



Milton Keynes
City Council



Milton Keynes City Council

Productivity Plan.



June 24
Version 1



Introduction

This Productivity Plan sets out how the Council makes effective use of resources, measures productivity and how we aim to continue to deliver for the residents of Milton Keynes.

The Council has well established processes in place to develop and review our budget to ensure that we deliver continuous service improvement and minimise any waste or inefficiency. The Council publishes its Medium-Term Financial Plan (MTFP) in February each year as part of the budget process and reviews this throughout the year. The Council has a strong track record on delivering within budget and our planned savings.

MKCC continues to pursue a growth strategy and by 2050 we are planning for our population to rise from 280,000 to 410,000. We continue to exceed our local housing targets, with over 3000 new builds per annum. Our economy continues to be one of the most productive and we consistently perform strongly in terms of startups and employment with a job density of 1.06 (2021).

Milton Keynes also like other places has areas of deprivation, with 8 out of its 152 areas within the most deprived 10% areas in the Country.

Our capital investment plans underpin this strategy, with a highly successful £300m+ Tariff scheme for new infrastructure that provides borough wide benefits. The Council is also continuing to progress its regeneration plans to ensure that all parts of the city can benefit.

Delivering for Milton Keynes

We have a strong track record of delivering service transformation

- We invested £130m in a Residual Waste Treatment facility, over the past 5 years we have diverted 99% of residual tonnages from landfill, also avoiding landfill costs of £14m pa.
- In 2023 we moved to wheeled bins, reducing residual waste tonnages by 12% and improving our recycling rates by 10%, whilst retaining weekly collection.
- 25% of our vehicle fleet is now electric, powered through a private wire using electricity generated from our waste.
- We have upgraded our entire Street Lighting to LED (last 30% in the past 18 months) saving £1.958m in energy costs and ensuring that we make the most effective use of our assets to make streets safer.
- We have invested £70m since 2012 in planned highways maintenance using internal borrowing and applying asset management principles to maximise the use of grant funding. This has resulted in an increase of our DfT asset status from level 2 to level 3. In addition, we have improved the overall condition of our roads to the top 10% in England and Wales authorities.

- We built 70 modular units to meet the increasing demand in Homelessness, providing quality accommodation for some of our most vulnerable households and saving £0.6m per year in temporary accommodation costs.
- The Council shares a large part of its corporate services (Revenues and Benefits, Payroll, Insurance, Shared ERP / Financial Systems and Transactional Services) with other partner Councils delivering benefits both in terms of a £2m annual reduction to operating costs and increasing performance and resilience.
- In 2022 we delivered the first all through school at Glebe Farm with 1,500 school and early years places and a fully carbon neutral school. We have also expanded our special needs education provision by creating 28 places, saving £2m on independent school costs.
- The Council is now delivering on its promises to tenants with an £84m regeneration investment in one of its most deprived estates, replacing 183 Council homes and providing new community and commercial facilities. We have secured £15m of Homes England Funding towards this.
- We are investing in energy improvements in our Council homes through two programmes, Social Housing decarbonisation Fund Wave 1 – investment of £11.5M (240 homes) to be completed by summer 2024, supported by £2.3M funding. SHDF2 investment of £65M (1,676 homes), supported by £22M funding.
- The Council secured £94.6m grant funding from HIF to unlock delivery of 5000 new homes, highways, new bridge, Community Health Hub, and Primary School. Homes England funding has also been secured for the delivery of regeneration.
- Rationalised our management and staffing structures to both respond to financial challenges and become more productive, agile, and effective in meeting the needs of our residents. Total savings of £3.7m in past 5 years. This is a continuous process, with all staffing decisions subject to independent scrutiny and challenge to ensure we make the right decisions.

Future opportunities/plans

The Council has set out its approved savings plans as part of its budget and MTFP (£7.8m). We are continuously reviewing services, costs and new opportunities and would anticipate that there are real opportunities to deliver further savings in key areas, but in some cases without government support these will be significantly reduced.

- Children's services placement costs will need to be reduced through a combination of in-house provision and investing further in targeted interventions. A major barrier to reducing the cost of provision rests with the need for reforms to the broken care market which is failing young people and costing the taxpayer. We are spending £18m on 42 placements and estimate we will save £2M.
- Homelessness – spending on temporary accommodation is at an all-time high and rising rapidly. Capital investment in truly affordable housing is pivotal to resolving this and providing the foundation to many other social challenges which can be linked to lack of appropriate housing. We spend £20m on temporary

accommodation. Without market and funding reforms the ability to contain and reduce spending will be significantly constrained. We estimate a potential saving of £1m is deliverable through improved preventative measures and alternative solutions for temporary accommodation.

- Waste Management – We currently exploring options around the collection and treatment of organics, consolidation of recycling, bulking and haulage infrastructure and efficiencies around optimising the use of Milton Keynes Waste Recovery Park to mitigate expected increases in the cost of waste disposal.
- Assets Management – we have and continue to rationalise our asset base, which will reduce operating costs and improve use of public estate.
- Prevention – we work with (and provide funding to) several voluntary sector organisations, to support our residents, including MK Act, CAB, and the Community Foundation. We are also investing in our respite and day services and have acquired a building with plans to develop an innovative hub, for both Children’s and Adults.

Measuring productivity

We deliver over 260 different services, all with their own challenges. We measure productivity in a variety of ways, these include:

- Transactional Services such as Revenues and Benefits operate under a performance management framework with clear processing targets and quality standards. Individual and team performance is measured and reported against and used to improve and target training and other interventions.
- Planning areas work within and above industry standards for management of caseloads.
- Case Management - Social workers are allocated specific caseloads based on agreed service standards which take account of experience, complexity, and the needs of clients.
- Project Delivery – we deliver 100’s of small to large projects and adopt strict project management disciplines to ensure that these are delivered effectively, costs are managed, and outcomes achieved.

Taking advantage of technology

We are a leading UK Smart city, with one in three jobs in technology. Together with our partners, we have ambitious plans to grow and connect the tech ecosystem in the city by encouraging the roll out of further superfast connectivity, improving 5G and tackling the digital divide to ensure all residents benefit from living in a truly digital city.

As a Council we invest £4m pa in Technology and continue to invest significant capital resources in new systems. We recognise that there will be significant opportunities whether this is addressing business processes, meeting demand with significantly reduced human intervention or identifying new opportunities.

We have already delivered:

- Full deployment of Office 365 and moved all our systems into the cloud.
- We use Teams to operate as an agile business, increasing our productivity and significantly reducing costs of providing mobile and data services.
- Adoption of Microsoft's power platform tools, enhancing our services by improving our reporting capabilities to provide better insights, using forms to improve data quality, and automating processes and leveraging AI to free up time from mundane tasks.
- Applying predictive tools in some of our services such as Revenues and Benefits, including Rentsense and LIFT to help with more effective and supportive debt collection and ensuring residents receive the right welfare support they are eligible to receive.

Future developments

A Board has been established to oversee the approach to AI and Technology deployment to ensure it can take advantage of new opportunities, makes good investment decisions, and has the appropriate checks and balances in place.

- We are piloting several technology solutions in social care to enable residents to remain at home, maintain independence and reduce increasing costs of care for example Amazon Alexas.
- Trialling Microsoft Co-pilot to streamline meetings increasing productivity. Turning handwritten notes into digital reports saving officer time.

How we manage our spending

The Council has a range of processes and checks in place to ensure that it spends taxpayer's money well.

- Decision panels for care packages and placements in Children's and Adults Social Care to ensure needs are met.
- A Corporate Vacancy Panel (Chaired by the Chief Executive) considers all recruitment decisions, including the use of agency and temporary staff.
- We are part owners of Opus East which is a Recruitment Company for Temporary and Permanent Staff. This provides access for many roles, reduced fees, and dedicated support for recruiting managers.
- The Council has clear rules and financial accountability for all budgets, projects, and programmes, with regular reporting to all levels (officer and councillor).
- We have a strong and well embedded Business Partnering model across finance and HR supporting and challenging managers.
- We have a dedicated Scrutiny Committee for the budget which meets through the year and formally reports to Cabinet at least twice a year.

- We have a dedicated Procurement team which is involved in all procurement activity above £25k and have an end-to-end Procurement and Contract Management system.

We spend less than 10% of our salary budget on agency and interim staff. The Council does not operate any specific programmes or have any roles for EDI. The Council spends less than 0.1% of its pay bill on Trade Union Facility time.

Barriers to assist in addressing

Lack of a Long-term funding settlement to support financial planning and good decision-making

It is important to stress that it is not just the very short-term nature of the settlements but the inherent financial risks. For example, the Business Rates Reset now represents a financial risk to MKCC of over £30m, this is more than 11% of our net budget.

For the HRA, the lack of a clear path on rents frustrates our ability to make investment decisions to know what we can afford. The unplanned changes to existing policy on rents has cost MKCC more than £300m.

The number of one-grants makes future planning and investment very difficult often resulting in long term decisions not being made as well as creating additional administration burdens.

Time and Resources for Competitive Bidding and Bureaucracy

This stretches capacity, puts Councils off from bidding and is expensive for both local and central government (who often use consultants themselves, e.g., Towns Deal), diverts critical resources away from other priority work and this flows through to heavy government reporting requirements.

Market Failure

We have seen in recent years increasing market failure or dysfunction where government intervention is needed. This applies to services such as Social Workers, high-cost social care placements where there is now no effective competition. As system leader the government needs to act.

Regulatory Barriers

There are numerous examples of regulatory barriers which result in poorly directed use of public resources, for example School Travel, where we spend £8.4m to meet the statutory requirement only, with no means testing. The impact of Right to Buy on the availability of genuinely affordable housing which cannot be replaced, at the same time as the private rented market is failing those who were not on benefits, increasing T/A to record levels.

