KPMG

Auditor's Annual Report for Milton Keynes City Council

Year ended 31 March 2024

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February 2025

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This report is addressed to Milton Keynes City Council (the Council). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

01

Executive Summary

Executive Summary

Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2023/24 audit of Milton Keynes City Council (the ‘Council’). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the ‘Code of Audit Practice’) and is required to be published by the Council alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) (‘ISAs (UK)’) include the following:

Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Group and the Council and of [their/its] income and expenditure during the year and have been properly prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting 2023/24 (‘the Code’).

Other information (such as the narrative report) - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Council.

Value for money - To report if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.

Other powers - We may exercise other powers we have under Local Audit and Accountability Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Financial statements	We issued a disclaimer of opinion on the Council’s financial statements on 27 February 2025. This is because we have been unable to obtain sufficient appropriate audit evidence over the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the accounts ahead of the statutory backstop date of 28 February 2025. Further details are set out on page 7. We have provided further details of the key risks we identified and our response on page 8-12.
Other information	Whilst in our opinion the content of the other information is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.
Value for money	We identified no significant weaknesses in respect of the arrangements the Council has put in place to secure economy, efficiency, and effectiveness in the use of its resources. Further details are set out on page 14.
Other powers	See Page 5 for details.

Executive Summary

There are several actions we can take as part of our wider powers under the Local Audit and Accountability Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

We have not issued a Public Interest Report this year

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

We have not applied to the courts this year.

Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however, should the Council provide us with a response, we will include it within this report.

We made no recommendations under Schedule 7 of the Local Audit and Accountability Act.

Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

We have not issued an advisory notice this year

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations, we report these to management and the Audit Committee. The Council is not required to take any action to these, however it is good practice to do so and we have included any responses that the Council has given us.

02

Audit of the financial statements

Audit of the financial statements

Our responsibility is to conduct an audit of the financial statements in accordance with the Local Audit and Accountability Act 2014, Code of Audit Practice and ISAs (UK) and to issue an auditor's report.

However, due to the significance of the matters described below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Council financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the council in accordance with, UK ethical requirements including the FRC Ethical Standard.

Our disclaimer of opinion on the financial statements

We have issued a disclaimer of opinion on the Council's financial statements on 27 February 2025. We therefore do not express an opinion on the financial statements. The reason for our disclaimer of opinion is as follows:

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Council to publish its financial statements and our opinion thereon for the year ended 31 March 2024 by 28 February 2025 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas were short-term and long-term grants for both revenue and capital received in advance, income from capital grants and contributions, and the balance of, and movements in usable and unusable reserves for the year ended 31 March 2024 in relation to both the Group and the Council.

In addition, we have been unable to obtain sufficient appropriate evidence over the disclosed comparative figures for the year ended 31 March 2023 due to the Backstop Date. Therefore, we were unable to determine whether any adjustments were necessary to the opening balances as at 1 April 2023 or whether there were any consequential effects on the Group's and the Council's income and expenditure for the year ended 31 March 2024.

Any adjustments from the above matters would have a consequential effect on the Group's and the Council's net assets and the split between usable reserves, including the Housing Revenue Account, and unusable reserves as at 31 March 2024 and 31 March 2023, the Collection Fund and on their income and expenditure and cash flows for the years then ended.

Further information on our audit of the Council financial statements is set out overleaf. The full audit report is included in the Council's Annual Report and Accounts for 2023/24 which can be obtained from the Council's website.

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
Valuation of land and building The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five-year cycle. As a result of this, however, individual assets may not be revalued. For those assets that are revalued in the year, the valuation involves significant judgement and estimation on behalf of the Council's valuers. We consider this to apply particularly to specialised assets, such as the Waste Recovery Park. Valuations are carried out by a combination of Council's external valuation experts from Wilkes Head & Eve, Avison Young and Hilco Valuation Services.	We have performed the following procedures designed to specifically address the significant risk associated with the valuation: • We critically assessed the independence, objectivity and expertise of Avison Young (UK) Limited, Wilkes Head & Eve and Hilco Valuation Services, the valuers used in developing the valuation of the Council's properties at 31 March 2024. • We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code. • We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information. • We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used; We note a control deficiency in this control. • We challenged the appropriateness of the valuation of land and buildings, including any key assumptions within the valuation as part of our judgement. • • We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code. • We utilised our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised. • Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.	**We did not identify any material misstatements relating to this risk** **We considered the estimate to be balanced based on the procedures performed.**

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
Valuation of investment properties The Code defines an investment property as one that is used solely to earn rentals or for capital appreciation or both. Property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of an investment property. There is a risk that investment properties are not being held at fair value, as is required by the Code. At each reporting period, the valuation of the investment property must reflect market conditions. Significant judgement is required to assess fair value and management experts are often engaged to undertake the valuations.	We have performed the following procedures designed to specifically address the significant risk associated with the valuation: • We critically assessed the independence, objectivity and expertise of Wilkes Head & Eve, the valuers used in developing the valuation of the Council's investment property at 31 March 2024. • We inspected the instructions issued to the valuers to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code. • We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information. • We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used. • We challenged the appropriateness of the valuation, including any key assumptions within the valuation as part of our judgement. • We agreed the calculations performed of the movements and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code. • We utilised our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised. • Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.	**We did not identify any material misstatements relating to this risk** **We considered the estimate to be balanced based on the procedures performed.**

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
Management override of controls Professional standards require us to communicate the fraud risk from management override of controls as significant. Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We have not identified any specific additional risks of management override relating to this audit.	Our audit methodology incorporates the risk of management override as a default significant risk. We have performed the following procedures designed to specifically address the significant risk associated with management override of controls: • Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias. • Evaluated the selection and application of accounting policies. • In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments. • Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the Council's normal course of business or are otherwise unusual. • We analysed all journals through the year and focus our testing on those that meet our high-risk criteria.	**We did not identify any material misstatements relating to this risk.**

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
Valuation of post-retirement benefit obligations The valuation of the post-retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council. We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme Also, recent changes to market conditions have meant that more Councils are finding themselves moving into surplus in their LGPS (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and require actuarial involvement	Our audit methodology incorporates the risk of management override as a default significant risk. We have performed the following procedures designed to specifically address the significant risk associated with management override of controls: • We obtained an understanding of the pensions process for setting and approving the assumptions used in the DBO valuation. • Auditing standards require auditors to identify a management control where there is a significant audit risk. We assessed Management's controls that ensure the appropriateness of actuarial assumptions for the preparation of the DBO accounting estimate. • Evaluated the competency, objectivity of the Fund actuaries and confirmed their qualifications and the basis for their calculations. • Performed inquiries of the Fund actuaries to assess the methodology and key assumptions used. • Challenged, with the support of KPMG pensions actuarial specialists, the key assumptions applied, the discount rate, inflation rate and mortality/life expectancy against externally derived data. • Vouched data provided by the audited entity to the Fund Administrator for use within the DBO accounting estimate calculation. • Confirmed that the pensions disclosures adopted by the Council are in line with IAS19 and the SORP. • Assessed the level of surplus that should be recognised by the entity. • Assessed the impact of any special events, where applicable.	**We did not identify any material misstatements relating to this risk.** **We considered the estimate to be balanced based on the procedures performed.**

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Other audit risk	Procedures undertaken	Findings
Expenditure Recognition Although we have rebutted the presumed significant risk in relation to fraudulent expenditure recognition, capital accounting requirements are complex and may contain an element of judgement in determining which costs in a project can be capitalised and which need to be expensed. Given the size of the Council's capital programme (£124m), we have identified an Other Audit Risk regarding revenue expenditure being inappropriately recognised as capital expenditure.	We performed the following procedures in order to respond to the risk identified: • We scanned the list of capital programmes for schemes which indicated an increased risk that the spend may be revenue in nature; and • We tested a sample of capital expenditure incurred by the Council to ensure it was correctly capitalised.	**We did not identify any material misstatements relating to this risk.**
Opening balances As the audit for 2022/23 is currently incomplete, we don't have the audited opening balances to rely on. As a firm, we are in the process of developing our audit approach for the scenario where no substantive audit work is completed on the 2022/23 financial statements and a disclaimed audit opinion is issued by the previous auditors. As the audit progresses, and once more clarity is available on the required procedures to be completed, we will revisit the opening balances.	During our 2023/24 audit, we have taken the opportunity to undertake testing on a limited number of closing balances from 2022/23. We have completed audit testing on Cash and cash equivalents, Borrowings and Investments.	**We did not identify any material misstatements relating to this risk.**

03

Value for Money

Value for Money

Introduction

We are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its 2023/24 use of resources or 'value for money'. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the Code of Audit Practice:

- **Financial sustainability**: How the Council plans and manages its resources to ensure it can continue to deliver its services.
- **Governance:** How the Council ensures that it makes informed decisions and properly manages its risks.
- **Improving economy, efficiency and effectiveness:** How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We are not required to consider whether all aspects of the Authority's arrangements are operating effectively. We are also not required to satisfy ourselves that the Authority has achieved value for money during the year.

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We make performance improvement observations where we identify opportunities to improve in areas where we have not identified any weaknesses.

Summary of 2023/24 findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	16	17	18
Identified risks of significant weakness?	No	No	No
Actual significant weakness identified?	**No**	**No**	**No**
2022/23 Findings	*No significant weakness identified*	*No significant weakness identified*	*No significant weakness identified.*
Direction of travel	↔	↔	↔

Value for Money

National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable. Some Councils have initiated innovative plans to raise new funds, such as through increasing commercial activity. Some have questioned whether commercialisation activities open Councils to excessive risk or could be a poor use of taxpayer monies.

Some Councils have issued what are known as “section 114” notices, in this instance a declaration that they cannot generate sufficient resources to meet the costs they need to incur. In some instances, this has resulted in a need for exceptional financial support from central government (such as approval to sell council buildings to meet costs) and severe cutbacks to services.

Education

Many schools are now the responsibility of academy trusts, however some schools are still controlled and overseen by the local Council. Dedicated funding is provided by central government to run schools, however due to cost pressures many Councils have overspent against their central government allocation, particularly in relation to “high needs” expenditure (i.e. to support students with special educational needs and disability (SEND)). In response to this, the Department for Education has created the “safety valve” arrangement, where Councils are given additional funding whilst education costs are brought under control, with an expectation that schools reserves are brought back to break-even over time. When the safety valve arrangements end, some Councils are concerned that structural sustainability issues will not be resolved, and Councils will be financially unviable.

Housing Revenue Account (HRA)

Councils which operate a HRA are required by law to prevent the account running into deficit and must operate it independently of the main operations of the Council. HRAs have experienced financial pressure over the past few years on account of high inflation rates increasing the cost of operating housing, whilst central government cap rent increases at or below the rate of inflation.

Following tragic deaths in housing estates in Kensington and Rochdale, there has been increased focus on the safety of social homes. Landlords are required to take remedial action to ensure homes are compliant with fire safety legislation and new regulations to improve building safety more generally. These regulations have increased the costs faced by landlords, caused loss of income where properties were void for repairs, and increased the risk of regulatory action should improvements not be made.

Local context

- The annual budgets are set on a Medium-Term basis and approved by full Council, with the 2023/24 budget considering key pressures and risks.
- Service leads at the Council, are responsible for budget reviews, with finance reports provided to the Corporate Leadership Team and quarterly reports to Cabinet, resulting in a £442k underspend for 2023/24.
- Savings targets and efficiencies are included in monthly/quarterly budget reports, and the Council’s MTFP is updated annually, with a prudent reserve balance reported by the s151 officer.
- The Council's earmarked reserves increased to £157.5m as of March 2024, with a surplus in the Dedicated Schools Grant
- The Council has a risk management policy in place which is reviewed by the Audit Committee. Internal controls are monitored by the Audit Committee through Internal Audit reports.
- An in-house legal and democratic service ensures compliance with legislation, with instances of non-compliance reported to the Corporate Leadership Team and relevant committees.
- Key strategic decisions are made through the governance process, with a scheme of delegation and the MTFP used for budgetary planning and benchmarking.
- Co-operation and partnership are key principles in the Milton Keynes City Council Plan 2022-2026, with performance monitoring for key partners included in quarterly reports.

Financial Sustainability

How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

The annual budgets are set on a directorate-by-directorate basis by the key service leaders supported by Finance Business Partners. Scrutiny is provided by the Corporate Leadership Team (CLT). The draft budget for 2023/24 was set by Cabinet and approved by full Council in February 2023. The 2023/24 budget was developed with key pressures and risks in mind, including contractual inflation, pay, estimated increases in demand-led services as a result of demographic changes, and corporate priorities.

Service leads at the Council have overall responsibility for budgets and meet with Finance Business Partners either monthly or quarterly, depending on the level of risk associated with that area, to review and challenge forecasts and ensure that reasons for variances are understood and any actions required are being taken. Finance report are provided to CLT on a monthly basis and quarterly reports are presented to Cabinet. The reported finance outturn for 2023/24 was an underspend of £442k against the approved revenue budget of £248m.

Savings targets and efficiencies for each directorate are identified as part of the annual budget process. Forecast delivery against these targets is specifically included within the monthly report to CLT and quarterly budget monitoring reports to Cabinet.

The Council updates its Medium-Term Financial Plan (MTFP) annually, with the 4-year plan covering 2024/25 to 2027/28 reviewed and approved by Cabinet in February 2024. The s151 officer reported within the Section 25 Statement that the Council’s reserve balances are prudent and appropriate given the level of risk and complexity of the delivery of the budget. The Council’s MTFP assumes that £8.4m will be added to reserves in 2024/25. The Council’s earmarked reserves (excluding schools) as at 31 March 2024 were £157.5m, an increase of £78.8m compared to prior year. In contrast to many other councils nationally, the Council is operating with a surplus on its Dedicated Schools Grant (DSG). This means that the Council is not facing the same budget pressures from DSG as is being experienced by many of its peers.

Governance

How the Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

The Council has a risk management policy in place which sets out the Council's approach to risk management. The Council's Corporate Risk Register comprises all identified corporate risks, the top three risks from Directorate risk registers and, where appropriate, service and project risks. The Corporate Risk register is reviewed by the Council's Audit Committee on a regular basis and deep dive reviews are periodically performed specific risks. Our review of the risk register found this was sufficiently detailed to effectively manage key risks.

The effectiveness of internal controls is monitored by the Audit Committee through reporting from Internal Audit, who have an agreed work plan and report progress to each Audit Committee, with an annual report taken at the end of the year. Internal Audit is provided by an in-house team of experienced internal auditors. The Internal Audit Annual Report 2023/24 was presented to the Audit Committee in July 2024 and included the Head of Internal Audit opinion that Milton Keynes City Council's framework of governance, risk management and management control is Good.

The Council has in place a staff code of conduct and whistleblowing policy. Specific guidance is in place for teams and managers via standards of behaviour for these roles. The Council has two dedicated counter-fraud officers. The Council publishes an anti-fraud and corruption policy, an anti-money laundering policy and a Fraud Response Plan. Hotlines are maintained for referrals and for whistle blowing concerns. Outcomes from investigations of referrals and other concerns raised are reported to Corporate Leadership team and to the Audit Committee on a quarterly basis. The Council also participates in the National Fraud Initiative data matching exercise to identify fraudulent transactions.

The Council maintains an in-house legal and democratic service who lead on awareness of legislation and regulatory requirements and changes. They work closely with teams across the organisation to ensure compliance. Any instances of non-compliance is reported to the Corporate Leadership Team and relevant committees.

Service leads at the Council have overall responsibility for budgets and meet monthly with Finance Business partners to review financial performance and ensure corrective actions are taken. Quarterly reports are presented to Cabinet and include financial and performance data.

Key strategic decisions are made via the Council's governance process. A scheme of delegation is in place which sets out where different decisions/approvals should take place. Major decisions require business cases to be approved through the relevant oversight group.

Improving economy, efficiency and effectiveness

How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

The primary mechanism for budgetary planning is the Medium-Term Financial Plan (MTFP) which details the level of financial support available to deliver the Council's strategy. The Council uses benchmarking to compare its service performance and costs to its statistical neighbours and has a good understanding of the unit costs of its services.

The Council's corporate strategy "Council Plan 2022-26" was agreed at Council on 15 June 2022. Performance against this strategy and associated service plans is monitored through the Delivery Plan and the updates provided to Cabinet.

Performance reports are provided on a quarterly basis to the Policy, Performance and Scrutiny Management Committee. The performance reports contain comprehensive performance scorecards which cover the priorities as set out in the corporate plan and include details on whether performance measures were on target or below target, the reasons for underperformance and any actions being taken to address the issues.

The Milton Keynes City Council Plan 2022-2026 explicitly identifies the importance of co-operation and partnership as one of its 10 Principles. The quarterly performance reports to the Policy, Performance and Scrutiny Management Committee includes performance monitoring for key partners.

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