EDI) activities.

The senior team also look outwards with several holding regional roles, including the Director of Adult Services chairing the East of England directors' network and the Director of Children's Services co-chairs the regional network. This demonstrates that the organisation is prepared to look outside the council to learn from others and to share the work that they are doing to benefit others and to further inform their work.

Whilst the overall workforce reflects the demography of the city, the council should continue to address the lack of visible diversity at its most senior levels. The council is fully aware of this, yet it may wish to consider further expanding its 'grow your own' approach to include targeted EDI management talent pathways to ensure that there is a diverse pipeline should opportunities at senior management level arise, and it could also consider engaging with other organisations that have navigated similar challenges.

Internally, the chief executive is accessible to staff and this is acknowledged and appreciated by the workforce across the council. There is regular staff communication from the chief executive through the weekly e-newsletter and The Update, which is the monthly live streamed news programme. The council's internal

communications are seen as informative and well-received, with a consistent corporate narrative, and colleagues welcome the ways in which they receive information.

The council is rightly very proud of its robust effective partnerships and relationships, having invested time and effort to develop and nurture these strong relationships, which have been built on trust. There was wholeheartedly positive feedback from neighbouring authorities, business partners, public sector partners and other stakeholders on the council's effective convening role, and the peer team consistently heard how the council is seen as open and willing to collaborate.

Partnerships with public sector partners are strong. The 'MK Deal' is an arrangement with the Bedfordshire, Luton and Milton Keynes Integrated Care Board, which has resulted in the pooling of £10m of NHS funds. As a result, it has gained the autonomy to develop services such as those designed to improve the flow in to, and out of, the hospital.

The police's relationship with the council is particularly highly regarded and the MK Together Safeguarding Partnership is a further example of strong collaboration. It is made up of senior leaders from key agencies across the city to co-ordinate local safeguarding of adults and children, improve community safety and integrate health and social care.

As well as public sector partners, the council also works effectively with the voluntary and community sector (VCS), as demonstrated through a recent investment of £1m in a new charity hub for the MK Food Bank. Whilst this relationship is effective, there is scope to expand engagement with the wider VCS sector and step into a more facilitatory and enabling role by connecting local groups. This could be achieved through the council fulfilling a more strategic leadership approach with the VCS, for example on developing future strategies. This will also increase understanding across the VCS of the council's financial challenges whilst maintaining an awareness of the financial pressures the council faces. Strengthening these relationships will be critical for navigating future challenges and sustaining ambition amidst the current challenging national environment, and helping to meet priorities in the council's stability strategy.

Unusually, the city is fully parished, with 48 parishes each with its own governing body. The peer team heard how the existing partnership with the town and parish councils in Milton Keynes is productive, yet there is strong enthusiasm to collaborate further. The council may therefore wish to consider this and explore how it could work more strategically with them.

The council has proactively built effective relationships over time with business partners and is an active player in these networks, notably the Milton Keynes Business Council and the My Milton Keynes Business Improvement Board. It was noted that the council was 'always open to listening' and had an 'open way of working'. The peer team did hear that even greater engagement and communication with these partners at an earlier stage would be welcomed e.g. information in advance of the discussions, and further information particularly on demonstrating how the council had listened to suggestions and then acted on them.

These examples evidence that the council works collaboratively and effectively with a diverse range of partners in the city. Nevertheless, given the city's rapid growth and many strengths, the peer team recommends the council maximises opportunities to proactively market these strengths and achievements, both as a council and as a city. The council is encouraged to build further narratives of the place and consistently tell the MK story. Ensuring senior councillors have a more prominent role in external communications will be key.

5.3 Governance and culture

The council's governance and decision-making processes are supported by positive and respectful relationships between officers at all levels and the Cabinet, with all political groups reporting good and regular access to the chief executive.

The peer team consistently found that councillor and officer roles and responsibilities are well understood, with relationships described as trusting and mature.

Collaborative working, particularly between senior officers and the Cabinet, has created a supportive culture. The peer team heard of open and constructive dialogue between Cabinet members and senior officers, with regular briefings taking place and

meeting with opposition leaders as necessary.

Given it had been around 20 years since the last majority administration, relationships between different groups of members are generally mature and cross-party working is productive. Following the May 2024 local election result, the council provided written guidance to colleagues and political groups, as well as a workshop for senior leaders, on the implications of a majority administration.

The council's three statutory officers – chief executive, section 151 and monitoring officer – have an effective and collaborative working relationship, meeting on a quarterly basis to consider relevant issues.

The Standards Committee oversees councillor conduct. There has been a relatively small number of complaints about councillors (average of around 12 per year), and there have been no complaints that have required investigation since 2020.

Support to councillors is overall strong. Feedback on the councillor induction programme is positive, with sufficient development opportunities for all councillors.

Given that elections are in thirds, new councillors are inducted annually.

Nevertheless, the peer team heard that councillor attendance at training is inconsistent; the peer team strongly encourages this to be improved. Furthermore, looking ahead to the outcome of the May 2026 elections there may be a significant turnover of councillors; the peer team encourages the council to ensure that the councillor training offer for statutory committees is ready for a potential new intake.

Whilst the casework system is generally working effectively, the peer team heard concerns that it is sometimes hard to track progress on casework, that improvements could be made to the system's functionality, and advice from service areas could be strengthened. These areas have already been acknowledged by the council. Whilst this may be resolved by more user training, the peer team encourages casework processes to be co-designed so they fully reflect councillor and officer requirements and expectations.

The overarching scrutiny committee is the Policy Performance and Scrutiny Management Committee, which monitors the overall performance of the council's services and the Council Plan, and is chaired by an opposition councillor.

Underneath this committee there are four thematic based scrutiny committees: Budget and Resources; Children and Young People; Housing; Health and Adults; and Environment and Place (chaired by an opposition councillor). Where scrutiny committees are chaired by a councillor of the same party as the administration, the vice-chair is then an opposition councillor. There are also task and finish groups to look at specific issues, such as the management of the council's capital programmes.

The council acknowledges that the scrutiny function can be improved, and this chimed with what the peer team observed. The peer team encourages scrutiny to be more robust, inquisitive and strategic on challenging areas for improvement, for example on health issues. More proactive scrutiny of external partners who share responsibility for delivering complex priorities, such as regarding health, would also be beneficial.

Indeed, the challenging financial environment across the ICB, with a very significant financial deficit along with recently announced further savings to be made, will have implications for health scrutiny. The strong relationships in evidence across the ICB to date suggest that partners will successfully adapt to the new reality, but there will inevitably be challenges and tensions, and the council should be mindful of how these are managed, including in scrutiny.

The peer team also heard that cabinet member attendance at scrutiny could be more consistent, agendas could be more focused and that regular feedback to the committees on the impact of their recommendations would be welcomed. Regular reporting back to scrutiny on the outcome of their work, such as 'you said, we did' could lead to improved outcomes.

Encouragingly, the peer team observed that there is clear appetite from councillors and officers to learn from best practice to provide more effective scrutiny and review the call-in process. The council may wish to utilise resources from organisations such as the LGA and the Centre for Governance and Scrutiny to learn from best practice and apply it in Milton Keynes.

The Audit Committee meets quarterly and is charged with keeping the effectiveness of the council's systems for governance, risk management, internal control and

counter-fraud under review. Two independent members of the Committee have valuable finance and governance expertise from the private sector.

It reviews the council's strategic risk register. In a tangible sign of good practice, the register is published on the council's website, and has recently been reviewed and agreed by Cabinet. The council generally has effective risk assessments processes in place. The peer team encourages the council to develop similar risk registers at service level, ensuring there is a 'golden thread' from the strategic risk register through to individual service risk registers.

The Audit Committee also has a key role in the development of the council's Annual Governance Statement (ASG). An action plan sits alongside the ASG, and the Audit Committee tracks progress of these actions to completion. The peer team heard that the implementation of a new contract management system in 2024 was an action identified and resolved by the ASG, thereby demonstrating its effectiveness.

Internal audit is seen as functioning well and the organisation's relationship with audit is generally good. The peer team was made aware that procurement and contract management is due for an audit and the peer team recommends this is undertaken as soon as possible.

The peer team heard overwhelmingly positive feedback from colleagues at all levels about the council's caring, inclusive and collaborative organisational culture. These findings are supported by an independent 'organisational culture audit' which took place in 2024. It found that: 'overall, there was a dominant positive culture that should aid in the delivery of the MKCC objectives and enable MKCC to be adaptable to political and external change influences'.

It was very clear to the peer team that the collaborative and supportive culture is engrained at all levels. Indeed, the council's three values are: dedicated, respectful and collaborative. The organisation's visible chief executive and corporate leadership team empowers all colleagues to share their views. Colleagues also described feeling valued with widespread praise for the CLT Awards, where every month members of CLT recognise colleagues with a thank you and small gift. The peer team also observed the council's improved relations with its Trade Unions.

The council has driven forward efforts to improve equality, diversity and inclusion (EDI) and is clearly committed to EDI principles. There is a well-supported staff network system, notably the employee focused programme Workplace for Everyone, which was established in 2021. The peer team observed that this has a strong profile across the organisation and colleagues understood its purpose. There was much recognition of its annual celebration event. Various staff networks are in existence such as the LGBT+ Group, Young Employee Network, Accessibility and REACH. Each group has a CLT sponsor, and these networks feel able to influence the organisation. The peer team did hear that not all line managers are consistent in encouraging staff to participate in network activity. This will no doubt be something that CLT will want to resolve.

This approach to EDI has allowed the council to support individual growth but also strengthen organisational cohesion, as staff members bring a deep understanding of the organisation's values and operations to their evolving roles. The peer team commends the efforts to date and encourages the council to build on this progress.

Along with all councils, Milton Keynes City Council is encouraged to consistently ask itself whether EDI features adequately in terms of service planning and delivery and whether EDI is being considered early enough in the policy development cycle so changes can be made.

5.4 Financial planning and management

Milton Keynes City Council's effective approach to securing financial stability as well as proactive financial management over many years has resulted in a relatively solid financial position.

In common with councils across the local government sector, significant challenges remain. Milton Keynes City Council faces increasing cost pressures and rising demands. Like many councils, the most significant service pressure within the budget is the rising costs of social care. Demand is a key pressure, particularly around high cost residential placements which have continued to increase along with increasing costs per placement. Despite facing these challenges, the council is not complacent.

Indeed, it has a well-earned reputation for delivering balanced budgets and effective financial modelling.

The council has an established four-year Medium Term Financial Plan (MTFP), which is reviewed annually. A considered approach is taken to maintain alignment of the annual budget, MTFP, Council Plan, Strategy for 2050 and the Capital Strategy.

The current projected budget gap over the MTFP between 2026/27 and 2028/29 is £32.236m. Notwithstanding the council's good track record of savings delivery, the council will need to ensure that savings are delivered at pace and control of spending is maintained.

The peer team observed that there is strong, understanding and ownership of the financial challenges among the council's political and officer leadership. The Council has well-established financial monitoring systems and has developed comprehensive financial reporting for both councillors and colleagues. Finance business partners support budget managers, directors and cabinet members to ensure that there is continuous challenge and understanding on how resources are used, and issues are discussed early and addressed. The financial position is reported on monthly to the CLT with quarterly budget monitoring reports to Cabinet. This has ensured good awareness of the scale of the challenge, with the senior leadership team transparent about the council's financial position. As a result, colleagues at all levels feel a sense of collective ownership on achieving savings.

The council has maintained financial reserves and compares well with comparative authorities. The General Fund working balance is £34m, with risk reserves at £38m; the council holds other earmarked General Fund reserves worth £131m, of which £78.7m is set aside to fund future capital investment. Whilst sufficient reserves have been set aside to meet anticipated future costs, the peer team recommends that the council could be clearer over its planned long-term use of reserves in the MTFP and reduce any potential reliance on them to balance future budgets.

Effective future modelling is undertaken at Milton Keynes City Council. For example, despite the high needs funding block within the council's Dedicated Schools Grant

forecasting an estimated surplus carry forward of £5.808m, it is already planning for the likely deficit from 2026/27, as a result of increasing demand and rising costs.

The council has been successful in securing additional funding for major capital projects in support of its regeneration ambitions, for example Homes England, and also £22.7m from the Government's Town Fund, focusing its Town Deal on Bletchley and Fenny Stratford. It has also provided over £15.7m in Section 106 and Tariff contributions towards building new hospital facilities, including cancer and radiotherapy facilities.

Financial management is taken seriously, as evident through its statements of accounts and external audit assessment. Similar to many other councils, the council received a disclaimed audit opinion on accounts for 2023/24, with no issues relating to value for money.

The ambitious and substantial capital programme of just under £1bn, is funded through grants, reserves and borrowing. The council is reporting an underspend, of which £42.988m is planned to slip to later years on an original budget of £227.803m, leaving an in-year underspend of £0.879m. Although Milton Keynes has experienced significant slippage in the delivery of its capital programme, this is the same for many councils across the country.

The council's debt levels, whilst slightly higher than some authorities in its CIPFA benchmarking group, are stable and reflects investment decisions the council has made in infrastructure including a Residual Waste Treatment Facility and Highways Infrastructure. Through their capital programme, the council is planning to invest £144m in 2025/26 and £400m by 2029/30. This includes a substantial investment in its housing stock (£250m), bridges and highways (£48m), Town Deal (£12m), Agora Regeneration (£26m), major transport schemes (£11m) and waste infrastructure (£11m). This excludes future schemes to be funded through the Milton Keynes Tariff of over £100m during this period.

5.5 Capacity for improvement

Colleagues at Milton Keynes are passionate, committed and motivated. They feel supported in their roles and are aligned with Council's the long-term vision. Changes

to the appraisal framework were strongly welcomed and described as 'more effective and less onerous' than previously.

This is reinforced by strong internal communications that ensure staff understand key issues, fostering a cohesive 'one council' approach. The council's branding is consistently utilised to reinforce a shared sense of place and community. There is a strong retention rate, with many choosing to return to work at the council after leaving for roles elsewhere. With one colleague saying 'I take pride in my job, I have left Milton Keynes twice (to work in other councils) and come back'. However, there is concern that future ambition may outpace current capacity. Addressing this concern through strategic workforce planning and internal communication will be essential to maintaining staff morale.

The organisation takes pride in its commitment to learning and development and cultivating talent internally, embodying the ethos of 'grow your own' staff. Such initiatives have helped to address skills shortages, in particular in social work and planning, the use of apprenticeships in planning has led to savings of £160,000.

The peer team observed that the council's assertion of being a transformation-minded organisation is strongly evident across all levels. Staff consistently feel empowered to drive change and improve their service areas, with a sense of freedom and autonomy to innovate, with staff reporting 'we have the freedom and autonomy to be creative, to try things and it be ok to fail'. This cultural foundation positions the council to deliver on local priorities and pursue future improvements, showcasing a robust capacity for continuous development.

Nevertheless, there are areas for improvement. The council needs to ensure its customer access strategy works for all residents, including those without access to the internet. Some social media content can feel impersonal and generic, missing the human connection required to engage effectively. Furthermore, certain communications assume prior knowledge, making them inaccessible to the broader public.

Looking ahead, the council's overall commitment to continuous improvement is embodied in the early development of the three-year 'stability strategy'. This provides

a great opportunity to build on the council's reputation for getting things done, and getting them done well. For example, given the relative financial headroom, the council can be bold and develop more invest to save options. Furthermore, whilst the strategy sets out many ambitions, the concern from some colleagues about meeting the council's ambitions and delivering business as usual will need to be managed. The council is therefore reminded to keep staff capacity under review and ensure actions are prioritised to deliver significant financial returns.

6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and publish an Action Plan within 5 months of the time on site. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at Milton Keynes City Council is January 2026.

In the meantime, Will Brooks, Principal Adviser for South East, is the main contact between your authority and the Local Government Association. As outlined above, Will Brooks is available to discuss any further support the council requires.

Email: William.Brooks@local.gov.uk.

Tel: 07949054421