Economic Development

Milton Keynes Council

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Milton Keynes: Local Economic Assessment Refresh, March 2013

Preface

I am delighted, as Deputy Leader and Cabinet Portfolio holder for Economic Development and Enterprise at Milton Keynes Council to introduce and commend to you the Local Economic Assessment Refresh 2013. The Local Economic Assessment provides the analytical evidence on how the Borough is performing economically and points us to the strengths, weakness, opportunities and threats/challenges facing Milton Keynes.

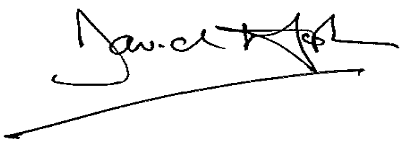
In last few years, a number of independent influential reports have brought to national attention the exceptional performance of Milton Keynes in several economic spheres. Experian's figures show Milton Keynes heading a top ten of 'prosperous' towns and cities, in terms of growth in jobs, and in the manufacturing, financial and business services, and retail sectors. Previous research has placed Milton Keynes as "one to watch" in leading economic recovery, but this is the first time the Borough has topped a national list.

Centre for Cities Outlook reports in 2012 and 2013 also praised Milton Keynes as the City to watch and in both years Milton Keynes was ranked in the top ten cities in economic performance on various economic indicators. Analysis by research consultancy Local Futures in partnership with the Municipal Journal ranked Milton Keynes as the number one location to establish a business, proof that Milton Keynes is Britain's most successful Business City.

The Local Economic Assessment Refresh provides more evidence which confirms what the other independent reports have been saying, that Milton Keynes is one of the fastest growing and most dynamic economies in the UK. The evidence includes analysis surrounding business and enterprise, key industry sectors, employment, skills and other labour market issues, people and communities, economic and social inclusion issues, transport, the environment and future growth prospects for Milton Keynes.

The document is aimed at decision and policy makers in private and public sectors, employers, investors, developers, practitioners and individuals. There will be a further refresh of the Local Economic Assessment in 2014/15.

I hope you use the Local Economic Assessment Refresh to inform your activities.



Cllr David Hopkins

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Executive Summary

- Milton Keynes has one of the largest populations of businesses in the country, 11,005 during the recession in 2009, rising to 11,150 in 2012, a rise of 1.3%. It also has one of the highest levels of business start-ups in England proof of the positive business environment in the Borough. Large business units employing over 250 people made up 0.6% of all businesses in Milton Keynes in 2011 but they employed over one third of all employees in Milton Keynes.

- The economic competitiveness and performance of organisations and firms is increasingly determined by their investment in knowledge – based on intangible assets such as R & D, design, software, human and organisational capital, brand equity and less by investment in physical assets such as machines, buildings and vehicles. Knowledge-based industries are well established in MK as illustrated by the strengths of sectors such as Professional, scientific and technical, Information and communication, Manufacturing and related sectors.

- Since 1998 there has been a shift from production (manufacturing) to the services sectors (Banking, Finance, Insurance etc) of the economy in Milton Keynes, South East and in England. Sectors which experienced growth in Milton Keynes between 2008 and 2011 were Health, 1.3%, Finance and Insurance 1.2% and Arts, entertainment, recreation and other services 0.7%.

- The employment rate in Milton Keynes was higher than both in the South East and in England between 2004 and 2008 but fell below the South East between 2009 and 2010. Self employment rates in Milton Keynes were lower than in the South East and England between 2004 and 2009 but increased as a result of the recession. On the whole, Milton Keynes has one of the strongest city economies in the UK.

- Schools have a significant role to play in preparing young people with the base skills for the world of work. The proportion of pupils achieving 5 GCSE's at grades A* - C between 2005/6 and 2010/11 was lower in Milton Keynes than in England and the South East, however, performance in Milton Keynes has been improving, rising from 49.9% in 2005/6 to 79.9% in 2010/11. Improvement in attainment at schools needs to be maintained. The performance picture on Apprenticeships in Milton Keynes is improving but the challenge remains to maintain and sustain the improvement

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- Unemployment has a variety of causes in a modern economy: some causes relate to the general level of economic activity and others are a result of a failure of the labour market. The unemployment rate in MK was 3.3% in January 2013. Unemployment as a proportion of the population of working age in that age group produced highest rates in the 20-24 year age group. On the whole, youth unemployment in Milton Keynes was lower than in the South East and in England but represented a waste of resource and a poor introduction to the world of work to young job seekers.

- Long term unemployment rates in Milton Keynes remain low but there has been a general rise in the rate since the recession in 2009, 0.1% in 2002 to 0.8% in December 2012. Whilst long-term unemployment remained low its gradual increase meant it will take greater effort and resource to engage long-term unemployed claimants. Worklessness is a serious situation but it is most serious if there is no adult in the household with any paid work. Welfare Reforms will impact on the current benefits claimant trends as various parts of the reforms take effect.

- The Milton Keynes Core Strategy seeks to continue the current Milton Keynes employment growth rate of 1.5 jobs per new dwelling. By using the housing completions per year, it is possible to estimate the amount of office and industrial floor space needed to create the 2,625 jobs per year. Similar to the housing supply, there is substantial existing supply of employment land in the Borough.

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- The need to develop a knowledge – based economy would call for more floor space to be provided for more office and knowledge intensive industries. Knowledge – based industries use less floor space and are high value businesses such as R & D and software development. By their very nature, knowledge intensive industries do not just create high-level skilled jobs but also low skilled jobs in the services sector of the economy. They create a dual labour market for both highly skilled and low skilled jobs.

- A factor in the economic competitiveness of Milton Keynes is that it has a strong diversified economy and there is no dependency on any one particular sector for employment.

- City Region – Milton Keynes is a regional centre in the South East Midlands Local Enterprise Partnership area for employment, shopping, retail and tourism, leisure and cultural activities. Central Milton Keynes offers a huge opportunity for Milton Keynes to enhance its status as a City Region.

- In terms of future growth prospects, the low carbon economy work is likely to provide immense opportunities for energy saving, new forms of energy and a source of new jobs in the local economy. The City Deals and Smart City work will open up more opportunities for economic growth. These are opportunities which Milton Keynes should seize.

Chapter 1 Introduction

Milton Keynes (MK) was formally designated as a new town on 23 January 1967, with the design brief to become a 'city' in scale. Its 89 km^2 (34 sqm) incorporated the existing towns of Bletchley, Wolverton and Stony Stratford along with over a dozen villages and farmland in between. It took its name from the existing village of Milton Keynes, a few miles east of Central Milton Keynes. The Borough of Milton Keynes is a unitary authority.

In the 1960s, the Government decided that a further generation of new towns in the South East was needed to relieve housing pressures in London. The new town was designated to deal with a projected major increase in population, particularly in the South East of England and also to alleviate the housing problems of London and the South East.

The site was deliberately located equidistant from London, Birmingham, Oxford and Cambridge with the intention that it would be self-sustaining and eventually become a major regional centre in its own right. Planning control was taken from elected local authorities and delegated to the Milton Keynes Development Corporation (MKDC).

The Corporation produced strong modernist designs and was determined to learn from the mistakes made in the earlier New Towns. They set in place the characteristic grid roads that run between districts and the intensive planting, lakes and parkland that are so evident today. Central Milton Keynes was intended to be the main shopping and business centre for the city and surrounding area. The city plan was a departure from the English New Towns tradition and envisaged a wide range of industry and diversity of housing styles and tenures across the city.

The Government wound up MKDC in 1992, transferring control to the Commission for New Towns (CNT) and then finally to English Partnerships, with the planning function returning to local authority control (since 1974 and the Local Government Act 1972, the Milton Keynes Borough Council, which was subsequently made a unitary authority in May 1997). From 2004 to January 2013 Milton Keynes Partnership had development control powers for the major expansion areas on the fringes of the urban area to accelerate the growth of Milton Keynes to the north, west and east of the city. These expansion areas were to accommodate up to 15,000 new homes and significant sites. The powers and assets formally held by Milton Keynes Partnership and the Homes and Communities Agency transferred to Milton Keynes Council in January 2013.

The preparation of a Local Economic Assessment is a statutory duty. However, this is a refresh of the 2011 Assessment. The Local Economic Assessment is about assessing the economic conditions in Milton Keynes. As the local economy does not operate in a vacuum, there is also need to consider local economic conditions in a sub-regional, regional and national context. The aim of the Local Economic Assessment is to provide a comprehensive and robust diagnosis of the local economic conditions which should inform interventions of Milton Keynes Council and its partners.

The objectives of the Local Economic Assessment are:

- To understand the local economic conditions and the impact on residents and businesses thereby creating a common evidence base.
- To identify strengths, weaknesses, challenges/threats and opportunities.
- Identifying the local economic geography and linkages to the wider economy.
- To identify the local constraints to economic growth and employment and risks to delivering sustainable economic growth.

The primary focus of the Local Economic Assessment is to inform the economic policies and interventions of the Council and its partners. However, it is also expected to highlight where social or environmental conditions have an economic impact and vice versa.

Chapter 2 introduces the way Milton Keynes links to the wider economy. It looks at ways in which Milton Keynes fits into the sub-regional markets and the links between urban and rural economies.

Chapter 3 deals with business and enterprise, focusing on the industrial structure in Milton Keynes, including the comparative strengths of sectors; employment levels and identifies sectoral specialism. It also assesses enterprise and innovation issues and the needs of Milton Keynes businesses.

Chapter 4 examines the performance of the MK economy in terms of indicators such as Gross Value Added and earnings.

Chapter 5 deals with people and communities in Milton Keynes, focusing on population changes, the labour market, learning and skills.

Chapter 6 continues on the theme of people and communities but focusing on economic and social inclusion issues, including unemployment, regeneration and health.

Chapter 7 considers sustainable economic growth including the issues of housing, employment land, transport, digital infrastructure including broadband, other infrastructure, low carbon and climate change and the natural and historic environment.

Chapter 8 assesses the economic competitiveness of Milton Keynes using key economic indicators discussed in the previous chapters and also provides a strength, weaknesses, opportunities and threats (SWOT) analysis on the MK economy. The transformational role of Central Milton Keynes (CMK) as a key asset is discussed.

Chapter 9 considers the future growth prospects for Milton Keynes. A clear understanding of the economic origins of Milton Keynes, its current economic conditions and what decision makers see as the future direction of the local economy will help to assess prospects. Economic forecasts are also used to show the likely economic outlook for Milton Keynes.

Chapter 10 provides a conclusion of the Local Economic Assessment.

Chapter 2 Milton Keynes Economic Functional Area

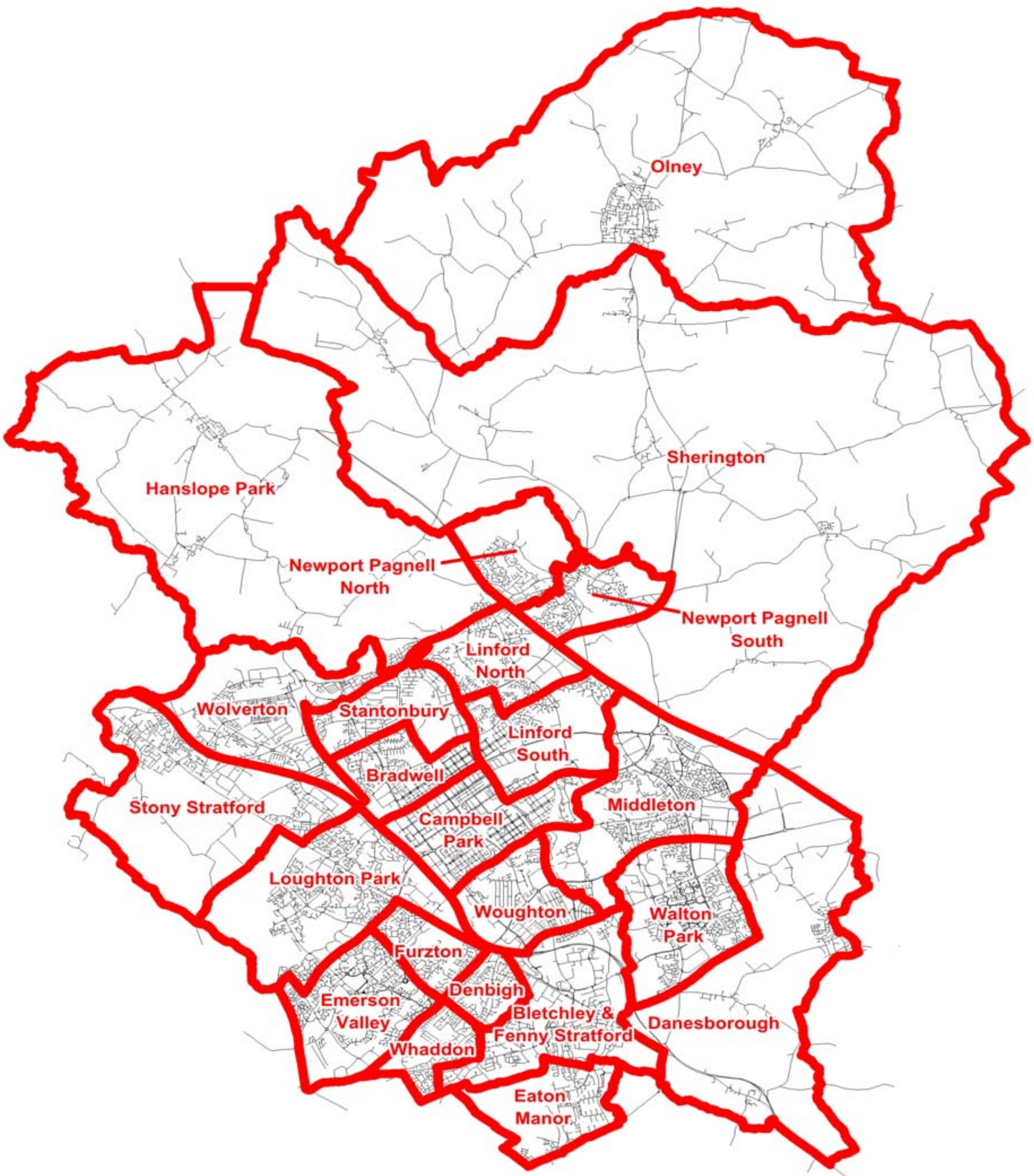
Key Findings

- The Milton Keynes' natural economic geography covers the Milton Keynes Borough and the surrounding Local Authorities as shown in Map 2.2.
- The South East Midlands Local Enterprise Partnership area is a good match with the Milton Keynes natural economic functional geography.
- The functional economic areas are not the same for different economic activities, for example, travel to work, housing, shopping, supply chains and others.
- Both the 2001 Census and the 2008 Office of National Statistics survey results on commuting showed high levels of commuting in to Milton Keynes. However, the economic recession may have resulted in less in commuting as Department of Transport figures suggest a reduced net commuting in to Milton Keynes.
- In 2008, 53,000 commuters per day travelled to work in to MK and 18,000 MK residents travelled out of MK to work in surrounding areas. The 2011 Census of Population will provide new commuting figures at the end of 2013.
- Milton Keynes has more jobs than it has residents who have the skills to take those jobs.
- About 60% of those who travelled to work in to Milton Keynes in 2001 were Managers, Senior Officials and Professionals signifying the importance of skills in the MK economy.
- Similarly, 62% of those who travelled to work outside MK in 2001 were Managers, Senior Officials and Professionals, again signifying the importance of skills to labour mobility.
- Milton Keynes residents who also work in MK make up 83% of the working age population, 105,162 workers.

2.1 Economic Functional Area for Milton Keynes

The functioning of the Milton Keynes economy can be analysed at the levels of where people live and work, the pattern of economic flows, such as, service markets for consumers, catchment areas for shopping, housing markets, and supply chains in industry and commerce.

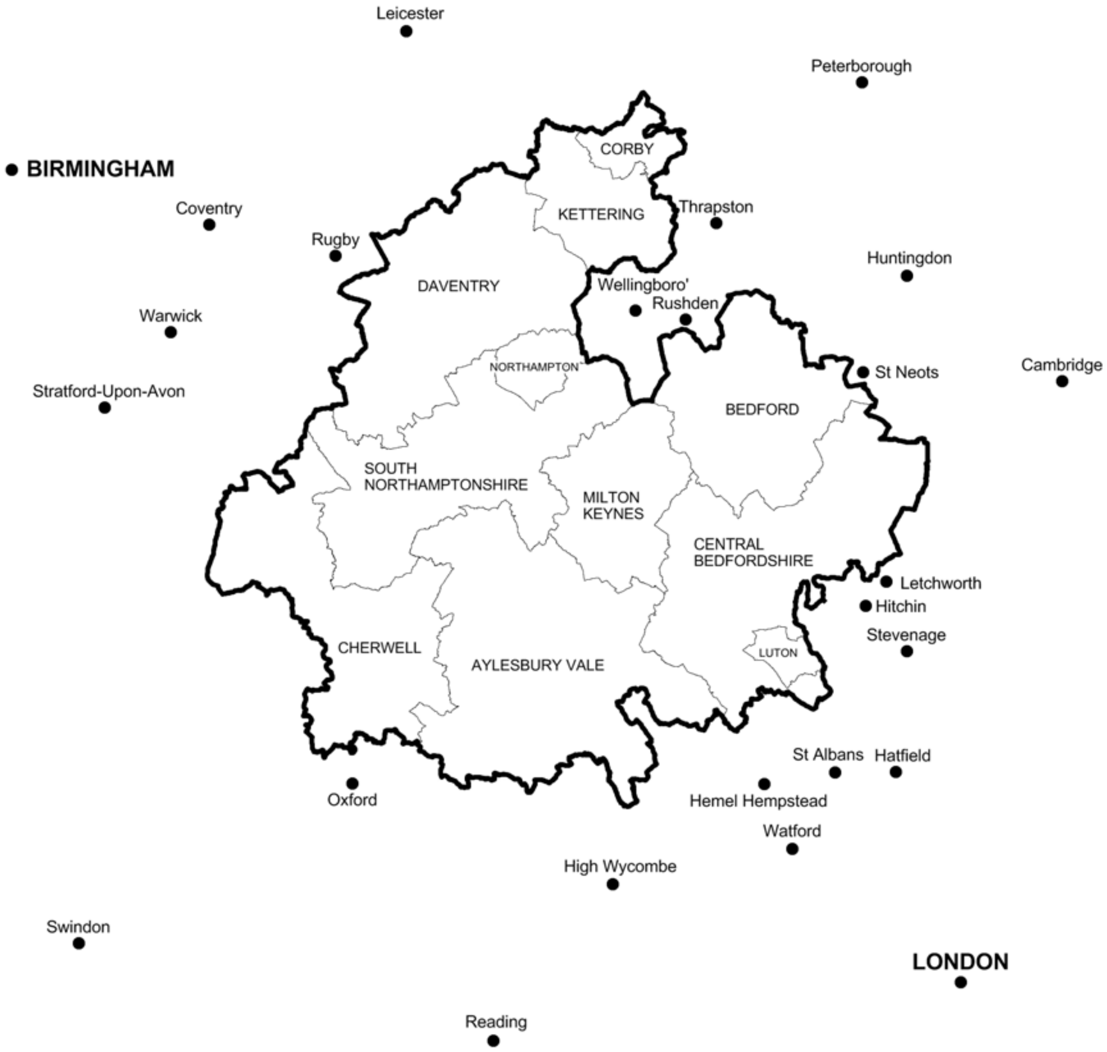
Map 2.1: Milton Keynes Administrative Boundaries and Wards



Source: Milton Keynes Observatory (MKi)

The economic functional area over which the local economy and its key markets operate does not match with the administrative boundaries of MK but is much larger (than the MK administrative area shown in Map 2.1). The Milton Keynes natural economic geography covers the Milton Keynes Borough and the surrounding local authorities as illustrated in Map 2.2 showing Milton Keynes at the heart of South East Midlands Local Enterprise Partnership (SEMLEP) area (see Section 2.6).

Map 2.2: SEMLEP Area and Surrounding Cities and Towns



Source: MKi

Milton Keynes Borough has a self contained housing market but the areas of Bedford, Central Bedfordshire and Aylesbury Vale also fall inside the MK housing market. The functional Housing Market Area for Milton Keynes includes parts of Bedfordshire, Buckinghamshire and Northamptonshire.

2.2 Milton Keynes Shopping Catchment Area

The cumulative footfall for thecentre:mk, Midsummer Place and Xscape, (that is, people coming through the door in to these places) between 2009 and 2012 was as follows:

- 46,702,245 in 2009
- 48,075,687-in 2010
- 47,779,927 in 2011
- 47,202,926 in 2012

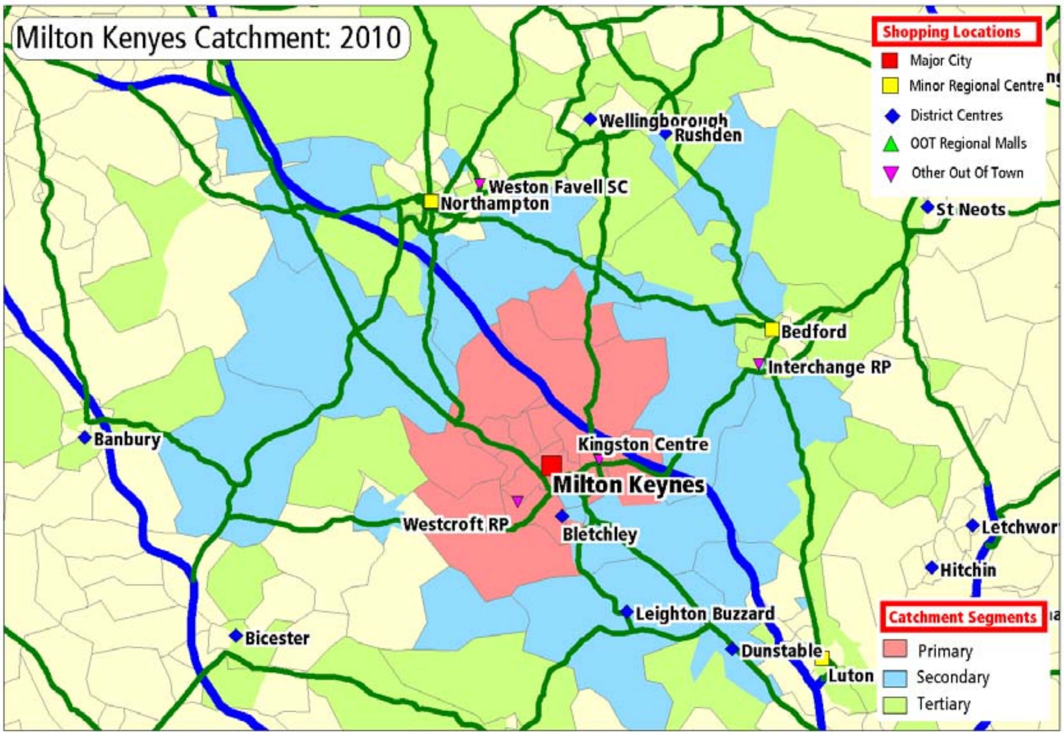
In the 2011 Local Economic Assessment it was noted that an estimated 1.2 million people lived within the principal retail catchment for Milton Keynes. Of these, 37% (435,000) were regular shoppers, making Milton Keynes the dominant retail destination within its catchment as shown in Map 2.3 (on page 11). The shopper survey was done just before the economic downturn but the findings still have significance.

- Shopper postcodes were collected in CMK over a full trading week. This data is contained in Map 2.3, outlining the principal catchment area of shoppers. The Primary segment (coloured red) represents the home location of 50% of Milton Keynes shoppers. The Secondary segment (coloured blue) represents the home locations of the next 25% of Milton Keynes shoppers and the Tertiary segment (coloured green) a further 15%.

- 10% of Central Milton Keynes shoppers' postcodes have not been included as they were too widely dispersed.

- The Primary segment had a resident population of 233,000. The Secondary segment covered a broadly more rural area with a resident population of 378,000, while the Tertiary segment was fragmented; covering areas close to Northampton, Luton and Bedford. The resident population of this segment was 602,000.

Map 2.3: Milton Keynes Shopping Catchment Area



Source: Fripp Sanderman Partnership (FSP)

- The Shopper Survey (2010) confirmed Milton Keynes' regional status. Of the 1,742 shoppers surveyed, 77% stated that they used Milton Keynes as their main shopping destination. Amongst those who regularly shopped elsewhere, 59% also visited Milton Keynes on average nearly twice a month, an average of 21 trips a year.

- 46% of Milton Keynes shoppers did not shop in any alternative locations.

- The size of the catchment gives rise to many competitors. However, leakage to them was relatively low. Northampton was the main competition, accounting for 11% of the leakage. Bedford and Luton account respectively for a further loss of 9% and 5%.

- The largest competing locations are situated in the Tertiary segment, including Northampton to the North West, Bedford to the North East and Luton to the South East. There was little competition in the Primary segment, reflected in the high shopper penetration of 94%.

2.3 Travel To Work Area

Labour market areas are defined to reflect areas where the bulk of the resident population works. Defining labour market areas requires the analysis of commuting patterns, and the Office for National Statistics (ONS) has worked with Newcastle University to apply a complex allocation process to define a set of Travel to Work Areas (TTWAs) for the whole of the UK. The fundamental criterion is that, of the resident economically active population, at least 75% actually work in the area, and also, that of everyone working in the area; at least 75% actually live in the area.

It is intended that the current 2001 Census based TTWAs will be updated using commuting flow data from the 2011 Census, which are expected to become available in 2013/2014. As at January 2013 ONS was awaiting the outcome of a study by Eurostat, the statistical office of the European Union (EU), for producing Labour Market Areas (the equivalent to TTWAs) for the whole of the EU. For the time being therefore no decision has been made on whether ONS, perhaps with an external partner, will produce updated TTWAs using 2011 Census data, and/or whether these will be produced as part of a wider EU project commissioned by Eurostat.

2.4 Commuting Patterns

In 2001, 38,509 workers (26%) commuted in to Milton Keynes to work and 22,251 people (15%) travelled out of MK to work giving a net commuting of 16,258 workers. There were 85,824 residents of Milton Keynes who also worked in the Borough. This represented a high degree of self-containment as nearly 80% of the resident population in employment lived and worked within the Borough.

In 2008 the Office for National Statistics (South East Regional Office) undertook a survey which showed that 53,000 workers commuted in to Milton Keynes to work whilst 18,000 workers travelled out of Milton Keynes to work. In-commuters in to Milton Keynes were from Northamptonshire, 19,188 workers, Bedfordshire, 13,959, Buckinghamshire, 9,421 and Luton 3,899 workers. It is important to note that the Annual Population Survey in 2008 was undertaken when the economy was booming, just before the credit crunch and subsequent recession in 2009.

The Department for Transport Tempro flows indicated net in-flows of 25,000 in 2009, a figure 10,000 commuters fewer than the Annual Population Survey 2008 figure. The 2011 Census of Population data on commuting to be published at the end of 2013 will help to confirm the levels of commuting in and out of Milton Keynes. The population and the number of jobs in Milton Keynes are expected to increase but the Council is aiming for more self containment to increase the number of people living and working in the Borough and to reduce the amount of in and out commuting over time.

2.5 Travel Time to and from Milton Keynes

Drive Times in to and out of Milton Keynes & Population in Scope.

Drive Times	**Population mid-2010**
15 minutes	272,266
20 minutes	498,540
30 minutes	1,331,600
45 minutes	2,729,120
60 minutes	9,517,700
90 minutes	22,743,200

Source: MKi

The accessibility of Milton Keynes is exemplified by the population proportions which can drive in to Milton Keynes in 15 to 20 minutes or in 90 minutes. Almost half a million people could be in Milton Keynes in 20 minutes and almost 23 million people are 90 minutes away from Milton Keynes.

2.6 South East Midlands Local Enterprise Partnership

Milton Keynes is part of the South East Midlands Local Enterprise Partnership area (SEMLEP) along side Bedford, Central Bedfordshire, Luton, Northampton, Corby, Daventry, Kettering, South Northamptonshire, Aylesbury Vale and Cherwell, all areas shown in Map 2.3. SEMLEP brought together businesses, universities and colleges, community groups, social enterprises and local government to work closely with Government to support inward investment, innovation, economic growth, new enterprise and job creation. The Milton Keynes economic functional area fits appropriately in the SEMLEP area. Thee partner authorities and businesses aim to play a transformational role in this functional economic area by:

- Attracting and encouraging enterprise and business formation
- Aligning transport and infrastructure planning with national investment
- Tackling shared challenges of low skills, productivity and employment especially among disadvantaged neighbourhoods and groups
- Encouraging cross-boundary green infrastructure development, climate change adaptation, carbon reductions and health and wellbeing
- Co-ordinating strong and focused bids for Regional Growth Funds and other sources of funding.

The SEMLEP area has an annual Gross Value Added (GVA) of over £36 billion. Such a strong GVA performance owes much to a strong mix of sectors which have high knowledge intensity. In Milton Keynes, despite the recession a GVA of £6.8 billion was achieved in 2009, emphasising the resilience of the local economy.

There are over 72,000 business units in the SEMLEP area employing just over three quarters of a million employees. Another strong economic indicator for the area is pay. The average gross annual pay in the SEMLEP area was £27,178 in 2012 compared to £26,615 in England and £29,330 in the South East England region.

The Heseltine Report published in 2012 recommended that the Government should set out a comprehensive strategy for national wealth creation, defining its view of its own role, and the limits of that role, together with those of others in local authorities, public bodies and the private sector. The report also called for significant innovations which would provide a stable and flexible architecture for the future involving:

- a very significant devolution of funding from central government to Local Enterprise Partnerships so that government investment in economic development is tailored directly to the individual challenges and opportunities of communities, and can be augmented by private sector investment
- a clear statement by government of its priorities to guide Local Enterprise Partnerships in the preparation of strategic plans for their local economies.

In its response to the Heseltine Report the Government noted the significant action it had already taken to reduce the deficit, restore economic stability and create the conditions for long-term growth. The Government accepted that the Heseltine Report complemented its own ambitious supply side growth agenda set out in the Plan for Growth: the Government's industrial strategy to strengthen partnerships with business; and the series of reforms that the Government has pursued in recent Budgets and Autumn Statements.

SEMLEP is currently creating its own consolidated infrastructure Plan of strategic capital infrastructure projects, which are necessary to unlock the potential for growth. The SEMLEP wide document is linked to the Milton Keynes Local Investment Plan. This will be followed by a more detailed Strategic Investment Plan, which will enable SEMLEP to bid for funding from 2015 onwards from a single planned capital pot covering transport, housing and skills.

Milton Keynes is one of the top ten UK locations for future investment and employment growth over the period 2013-17, according to the short-term forecasts by Experian in November 2012. The whole SEMLEP area will benefit from that growth.

2.7 The Rural Economy

The Milton Keynes rural economy has some needs which are different to those of the urban or city economy. In order to maintain and stimulate rural growth it is essential to undertake rural proofing. Examples of this include broadband connectivity, transport infrastructure and business support. Throughout this assessment the rural context of some of the economic issues and impacts are raised.

2.8 Conclusions

The strategic location of Milton Keynes cannot be missed. It has been shown that the pattern of economic flows can be different depending on which local markets are being considered but it is clear that SEMLEP is a key economic functional area for Milton Keynes. The key economic markets (labour market, housing market, service markets for consumers and supply chains) broadly correspond to the sub-region and the SEMLEP area. The commuting patterns illustrate the dynamics of labour markets operating across the administrative boundaries with some implications for skills, transport flows, housing, schools, health leisure and cultural activities.

The next chapter considers Business and Enterprise.

Chapter 3 Business and Enterprise

Key Findings

- Milton Keynes has one of the largest populations of businesses in the country, 11,005 in 2009, rising to 11,150 in 2012, a rise of 1.3%.
- Historically, the largest numbers of business units in Milton Keynes are micro-businesses employing fewer than 10 people.
- In 2012, there were 9,090 micro businesses making up 81.5% of all business units in Milton Keynes and large business units employing over 250 people made up 0.6% of all businesses in Milton Keynes in 2012.
- The professional, scientific and technical made up 16.7% of all business units in Milton Keynes, the largest contributor of business units.
- Milton Keynes has one of the largest business start-ups in England and the start-ups remained high during the 2009/10 recession.
- Since 1998 there was a shift from production (manufacturing) to the services sectors (Banking, Finance, Insurance etc) of the economy in Milton Keynes, South East and in England.
- There was a 7% increase in employment in services between 1995 and 2008 in both Milton Keynes and England.
- Employment in utilities and construction remained stagnant while manufacturing employment decreased by over 7% in both Milton Keynes and England between 1998 and 2008 and decreased further between 2009 and 2011.
- Milton Keynes witnessed a higher reduction in employment between 2008 and 2009 of 4.6% compared to 3.1% in the South East and 2.6% in England.
- Milton Keynes also witnessed a higher increase in employment between 2009 and 2010, 2.4% compared to 1.5% in the South East region and negative growth of minus 0.2% in England.
- As the economy was coming out of recession between 2010 and 2011 Milton Keynes experienced further growth in employment of 1.2% compared to 0.6% in the South East and 1.9% in England.
- On the whole Milton Keynes showed better economic recovery prospects in employment terms compared to both the South East and England.
- The Retail Sector remained the largest contributor of employment in Milton Keynes in 2011 despite having 1.5% fewer employees in 2011 than in 2008.
- Sectors which experienced growth in Milton Keynes between 2008 and 2011 were Health, 1.3%, Finance and insurance 1.2% and Arts, entertainment, recreation and other services 0.7%.
- Construction employment in Milton Keynes has remained low since 1998 contributing around 2.4% of employment per year between 1998 and 2008, and 2.3% in 2011.
- Tourism in Milton Keynes is growing but contributes less employment (6.4%) than the South East and England contributing 8.2% each.
- Using the Location Quotient, sectors of relative higher employment concentration in Milton Keynes than the national concentration levels were Information and communication, Motor Trades, Wholesale, Transport and storage (incl. postal), Arts, entertainment, recreation and other services, Professional, scientific and technical, business administration and support services.
- The trend on business deaths was consistently lower than business births in Milton Keynes between 2006 and 2011 apart from in 2009 when there were more business deaths than births.
- The majority of employers who had recruited someone straight from education in the last 2 to 3 years were satisfied with the work-readiness of education leavers, with this satisfaction rising with the age of education leaver.
- The presence of a significant proportion of employees in knowledge-based industries in MK is very encouraging but more work on understanding knowledge businesses is called for.

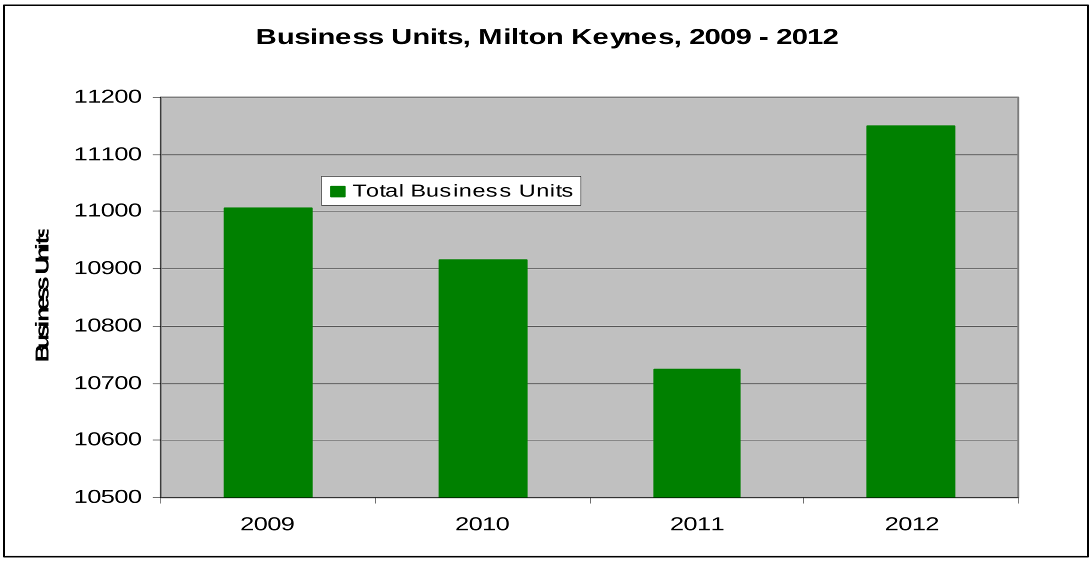
3.1 Industrial Structure

In this section, the aim is to understand the diversity of businesses, how sectors are distributed in Milton Keynes, and the concentrations of sectors in terms of numbers of business units and numbers of employees. Comparisons are also made with the South East England region, England and neighbouring areas.

3.2 Business Units

Milton Keynes has one of the largest populations of businesses in the country: 11,005 business units in 2009, 10,915 business units in 2010, 10,725 business units in 2011 and 11,150 in 2012 as shown in Figure 3.1. The highest number of business units in 2012 was in the Professional, scientific and technical sector, making up 16.7% of all business units, followed by the Information and communication sector, making up 12.8% of all the business units in MK. The Retail sector had the third highest number of business units at 9.3% of all business units in MK in 2012. Historically, the largest numbers of business units are micro-businesses employing fewer than 10 people.

Figure 3.1: Business Units Trends, Milton Keynes, 2009-2012



Source: National Online Information System (NOMIS)

3.3 Business Units by Size

Table 3.1: Business Distribution by Sizeband, MK, 2012

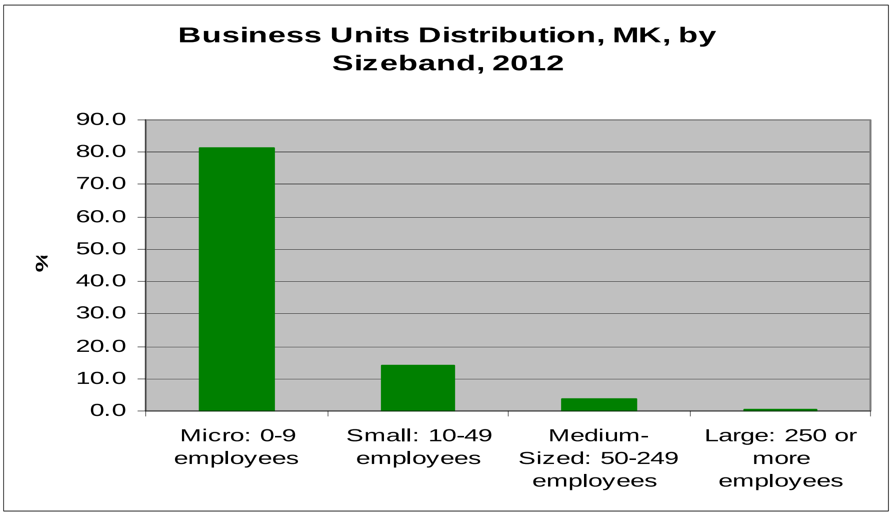
	Micro: 0-9 employees	Small: 10-49 employees	Medium-Sized: 50-249 employees	Large: 250 or more employees	Total
Number of Businesses	9,090	1,550	440	70	11,150
%	81.5	13.9	3.9	0.6	100.0

Source: Office for National Statistics (ONS)

The distribution of businesses in Milton Keynes by sizeband is shown in Table 3.1 and Figure 3.2. In 2012, there were 9,090, micro-business units making up 81.5% of all business units in Milton Keynes. Small business units employing 10-49 people made up 13.9% of business units (1,550 businesses). Medium-sized businesses, employing 50-249 employees made up 3.9% of all business units in 2012 (440 businesses).

Large businesses employing over 250 people made up 0.6% of all businesses in MK in 2012. Essentially, 99.4% of all business units in MK in 2012 were micro, small and medium-sized but the large business units, (0.6% of all business units) employ over one third of all the employees in MK.

Figure 3.2: Business Units by Sizeband, Milton Keynes 2012



Source: NOMIS

In Table 3.2, we show the distribution of business units in Milton Keynes by sector between 2009 and 2012. Using 2012 as an example, the professional, scientific and technical sector made up 16.7% of all the business units in Milton Keynes, the largest contributor of business units. The Information and communication sector was the second largest sector in terms of business units, at 12.8%; Retail had 9.3%, Construction 8.8% and Business administration and support services 8.3%.

Table 3.2: Business Units by Industry Sector, Milton Keynes, 2009 - 2012

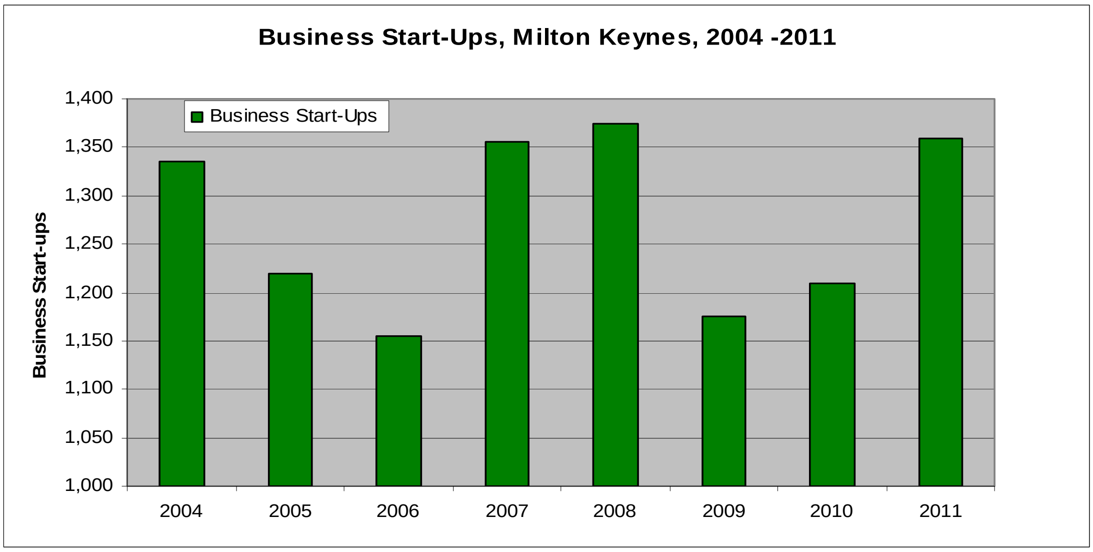
	2009		2010		2011		2012	
Industry Sector	Units	%	Units	%	Units	%	Units	%
1 Agriculture, forestry & fishing	150	1.4	145	1.3	150	1.4	150	1.3
3 Manufacturing	570	5.2	535	4.9	495	4.6	510	4.6
4 Construction	1,065	9.7	1,065	10	995	9.3	985	8.8
5 Motor trades	320	2.9	300	2.7	305	2.8	310	2.8
6 Wholesale	575	5.2	590	5.4	600	5.6	625	5.6
7 Retail	1,060	9.6	1,015	9.3	1,025	9.6	1,040	9.3
8 Transport & storage (inc postal)	430	3.9	405	3.7	405	3.8	425	3.8
9 Accommodation & food services	580	5.3	645	5.9	505	4.7	530	4.8
10 Information & communication	1,225	11.1	1,265	11.6	1,330	12.4	1,425	12.8
11 Financial & insurance	250	2.3	250	2.3	255	2.4	265	2.4
12 Property	410	3.7	385	3.5	385	3.6	375	3.4
13 Professional, scientific & technical	1,695	15.4	1,720	15.8	1,710	15.9	1,865	16.7
14 Business administration & support services	1,030	9.4	950	8.7	930	8.7	925	8.3
15 Public administration & defence	50	0.5	50	0.5	50	0.5	60	0.5
16 Education	305	2.8	305	2.8	300	2.8	310	2.8
17 Health	525	4.8	565	5.2	575	5.4	595	5.3
18 Arts, entertainment, recreation & other services	765	7.0	725	6.6	695	6.5	715	6.4
Total Business Units	**11005**	**100.0**	**10915**	**100.0**	**10725**		**11150**	**100.0**

Source: ONS - Business Register and Employment Survey

3.4 Business Start-Ups

Milton Keynes has one of the highest business start-ups in England and the start-up levels remained high during the 2009/10 recession. There were 1,355 business start-ups in Milton Keynes in 2007 falling to 1,175 in 2009 and rising again to 1,210 in 2010 and 1,360 in 2011 as shown in Figure 3.3.

Figure 3.3: Business Start-Ups, Milton Keynes, 2004-2011

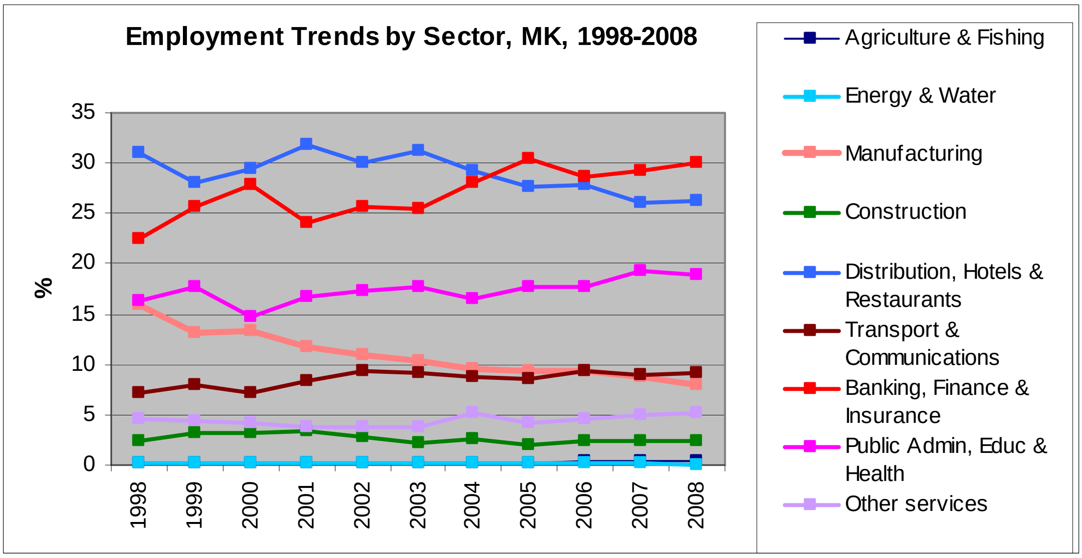


Source: NOMIS

Since 1998, there was a shift from production (manufacturing) to the services sectors (Banking, Finance, etc.) of the economy in England, the South East and MK. In terms of employment there was a 7% increase in employment in services between 1998 and 2008 in both MK and England. In the same period employment in utilities and construction remained stagnant while manufacturing employment decreased by over 7% in both Milton Keynes and England.

Employment change between 2007 and 2008 was marked by the increase in employment in Banking and Financial Services and the decrease in Manufacturing as shown in Figure 3.4. Employment in the other sectors, example in construction remained largely constant.

Figure 3.4: Employment Trends by Sector, Milton Keynes, 1998-2008



Source: NOMIS

3.5 Recession and Post Recession Sectoral Changes

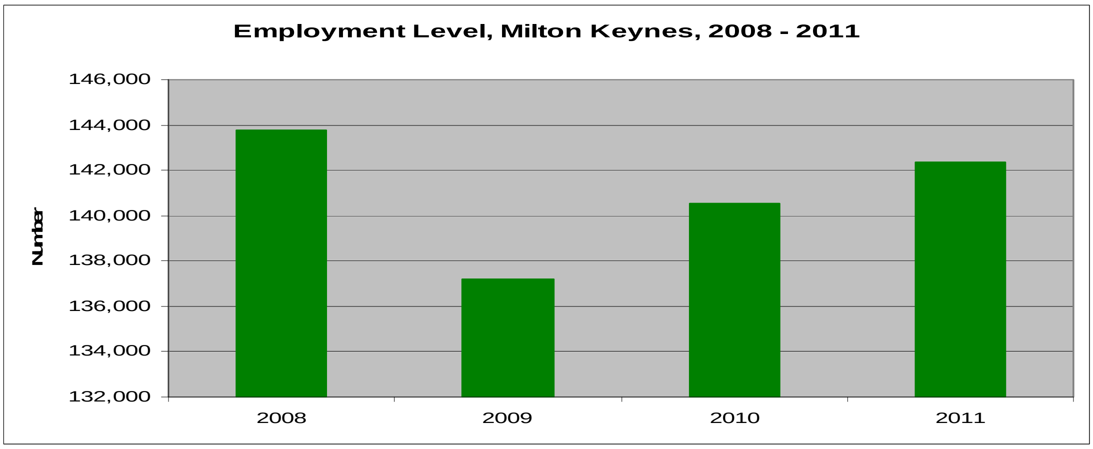
Employment levels were higher in 2008 in Milton Keynes, South East and England than in the subsequent years to 2011 due to the 2009 recession as shown in Table 3.3. Milton Keynes witnessed a greater reduction in employment between 2008 and 2009, minus 4.6% compared to minus 3.1% in the South East and minus 2.6% in England. However, Milton Keynes witnessed a higher increase in employment between 2009 and 2010, 2.4% compared to 1.5% in the South East region and negative growth of minus 0.2% in England. As the economy was coming out of recession between 2010 and 2011, Milton Keynes experienced further growth in employment of 1.2% compared to 0.6% in the South East and 1.9% in England. On the whole, Milton Keynes showed better economic recovery prospects in employment terms compared to both the South East region and England.

Table 3.3: Employment Levels and Change, MK,SE and England, 2008-2011

	Employment Level				Change (%)		
	2008	2009	2010	2011	2008/9	2009/10	2010/11
Milton Keynes	143,785	137,231	140,518	142,381	-4.6	2.4	1.2
South East	3,766,734	3,648,456	3,701,272	3,721,838	-3.1	1.5	0.6
England	23,331,259	22,670,393	22,629,411	23,058,930	-2.6	-0.2	1.9

Source: NOMIS

Figure 3.5 Employment Level, Milton Keynes 2008-2011



Source: NOMIS

Employment levels varied between 2008 and 2011 as shown in Table 3.4 and Figure 3.5. Sectoral employment contribution in Milton Keynes between 2008 and 2011 helps to explain a number of factors. Retail remains the largest contributor of employment in Milton Keynes in 2011 despite having 1.5% fewer employees in 2011 than in 2008. Retail employed 14,500 people (10.2% of all employees in Milton Keynes) in 2011. Professional, scientific and technical employed 13,200 people (9.2% all employees). Other industry sectors which employed significant proportions of employees were:

- Education 8.9%,
- Health 8.8%
- Business administration and support services, 8.8%
- Manufacturing 7.2%
- Information and communications 7.1%.

Sectors which experienced growth in Milton Keynes between 2008 and 2011 (see Table 3.4 and Figure 3.6) were:

- Health,1.3%,
- Finance and insurance 1.2%,
- Arts, entertainment, recreation and other services 0.7%,

- Accommodation and food services 0.6%,
- Education 0.5%,
- Public Administration and defence 0.4%,
- Wholesale 0.3% and property 0.1%.

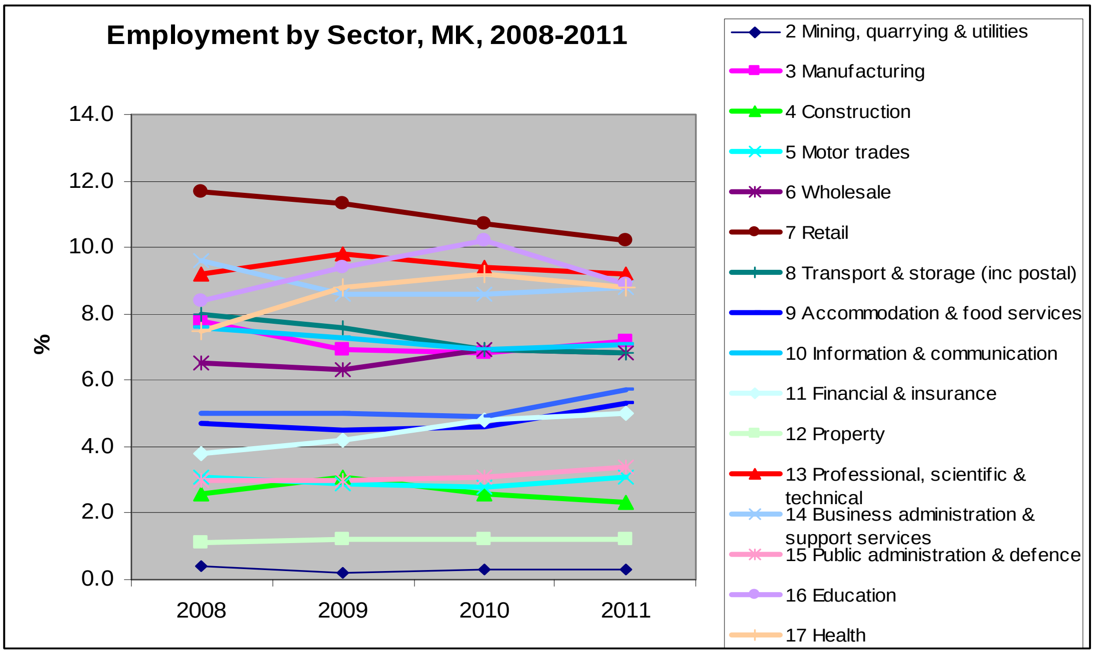
Besides Retail, there were reductions in employees between 2008 and 2011 in Transport and storage including postal 1.2%, Business administration and support services 0.8, Manufacturing 0.6%, Information and communication 0.5% and Construction 0.3%.

Table 3.4: Employment by Industry Sector, MK, 2008 - 2011

Industry	2008 %	2009 %	2010 %	2011 Number	2011 %	Change - 2008 & 2011 %
2 Mining, quarrying & utilities	**0.4**	0.2	0.3	410	**0.3**	-0.1
3 Manufacturing	**7.8**	6.9	6.8	10,258	**7.2**	-0.6
4 Construction	**2.6**	3.1	2.6	3,322	**2.3**	-0.3
5 Motor trades	**3.1**	2.9	2.8	4,343	**3.1**	0.0
6 Wholesale	**6.5**	6.3	6.9	9,712	**6.8**	0.3
7 Retail	**11.7**	11.3	10.7	14,452	**10.2**	-1.5
8 Transport & storage (inc postal)	**8.0**	7.6	6.9	9,617	**6.8**	-1.2
9 Accommodation & food services	**4.7**	4.5	4.6	7,515	**5.3**	**0.6**
10 Information & communication	**7.6**	7.3	6.9	10,088	**7.1**	-0.5
11 Financial & insurance	**3.8**	4.2	4.8	7,109	**5.0**	**1.2**
12 Property	**1.1**	1.2	1.2	1,652	**1.2**	**0.1**
13 Professional, scientific & technical	**9.2**	9.8	9.4	13,163	**9.2**	0.0
14 Business administration & support services	**9.6**	8.6	8.6	12,600	**8.8**	-0.8
15 Public administration & defence	**3.0**	3.0	3.1	4,772	**3.4**	**0.4**
16 Education	**8.4**	9.4	10.2	12,670	**8.9**	**0.5**
17 Health	**7.5**	8.8	9.2	12,539	**8.8**	**1.3**
18 Arts, entertainment, recreation & other services	**5.0**	5.0	4.9	8,117	**5.7**	**0.7**
Total	**100**	100	100	**142,381**	**100**	

Source: NOMIS

Figure 3.6: Employment by Sector, Milton Keynes, 2008-2011



Source: NOMIS

3.6 Sector Profile of MK Industries

In the rest of this chapter individual industry sectors are analysed in terms of the make up of the sector and the number of employees in the sector as a whole and employment levels and proportions within the sectors. It is important to note that the employee figures may not add up to the total shown in the table due to the removal of all sub-sector employee numbers of fewer than 50 people as a requirement of the Office for National Statistics.

3.6.1 Retail

Retail was the largest employment sector in Milton Keynes in 2011 employing 14,452 employees, 10.2% of all employees in Milton Keynes (see Table 3.5). Within Retail, 6,379 people were employed in Retail sale in non-specialised stores, 4.5% of all employment in Milton Keynes and 44.1% of all employment in the Retail sector. Retail sale of other goods in specialised stores provided the second highest employment within Retail, 4,621 employees, 32% of all employees in the sector and 3.2% of the all employees in Milton Keynes. On the whole Retail employment decreased from 11.7% in 2008 to 10.2% in 2011.

Table 3.5: Distribution of Employment in Retail, Milton Keynes 2011

	Employees		
Industry	**No**	**%**	**Sector (%)**
471 : Retail sale in non-specialised stores	6,379	4.5	44.1
472 : Retail sale of food, beverages & tobacco in specialised stores	413	0.3	2.9
473 : Retail sale of automotive fuel in specialised stores	265	0.2	1.8
474 : Retail sale of information & communication equipment in specialised stores	292	0.2	2.0
475 : Retail sale of other household equipment in specialised stores	1,169	0.8	8.1
476 : Retail sale of cultural & recreation goods in specialised stores	912	0.6	6.3
477 : Retail sale of other goods in specialised stores	4,621	3.2	32.0
479 : Retail trade not in stores, stalls or markets	392	0.3	2.7
Total	**14,452**	**10.2**	**100.0**

Source: NOMIS

3.6.2 Wholesale

Wholesale employment in Milton Keynes contributed 9.9% of all employment. The key employment sectors within Wholesale were Wholesale of household goods, 21.5%, followed by sale of motor vehicles, 17% and Wholesale of machinery, equipment and supplies (see Table 3.6).

Table 3.6: Distribution of Wholesale Employment, Milton Keynes, 2011

	Employees		
Industry	**No**	**%**	**Sector (%)**
451 : Sale of motor vehicles	2,514	1.8	17.9
452 : Maintenance and repair of motor vehicles	1,106	0.8	7.9
453 : Sale of motor vehicle parts and accessories	545	0.4	3.9
454 : Sale, maintenance & repair of motorcycles & related parts & accessories	177	0.1	1.3
461 : Wholesale on a fee or contract basis	321	0.2	2.3
463 : Wholesale of food, beverages and tobacco	624	0.4	4.4
464 : Wholesale of household goods	3,020	2.1	21.5
465 : Wholesale of information and communication equipment	1,113	0.8	7.9
466 : Wholesale of other machinery, equipment and supplies	2,426	1.7	17.3
467 : Other specialised wholesale	1,413	1.0	10.1
469 : Non-specialised wholesale trade	794	0.6	5.6
Total	**14,055**	**9.9**	**100.0**

Source: NOMIS

3.6.3 Information and Communication

Information and communication contributes 7.1% of all employees in Milton Keynes and 5.3% of employees in this sector were in Computer programming, consultancy and related activities (see Table 3.7). Within the sector, computer programming, consultancy and related activities contributed 74.8% of employment, 9.7% of the employees were in Other telecommunications activities and 7.5% of the employees were in Data processing, hosting, related activities and web portals.

Table 3.7: Distribution of Employment in Information & Communication, Milton Keynes, 2012

	Employees		
Industry	**No**	**%**	Sector (%)
581 : Publishing of books, periodicals & other publishing activities	212	0.1	2.1
582 : Software publishing	55	0.0	0.5
591 : Motion picture, video and television programme activities	126	0.1	1.2
613 : Satellite telecommunications activities	337	0.2	3.3
619 : Other telecommunications activities	979	0.7	9.7
620 : Computer programming, consultancy and related activities	7,549	5.3	74.8
631 : Data processing, hosting and related activities; web portals	757	0.5	7.5
Total	**10,088**	**7.1**	100.0

Source: NOMIS

3.6.4 Professional, Technical & Scientific

Professional, technical and the scientific sector in 2011 in Milton Keynes was concentrated in Temporary employment agency activities, 4,800 employees, Activities of head offices, 4,300 employees, Management consultancy activities; tax consultancy, employees and Legal activities, 2,778 employees (see Table 3.8).

Table 3.8: Distribution of Employment in Professional, Technical & Scientific, Milton Keynes, 2011

	Employees	
Industry	**No**	**%**
682 : Renting and operating of own or leased real estate	683	0.5
683 : Real estate activities on a fee or contract basis	946	0.7
691 : Legal activities	1,173	0.8
692 : Accounting, bookkeeping and auditing activities; tax consultancy	2,173	1.5
701 : Activities of head offices	4,293	3.0
702 : Management consultancy activities	2,778	2.0
711 : Architectural & engineering activities & related technical consultancy	1,577	1.1
731 : Advertising	227	0.2
732 : Market research and public opinion polling	138	0.1
749 : Other professional, scientific and technical activities n.e.c.	339	0.2
750 : Veterinary activities	176	0.1
771 : Renting and leasing of motor vehicles	534	0.4
781 : Activities of employment placement agencies	1,035	0.7
782 : Temporary employment agency activities	4,747	3.3
791 : Travel agency and tour operator activities	230	0.2
Total	**21,710**	**15.2**

Source: NOMIS

3.6.5 Manufacturing

The Manufacturing sector in Milton Keynes was the sixth largest employment sector in 2011 employing around 10,259 people, 7.2% of all employees (as shown in Table 3.9) compared to 7.9% in 2008. Manufacturing employment in Milton Keynes has recovered after falling to 6.9% in 2009 and 6.8% in 2011. It is necessary to point to the strong manufacturing employment sectors in Milton Keynes as their promotion could help with the rebalancing of the local economy. The key manufacturing sectors in terms of employment in 2011 were: Manufacture of other food products, 11.1%, Manufacture of plastics products, 9.6%, Installation of industrial machinery and equipment, 7.5%, Manufacture of bakery and farinaceous products, 7.3% and Processing and preserving of meat and production of meat products, 6.4%. However, some manufacturing entities may not employ many people but produce very high value products which add considerable value to the Milton Keynes gross domestic product.

Table 3.9: Distribution of Manufacturing Employment, Milton Keynes, 2011

Industry	Employees No	%	Sector (%)
101 : Processing and preserving of meat and production of meat products	652	0.5	6.4
107 : Manufacture of bakery and farinaceous products	753	0.5	7.3
108 : Manufacture of other food products	1,138	0.8	11.1
109 : Manufacture of prepared animal feeds	227	0.2	2.2
110 : Manufacture of beverages	235	0.2	2.3
172 : Manufacture of articles of paper and paperboard	312	0.2	3.0
181 : Printing and service activities related to printing	297	0.2	2.9
222 : Manufacture of plastics products	987	0.7	9.6
255 : Forging, pressing, stamping and roll-forming of metal; powder metallurgy	277	0.2	2.7
256 : Treatment and coating of metals; machining	287	0.2	2.8
259 : Manufacture of other fabricated metal products	326	0.2	3.2
265 : Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks	381	0.3	3.7
271 : Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	249	0.2	2.4
274 : Manufacture of electric lighting equipment	225	0.2	2.2
289 : Manufacture of other special-purpose machinery	215	0.2	2.1
329 : Other manufacturing	224	0.2	2.2
331 : Repair of fabricated metal products, machinery and equipment	318	0.2	3.1
332 : Installation of industrial machinery and equipment	770	0.5	7.5
Total Employees in Manufacturing	10,259	7.2	100

Source: NOMIS

3.6.6 Education, Health and Public Administration

Education, Health and Public Administration are key employment sectors in Milton Keynes employing 8.9%, 8.8% and 8.8% respectively in 2011. However, the public sector in Milton Keynes is much smaller than in England where the sectors employ 9.5%, 12.8% and 12.6% respectively. In the South East region, Education, Health and Public Administration employ 10.2%, 12.5% and 11.9% respectively.

3.6.7 Construction

Construction employment was 2.3% (3,322 employees) of all employees in Milton Keynes compared to 2.6% in 2008. During the recession in 2009 Construction employment actually went up to 3.1% of all employees in Milton Keynes. The key business activities in Construction in Milton Keynes in 2011 were Construction of residential and non-residential buildings, employing 0.8% of all employees in Milton Keynes and 32.9% of all employees in the Construction sector as shown in Table 3.10. Electrical, plumbing and other construction installation activities employed the second largest proportion of employees in the sector, 0.6% of all employees in Milton Keynes and 27.8% of employment in the sector. Building completion and finishing employed 0.3% of all employees in Milton Keynes and 14.7% of employees in Construction in 2011.

Table 3.10: Distribution of Employment in Construction, Milton Keynes, 2011

	Employees		
Industry	**Number**	**%**	**Sector %**
411 : Development of building projects	319	0.2	9.6
412 : Construction of residential and non-residential buildings	1,093	0.8	32.9
429 : Construction of other civil engineering projects	152	0.1	4.6
432 : Electrical, plumbing & other construction installation activities	923	0.6	27.8
433 : Building completion and finishing	487	0.3	14.7
439 : Other specialised construction activities	312	0.2	9.4
Total	**3,322**	**2.3**	**100.0**

Source: NOMIS

3.6.8 Accommodation and Food Services

Employment and food services contributed 5.3% of all employees in Milton Keynes in 2011. Within the sector, Restaurant and mobile food service activities contributed 51.6% of the employees in the sector, Beverage serving activities employed 24.9% of all employees in the sector and Hotel and similar accommodation employed 14.6% of all employees in the sector.

Table 3.11: Employment in Accommodation and Food Services, Milton Keynes, 2011

	Employees		
Industry	**Number**	**%**	**Sector (%)**
551 : Hotels and similar accommodation	1,099	0.8	14.6
561 : Restaurants and mobile food service activities	3,876	2.7	51.6
562 : Event catering and other food service activities	647	0.5	8.6
563 : Beverage serving activities	1,874	1.3	24.9
Total	**7,515**	**5.3**	**100.0**

Source: NOMIS

3.6.9 Tourism

The Tourism sector in Milton Keynes is growing, employing 9,100 people in 2011 and contributing 6.4% of all employees in Milton Keynes. In England employment in the Tourism sectors contributes 8.2% of all employees and similarly in the South East region the sector employs 8.2% of all employees. Key employment sectors within the Tourism sector were Restaurants and cafes, 2.2%, Public Houses and bars, 1.1%, Hotels and similar accommodation 0.8%, Activities of sports clubs 0.8%, and Operation of sports activities.

3.6.10 The Voluntary and Community Sector in Milton Keynes

Nationally the Voluntary and Community Sector (VCS) has an increasingly significant place in the economic development landscape. The VCS is made up of important local partners for all local authorities. The sector is made up of voluntary and community organisations, charities, social enterprises, co-operatives and mutuals. The defining characteristics of VCS organisations are that they are: non-governmental; value-driven; and principally reinvest their surpluses to further social, environmental or cultural objectives.

There is increasing awareness across the political spectrum of the role the sector can and does play in local communities, in particular contributing to community empowerment, local partnerships and the design and delivery of public services. Effective relationships with the VCS can contribute to local government by improving local services; strengthening democracy; achieving better value for money and in leadership and place-shaping.

The Voluntary and Community Sector in MK has a great deal to offer in terms of identifying local need, helping to design solutions to meet those needs, providing a channel of communication and means of consulting with the most vulnerable in society and delivering services. The strength of the VCS in MK is considered by many to be a major asset for the city, making a significant contribution not just to the vitality of MK but also to its economy. Over 50% of registered charities in MK do not employ any staff, while a further 28% employ between one and five staff. Only 6% employed over 30 staff. Just under half (47%) had between one to ten volunteers.

The main sources of income are donations, fund raising and fees/subscriptions, with comparatively low numbers reliant upon earned income or investments. In a tough economic climate, income may be eroded but many VCS organisations may see an increased demand for services leading to a call for more information and access to grants. The Community Foundation and the Parks Trust both have significant assets to generate income, with the Foundation distributing a large percentage of that funding to support local VCS organisations.

3.6.11 Social Enterprise

The Government defines Social Enterprises as "businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners." These enterprises are distinctive because their social and/or environmental purpose is absolutely central to what they do - their profits are reinvested to sustain and further their mission for positive change. There are 62,000 of them in the UK, contributing over £24bn to the economy, employing approximately 800,000 people (2005-2007 data from the Annual Survey of Small Business UK). Social Enterprises operate in almost every industry in the UK, from Health and Social Care to renewable energy, from retail to recycling, from employment to sport, from housing to education.

3.7 Enterprise and Innovation

The Location Quotient is a measure of the concentration of industry in an area compared to the national average. Table 3.12 shows the Milton Keynes location quotient and compares the relative concentration of employment by sector in Milton Keynes against the South East region in 2011. Sectors of relative employment concentration in Milton Keynes and much higher than the national concentration levels were Information and Communication, Motor Trades, Wholesale, Transport and Storage (including postal), Arts, entertainment, recreation and other services, Finance and insurance, Professional, scientific, and technical, Business administration and support services. Only Agriculture, forestry and fishing had a Location Quotient equal to England and all the other sectors had Location Quotients higher than those for England, suggesting that employment is more than adequate to meet local demand for services in Milton Keynes. Comparisons between the Milton Keynes and South East Location Quotients show that sectors where employment concentrations are higher in MK than in England, the same applies for the South East as can be seen in Table 3.12.

Table 3.12: Industry Location Quotient , Milton Keynes, 2011

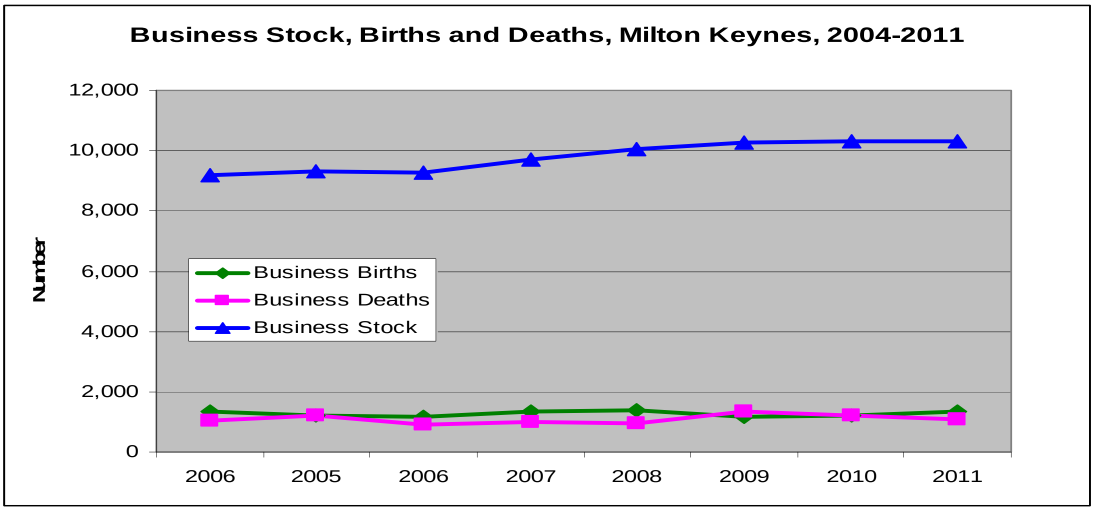
	Milton Keynes		South East
Industry	Number	LQ	LQ
1 Agriculture, forestry & fishing	44	0.0	1.2
2 Mining, quarrying & utilities	410	0.3	1.1
3 Manufacturing	10,258	0.8	0.8
4 Construction	3,322	0.5	1.0
5 Motor trades	4,343	1.7	1.2
6 Wholesale	9,712	1.6	1.2
7 Retail	14,452	1.0	1.0
8 Transport & storage (inc postal)	9,617	1.5	0.9
9 Accommodation & food services	7,515	0.8	1.1
10 Information & communication	10,088	1.7	1.3
11 Financial & insurance	7,109	1.2	0.7
12 Property	1,652	0.7	0.9
13 Professional, scientific & technical	13,163	1.2	1.1
14 Business administration & support services	12,600	1.1	0.9
15 Public administration & defence	4,772	0.7	0.8
16 Education	12,670	0.9	1.1
17 Health	12,539	0.7	1.0
18 Arts, entertainment, recreation & other services	8,117	1.3	1.1
Column Total	**142,381**		

Source: NOMIS

3.8 Business Stock, Births and Deaths

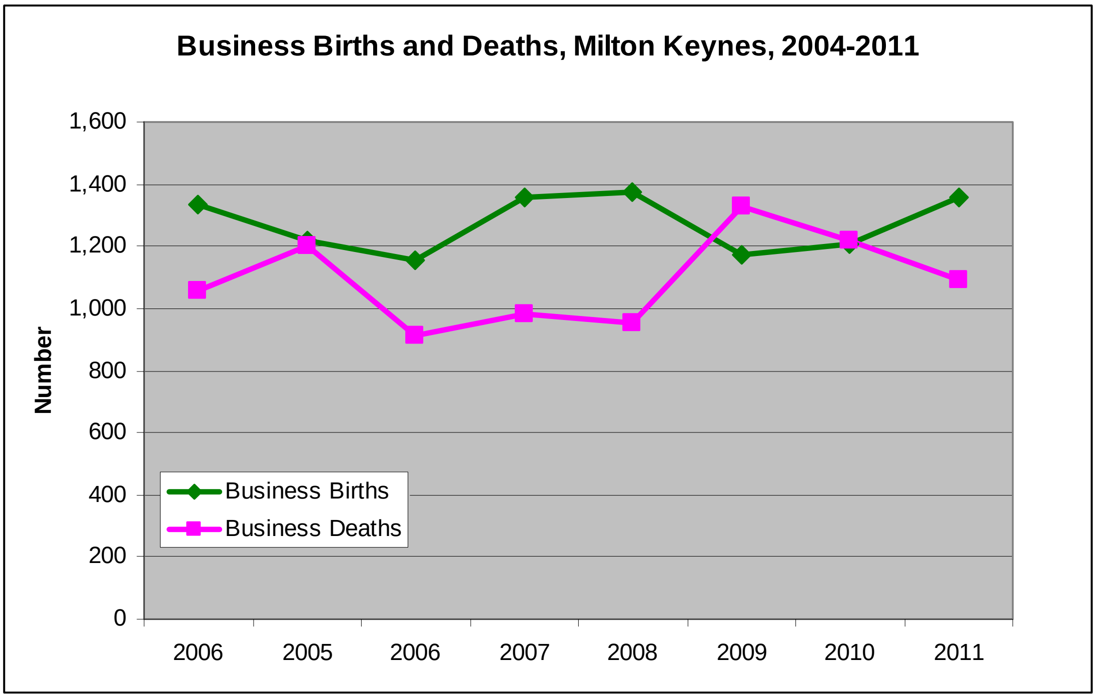
The trend on business stock, births and deaths in Milton Keynes was as shown in Table 3.7. Business stock is the net number of businesses after taking account of the business births and deaths. There were 1,335 business births in Milton Keynes in 2006 falling to 1,175 in 2009 at the height of the recession and rising again to 1,360 in 2011. The trend on business deaths was consistently lower than business births between 2006 and 2011 apart from in 2009 when there were 1,330 business deaths compared to 1,175 business births due to the economic recession. Also in 2010, there were more business deaths than births. There was a recovery in 2011 when there were 1,360 business births compared to 1,090 deaths. Figure 3.8 shows the Birth and Deaths trend clearly.

Figure 3.7: Business Stock, Births and Deaths, Milton Keynes, 2004-2011.



Source: ONS

Figure 3.8: Business Birth and Deaths, Milton Keynes, 2004-2011



Source: ONS

Net business change between 2006 and 2011 in Milton Keynes as shown in Table 3.13 helps to show the depth of the recession in 2009 as business births fell and business deaths rose resulting in a net business decrease of 155 businesses. The slight improvement in the economic climate in 2010 saw a smaller net business decrease than in 2009.

Table 3.13: Business Net Change, Milton Keynes, 2004-2011

	2006	2005	2006	2007	2008	2009	2010	2011
Business Births	1,335	1,220	1,155	1,355	1,375	1,175	1,210	1,360
Business Deaths	1,055	1,200	915	980	955	1,330	1,220	1,090
Net Business Change	280	20	240	375	420	-155	-10	270

Source: ONS

3.9 Business Survival

Considering the numbers and proportions of businesses which survive and the duration of survival helps to build a picture of how business could be supported to grow and contribute to the local economy. The numbers of businesses in Milton Keynes and other SEMLEP areas which survived a year of trading between 2006 and 2011 are shown in Table 3.14. As would be expected, more business survived in the pre-recession period than during the recession.

Table 3.14: Business Survival Rates, 1 Year, Milton Keynes, 2006-2010

	2006	2007	2008	2009	2010
	Number	Number	Number	Number	Number
Milton Keynes	**1,130**	**1,320**	**1,295**	**1,085**	**1,075**
Northampton	740	860	810	710	705
Aylesbury Vale	865	965	875	755	725
Luton	515	675	670	580	545
Central Bedford	-	-	-	990	910
Bedford	-	-	-	575	505

Source: ONS

3.10 Business Needs – Secondary research

A Business Needs Survey will be undertaken to inform the rewrite of the Local Economic Assessment in 2014/15. In the mean time secondary research information is used in this document to point at the needs of businesses particularly in the fields of skills, infrastructure and business environment.

UK Commission for Employment and Skill (UKCES) Survey findings

The survey covered topics such as skill related recruitment difficulties, skills gaps, employer investment in training, product market strategy and the work-readiness of education leavers. Results were presented by size, sector, occupation, region and local area. The results provide a comprehensive source of data for users

- Employers can identify how they compare to their sector in their provision of training or own experience of skill deficiency and identify key challenges and opportunities for their sector;
- Individuals and careers advisers can identify sectors and occupations experiencing particular shortages;
- Providers of training and development can use the results to help shape provision to need in their locality or their specialist areas;
- The size of the survey enables particularly detailed geographical analysis, for example, by Local Enterprise Partnership in England.

Findings from the report show that in England:

- Although only a small minority of businesses reported vacancies unfilled because of skill shortages, nearly all business with a skills shortage (93%) found it had an impact on the operation of the business. The survey also found concentrations of these skills shortages in particular industries and occupations (such as Skilled Trade occupations), concentrations which have been reported in previous English surveys;
- Whilst the proportion of businesses with vacancies had risen since 2009, it had not risen to the levels observed in 2007. Overall, the proportion of all vacancies which were skill shortage vacancies had remained stable since 2009, but this masked variation by size, sector and region. For example, mid sized establishments (employing between 25 and 199 people) reported an increase in the proportion of vacancies which were skill-shortage, in contrast to larger or smaller establishments;
- Over 1.3 million employees did not have the skills required to perform their job role. Looking back at previous surveys in England, there are persistent pockets of concentration of these skills gaps, to which training is often a response;
- Just over a half of employees (53%) received training in the previous year, a slight decline on the 56% reported in 2009. As in previous years, training rates varied significantly between occupations, with 44% of those employed as managers receiving training compared to 70% of those employed in caring and leisure services
- Around a third of businesses (30%) had recruited someone straight from education in the last 2-3 years. The majority of these were satisfied with the work-readiness of education

leavers, with this satisfaction rising with the age of the education leaver. These England level results have relevance locally in MK.

More detailed analysis, tables and charts can be found on: http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-46-uk-employer-skills-survey-2011-england-report.pdf

3.11 Conclusions

The high level of business start-ups in Milton Keynes shows that there exists a positive business environment in the Borough which needs to be maintained. The diversity of the industry sectors in Milton Keynes is also a selling point for other businesses to location in Milton Keynes and take advantage of a positive business environment and innovative business culture.

Businesses of all sizes, micro, small, medium and large all contribute to the vitality of the local economy. It is vital to ensure that the notion of Milton Keynes being “Open for Business” is not just for publicity but is acted upon in practice.

The next chapter considers Economic Performance in Milton Keynes.

Chapter 4 Economic Performance

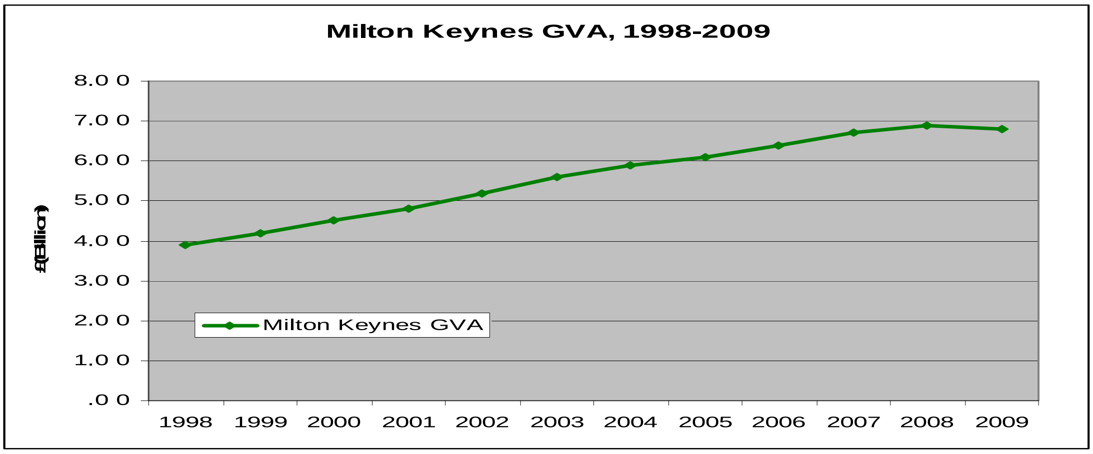
Key Findings

- Gross Value Added (GVA) in the value of goods and services produced in the Milton Keynes economy fell slightly between 2008 and 2009 from £6.9 billion to £6.8 billion.
- On the whole the Milton Keynes GVA performance surpassed the performances of the South East region and England GVA growth.
- Between 2008 and 2009 GVA in Milton Keynes fell by 0.8% compared to 2.9% in Luton and 3.1% in Bedfordshire (before the formation of the two Bedford Unitary Authorities).
- GVA per head in Milton Keynes, the South East and in England rose consistently between 1998 and 2008 but fell in 2009 due to the recession.
- The economic competitiveness and performance of organisations and firms are increasingly determined by their investment in knowledge – based on intangible assets such as R & D, design, software, human and organisational capital, brand equity and less by investment in physical assets such as machines, buildings and vehicles.
- There is general consensus that a knowledge–based economy embodies the ability to constantly innovate through accessing, processing, using and creating knowledge.
- A knowledge based economy is an economy in which the production, distribution, and use of knowledge is the main driver of growth, wealth creation and employment across all industries.
- The Centre for Cities Outlook 2012 reported that 28,100 jobs in Milton Keynes in 2010 were in knowledge intensive service jobs.
- The 2011 Milton Keynes Local Economic Assessment reported that 49,200 employees (35.4%) of all employees in Milton Keynes in 2007 were working in knowledge - based business units.
- Knowledge-based businesses are spread across different sectors in Milton Keynes and there is a need to understand these businesses better.
- Gross resident earnings for full-time workers in Milton Keynes are higher than gross workplace earning for full time workers.

4.1 Gross Value Added

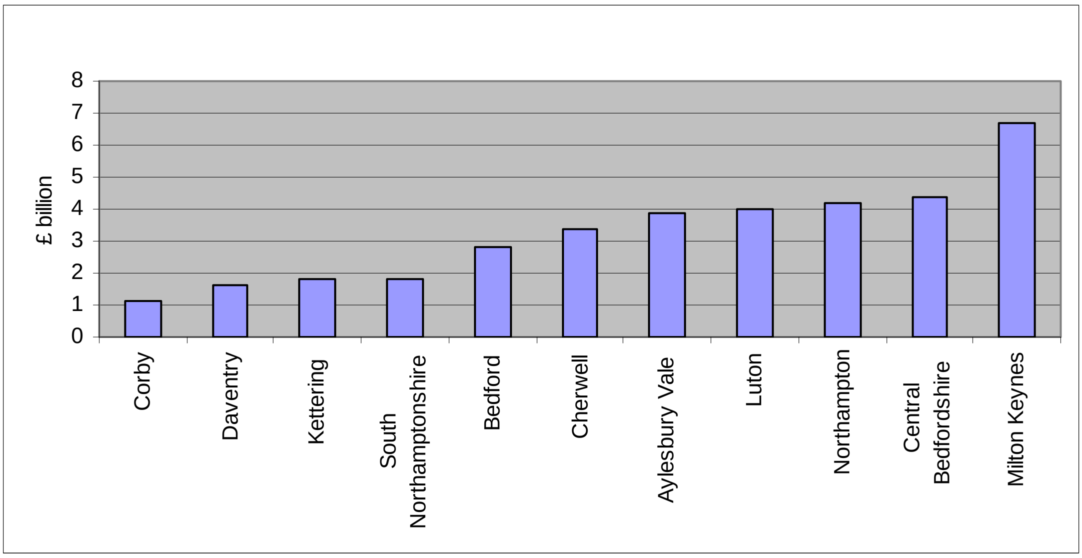
Gross Value Added (GVA) is the value of goods and services produced in the Milton Keynes economy. GVA in Milton Keynes increased from £3.9 billion in 1998 to £6.8 billion in 2009, an increase of 74% compared to increases of 64% in the South East region and 61% in England. The Milton Keynes GVA performance surpassed the performances of the South East region and England GVA growth. GVA fell slightly in 2009 to £6.8 billion, from £6.9 in 2008, but the GVA was relatively high in view of the economic recession caused by the global financial crisis.

Figure 4.1: Milton Keynes GVA, 1998 - 2009



Source: ONS

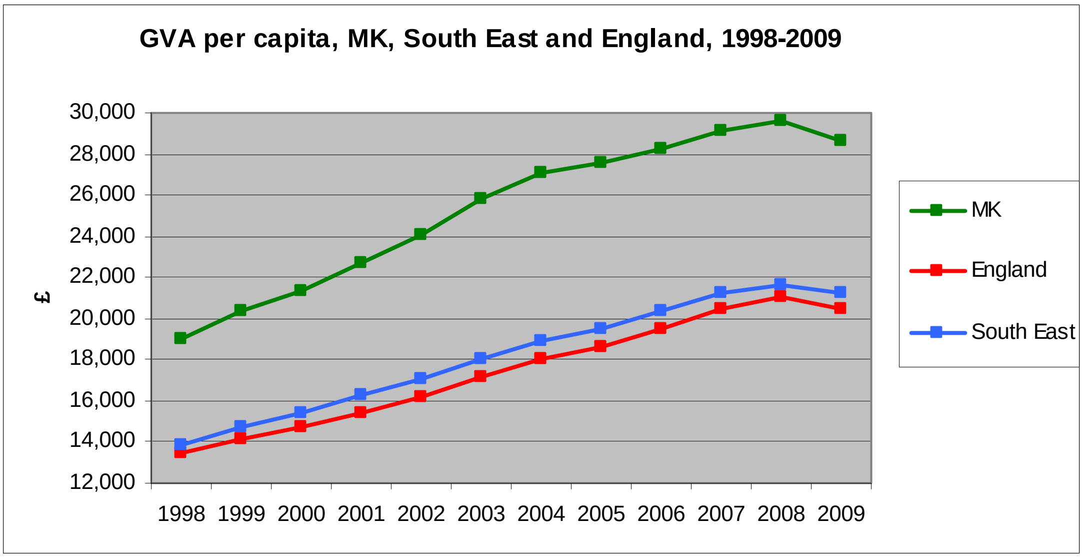
Figure 4.2: GVA Comparison in the SEMLEP Area, 2007



Source: ONS

A comparison of GVA in the SEMLEP area is not possible at present as 2009 District level GVA is not yet available but in Figure 4.2, 2007 figures are used to show how the GVA is distributed in the SEMLEP area. Between 2008 and 2009 GVA in Milton Keynes fell by 0.8% compared to 2.9% in Luton and 3.1% in Bedfordshire before the formation of the two Bedford Unitary Authorities.

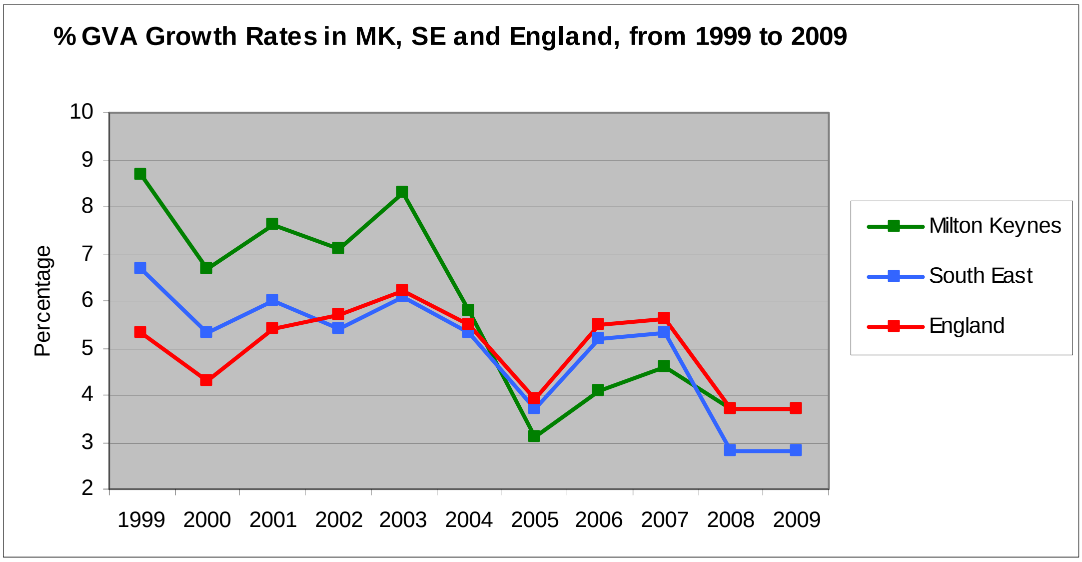
Figure 4.3: GVA per capita, MK, SE and England, 1998-2009



Source: ONS

GVA per head in Milton Keynes, the South East and in England rose consistently between 1998 and 2008 but fell in 2009 due to the recession as shown in Figure 4.3.

Figure 4.5: GVA Growth Rates in MK, SE, and England, 1999-2009



Source: ONS

Whilst overall GVA is important to show the value of the economy, it is also important to show the rate of growth of GVA over time as illustrated in Figure 4.5.

4.2 The Knowledge Economy

The economic competitiveness and performance of organisations and firms is increasingly determined by their investment in 'knowledge-based' or intangible assets such as R&D, design, software, human and organisational capital, brand equity and less by investment in physical assets such as machines, buildings and vehicles (The Knowledge Economy: How Knowledge is reshaping the Economic Life of Nations, Knowledge Economic Interim Report, 2008).

"The knowledge based economy" is an expression coined to describe trends in advanced economies towards greater dependence on knowledge, information and high skill levels, and the increasing need for ready access to all of these by the business and public sectors. (OECD 2005).

There is no authoritative definition of what a knowledge based economy really is. However, there is general consensus that it embodies the ability to constantly innovate through accessing, processing, using and creating knowledge. Essentially a knowledge-based economy is an economy in which the production, distribution, and use of knowledge is the main driver of growth, wealth creation and employment across all industries.

In the 2011 Local Economic Assessment, there was reference to a report which estimated that there were 4,701 knowledge-based business units represent 45% of total units in Milton Keynes in 2007. In employment terms, 49,200 employees (35.4% of all employees) in Milton Keynes in 2007 were working in knowledge-based business units.

The Centre for Cities Outlook 2012 report pointed at the impact of economic trends such as globalisation and technological change and fact that competing with emerging economies on price will become harder and that, increasingly, there will be a need to compete in high-value intensive knowledge-intensive markets. The report noted that 28,100 jobs in Milton Keynes in 2010 were in knowledge intensive service jobs, thus 21% of all employment in Milton Keynes in 2010 and ranking Milton Keynes fifth out of 64 cities in the UK. More work will be needed to quantify fully all the knowledge-based industries in Milton Keynes.

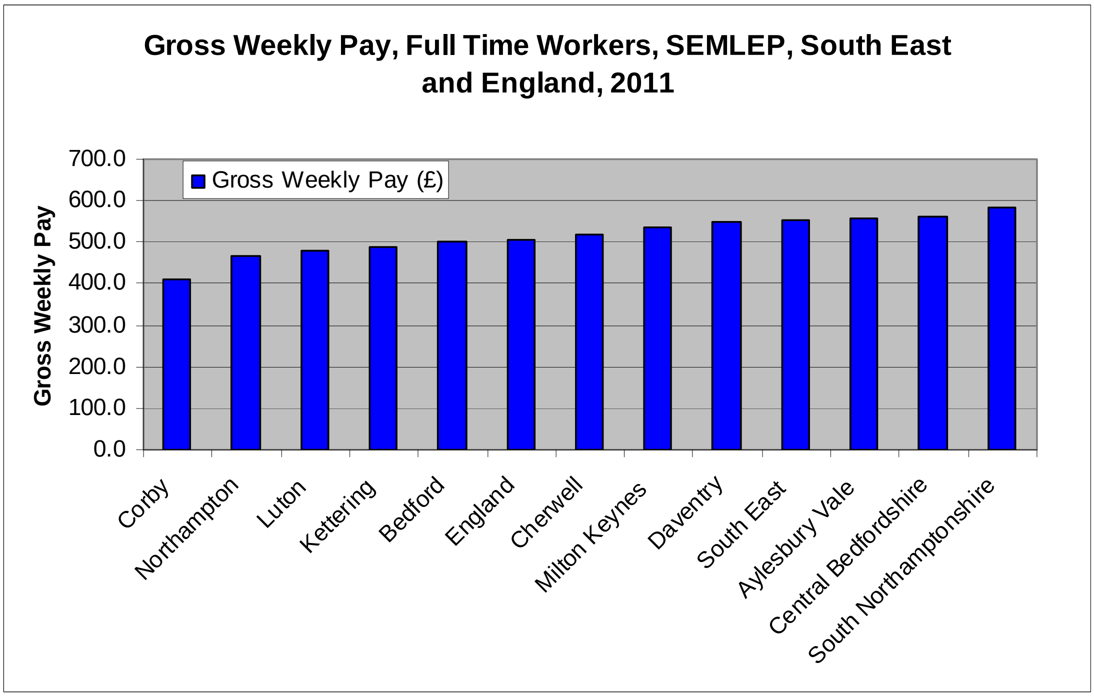
Knowledge-based businesses are spread across different sectors including, Banking, Finance and Business Services, Manufacturing, Communications and others. Usually, there is a demand for high level skills (Level 4 and above) in knowledge-based industries. In a sense, currently Level 3 and 4+

qualifications are what can be measured, and these skills are used to develop and or apply the knowledge which then correlates with continued competitiveness. However, even the qualifications alone, need to correlate with individual flexibility and resilience, in order to improve employment prospects.

4.3 Earnings

In 2011 gross resident pay for full time workers in the SEMLEP area was highest in South Northamptonshire, Central Bedfordshire, Aylesbury Vale, Daventry and Milton Keynes respectively (see Figure 4.6). Milton Keynes gross weekly resident pay of £536.7 in 2011 was higher than the England gross weekly pay of £507.6 whilst South Northamptonshire gross weekly pay of £584.4 was the highest in the SEMLEP area in 2011 as shown in Figure 4.6.

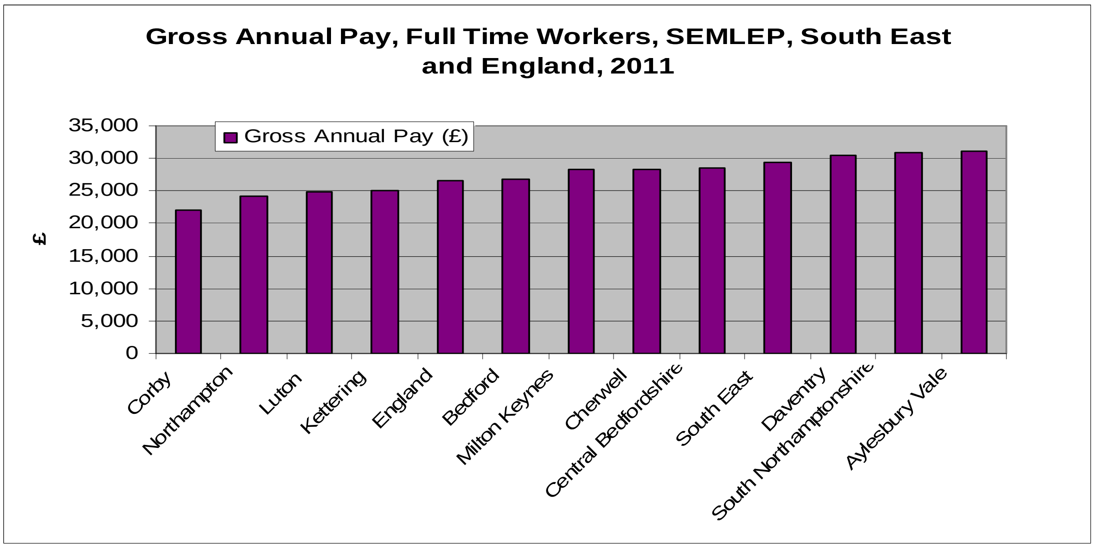
Figure 4.6: Gross Weekly Pay, Full Time Workers, SEMLEP, SE and England



Source: ONS

Gross annual pay in 2011 for full time workers in the SEMLEP area was highest in Aylesbury Vale, South Northamptonshire, Daventry, Central Bedfordshire, Cherwell and Milton Keynes (see Figure 4.7). The highest gross median pay was £31,107 in Aylesbury Vale and the lowest median annual pay in the SEMLEP area in 2011 was in Corby at £22,019. The median gross annual pay in the SEMLEP area in 2011 was £27,287, compared to £29,330 in the South East region and £26,615 in England.

Figure 4.7: Gross Annual Pay, Full Time Workers, SEMLEP, South East and England, 2011.



Source: ONS

Resident gross weekly earnings for full time workers in the SEMLEP area were highest in Daventry at £571.6 compared to £536.6 in Milton Keynes, £555.8 in the South East and £512.7 in England as shown in Table 4.1. A comparison of resident gross weekly earnings for full time workers between 2008 and 2012 shows small increases in earnings. Resident gross weekly earnings in Milton Keynes went up by 4.9% between 2008 and 2012 compared to 11.3% in Daventry, 1.8% in Northampton, 5.9% in the South East and 5.8% in England. South Northamptonshire saw a decrease of 3.8% in resident gross weekly earnings between 2008 and 2012 but this was from a high earnings base in 2008.

Table 4.1: Resident Weekly Earnings in SEMLEP Area, South East and England, 2008 & 2012

	2008		2012		Change in Full Time wages	Change in Part Time wages
	Full-Time	Part-Time	Full-Time	Part-Time	%	%
Aylesbury Vale	539.4	157.5	557.8	172.9	103.4	109.8
Cherwell	490.5	142.8	536.8	128.2	109.4	89.8
Milton Keynes	**511.3**	**151.3**	**536.6**	**181.9**	**104.9**	**120.2**
Bedford	492.1	118.5	517.4	152.2	105.1	128.4
Central Bedfordshire	546.1	153.2	559.8	151.8	102.5	99.1
Luton	433.8	116.1	482.9	153.6	111.3	132.3
Corby	404.9	126.4	440.2	153.8	108.7	121.7
Daventry	513.6	-	571.6	-	111.3	-
Kettering	435.9	138.6	478.9	177.8	109.9	128.3
Northampton	454.3	132.5	462.5	152.1	101.8	114.8
South Northamptonshire	547.1	150.6	526.1	162.6	96.2	108.0
England	**484.5**	**146.6**	**512.7**	**155.3**	**105.8**	**105.9**
South East	**524.8**	**149.6**	**555.8**	**161.0**	**105.9**	**107.6**

Source: NOMIS

Table 4.2: Workplace Weekly Gross Pay, SEMLEP Area, South East and England, 2008 & 2012

	2008		2012		Change in Full Time wages	Change in Part Time wages
	Full-Time	Part-Time	Full-Time	Part-Time	%	%
Milton Keynes	**497.1**	**165.9**	**535.5**	**182.3**	**107.7**	**109.9**
Bedford	441.7	129.1	473.5	157.4	107.2	121.9
Central Bedfordshire	**489.1**	**137.2**	**458.3**	**142.8**	**93.7**	**104.1**
Luton	484.3	115.4	450.2	147.3	93.0	127.6
Aylesbury Vale	459.0	150.0	514.2	195.0	112.0	130.0
Cherwell	459.9	143.6	489.3	128.0	106.4	89.1
Corby	428.4	134.5	422.9	145.3	98.7	108.0
Daventry	422.5	-	469.0	151.8	111.0	-
Kettering	414.8	128.3	427.8	170.2	103.1	132.7
Northampton	464.6	132.8	477.5	155.1	102.8	116.8
South Northamptonshire	523.2	-	472.2	161.0	90.3	-
England	**483.9**	**146.0**	**512.1**	**155.0**	**105.8**	**106.2**
South East	**500.9**	**147.2**	**536.6**	**157.0**	**107.1**	**106.7**

Source: NOMIS

Workplace gross weekly earnings for full time workers were lower than residents earnings in both 2008 and 2012 but there was a 7.7% increase in earnings between 2008 and 2012. Highest workplace gross weekly earnings in the SEMLEP area were in Milton Keynes at £535.5%, followed by £514.2 in Aylesbury Vale and this compared to £536.6 in the South East and £512.1 in England.

Resident annual gross median pay in the SEMLEP area in 2012 was highest in Daventry at £30,078 followed by Aylesbury Vale at £29,988 as shown in Table 4.3. In Milton Keynes resident annual gross median pay in 2012 was £28,150 compared to £29,491 in the South East and £26,804 in England. Kettering witnessed the highest increase in resident annual gross pay between 2008 and 2012 at 11.8% but the rise was from a low base of £23,064 in 2008. There was an 8.1% increase in resident annual gross pay in Milton Keynes between 2008 and 2012 compared to increases of 5.8% in the South East and 4.9% in England.

Table 4.3: Resident Annual Gross Pay, SEMLEP Area, South East & England, 2008 & 2012

	2008		2012		Change in Full Time wages	Change in Part-Time wages
	Full-Time	Part-Time	Full-Time	Part-Time	%	%
Aylesbury Vale	28,871	-	29,988	9,091	103.9	-
Cherwell	26,183	-	27,910	8,384	106.6	-
Milton Keynes	**26,046**	**-**	**28,150**	**9,362**	**108.1**	**-**
Bedford	28,031	7,377	26,970	-	96.2	-
Central Bedfordshire	28,386	8,269	28,763	8,338	101.3	100.8
Luton	23,820	-	24,503	8,146	102.9	-
Corby	20,212	-	23,440	8,384	116.0	-
Daventry	28,052	-	30,078	-	107.2	-
Kettering	23,064	-	25,787	-	111.8	-
Northampton	24,177	7,762	25,087	8,761	103.8	112.9
South Northamptonshire	28,369	-	28,245	8,148	99.6	-
England	**25,558**	**8,266**	**26,804**	**8,623**	**104.9**	**104.3**
South East	**27,876**	**8,313**	**29,491**	**8,875**	**105.8**	**106.8**

Source: NOMIS

Table 4.4: Workplace Annual Gross Pay, SEMLEP Area, South East and England, 2008 & 2012

	2008	2012	Change in Full Time wages
	Full-Time	Full-Time	%
Milton Keynes	**26,227**	**27,442**	**104.6**
Bedford	23,602	24,591	104.2
Central Bedfordshire	26,453	24,604	**93.0**
Luton	26,451	24,646	93.2
Aylesbury Vale	25,356	27,820	109.7
Cherwell	23,708	26,899	113.5
Corby	21,831	23,209	106.3
Daventry	-	25,920	-
Kettering	21,469	24,760	115.3
Northampton	24,344	26,126	107.3
South Northamptonshire	27,312	22,971	84.1
England	**25,549**	**26,800**	**104.9**
South East	**26,778**	**28,181**	**105.2**

Source: NOMIS

Workplace annual median gross pay in the SEMLEP area was highest in Aylesbury Vale at £27,820, followed by Milton Keynes at £27,442 and Cherwell at £26,899 and this compared with £28,181 in the South East and £26,800 in England as shown in Table 4.4. Workplace annual median gross pay in the SEMLEP area was lower in 2012 than it was in 2008 in South Northamptonshire, Luton and Central Bedfordshire.

4.4 Conclusions

The resilience of the Milton Keynes economy was shown by the fact that GVA only fell by 0.8% between 2008 and 2009 compared to greater decreases in other areas. A significant knowledge economy is in exists in Milton Keynes but there is a need to understand it better so that the needs of these businesses and industries are known and can be supported. Indeed there is sufficient floorspace in Central Milton Keynes to accommodate more high value sustainable knowledge intensive businesses.

The next chapter considers People and Communities in Milton Keynes.

Chapter 5 People and Communities

Key Findings

- Milton Keynes had the highest population increases in all cities in England and Wales between 2001 and 2011.
- Milton Keynes was the 7th fastest growing local authority district in England.
- Milton Keynes has a younger population than England as a whole, 22.3% aged under 16 years compared to 18.9% in England.
- However, the median age in Milton Keynes rose from 34 years in 2001 to 35 years in 2011 suggesting that the population was getting older.
- In terms of ethnicity, 26% of the Milton Keynes population in 2011 were from a black and ethnic minority group and this compares to 13.2% in 2001 and 20.2% for England as a whole.
- National Insurance Number records showed the largest number of applications from non-UK national in Milton Keynes came from EU accession states. They accounted for one third of all applications, a similar proportion to England as a whole.
- The 2011 Census of Population reported that there were 98,584 households in Milton Keynes.
- The working age population rose from 151,100 in 2008 to 162, 800 in 2012, an increase of 7.7%.
- The employment rate in Milton Keynes was higher than both in the South East and in England between 2004 and 2008 but fell between 2009 and 2010.
- Self employment rates in Milton Keynes were lower than in the South East and England between 2004 and 2009 but increased as a result of the recession.
- The post 2009 recession period has witnessed an increased in part-time working.
- The Milton Keynes occupational structure for 2012 showed a growth in the high level skilled occupations (managers, directors and senior officials, professionals, associate professionals and technical occupations).
- Since the 2009 recession Milton Keynes has had a high proportion of job vacancies, reported through Job Centre Plus.
- The Banking and Finance Sector provided most of the notified job vacancies in Milton Keynes between 2009 and 2012.
- Skills remain an issue among job seekers as almost one-third were looking for jobs in elementary occupations.
- Schools have a significant role to play in preparing young people with the base skills for the world of work.
- The performance of girls (achieving level 4 or above at Key Stage 2) was greater than that of boys in Milton Keynes, South East, SEMLEP and England.
- The proportion of pupils achieving 5 GCSE's at grades A* - C between 2005/6 and 2010/11 was lower in Milton Keynes than in England and the South East, however, performance in Milton Keynes has been improving, rising from 49.9% in 2005/6 to 79.9% in 2010/11.
- An improvement in the qualifications of Milton Keynes residents between 2001 and 2011 was particularly marked at levels 3 and 4 and also the proportion of residents with no qualifications.
- The proportion of Milton Keynes residents with Level 4 and above qualifications rose from 18.9% in 2001 to 28.2% in 2011 and this compared to 27.4% in England.
- The proportion of Milton Keynes residents (16-74 years) without any qualifications fell from 24% in 2001 to 18% in 2011.
- The Annual Population Survey in 2011 showed that residents in Milton Keynes (aged 16-64 years) with no qualifications stood at 8.9%, same as in 2010 but remained higher than the South East level of 8.5%.

5.1 Milton Keynes Population

The population of Milton Keynes between 2001 and 2011 was the 7th fastest growing local authority district in England. The population grew from 212,700 in 2001 to 248,800 in 2011, a 17% increase in population, thus 36,000 more people. Also of significance, was the fact that Milton Keynes had the highest population increase in 64 cities in England between the 2001 and 2011 Census of Population.

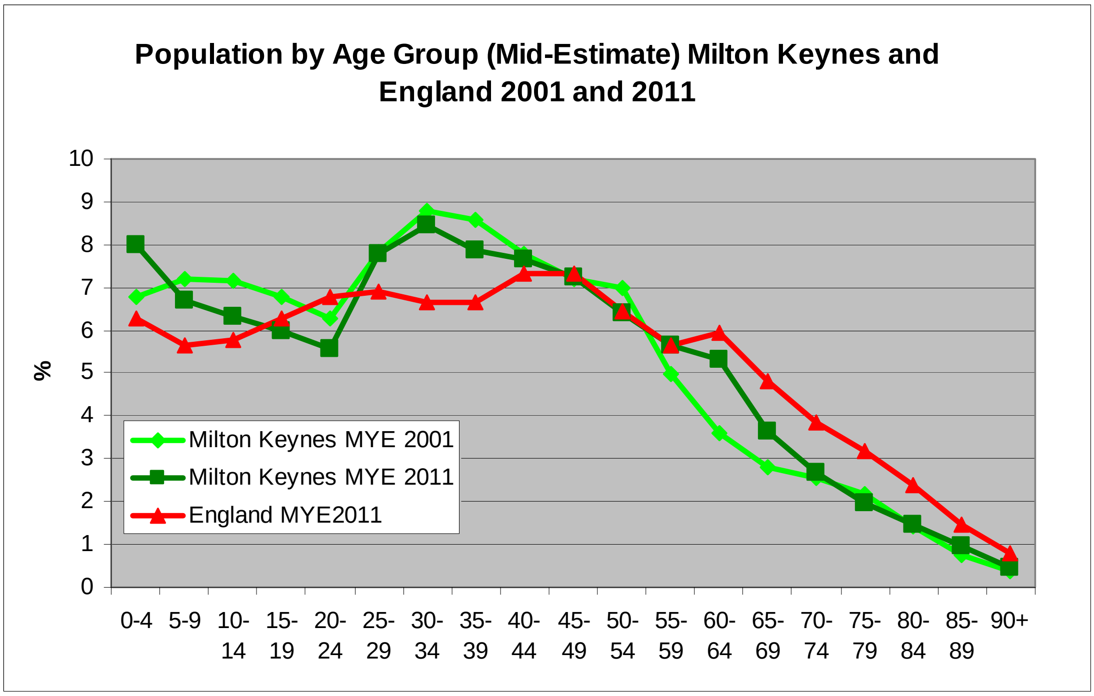
Table: 5.1 Population by Age Group in Milton Keynes and in England 2011

	Milton Keynes		England
Age Group	People	%	%
0-14	52,200	21	17.7
15-24	28,800	16.6	13.1
25-39	60,100	24.2	20.2
40-64	80,300	32.3	32.7
65+	27,600	11.1	16.3

Source: ONS

Already the Mid-Year population estimate (produced by the Office for National Statistics) for Milton Keynes in September 2011 puts the Milton Keynes population at 249,900. It includes the number of people by age group and gender. Milton Keynes has a younger population than England as a whole. 22.3% are aged under 16 years compared with 18.9% in England. The population is getting older as the median age rose from 34 years in 2001 to 35 years in 2011.

Figure: 5.1 Population by Age Group



Source: ONS

The latest ONS population data is for 2011 which reflects the 2011 Census results and was released in September 2012. The population of Milton Keynes increased by 37,200 between 2001 and 2011.This is a growth of 17.5% compared with a growth rate of 7.4% for England. There were slightly more females (50.5%) than males (49.5%) in Milton Keynes. Milton Keynes had a younger age profile than England as a whole. 22.2% of the Milton Keynes population were aged under 16 compared with 18.9% in England. 66.6% of the Milton Keynes population were aged 16-64 compared with 64.7% in England as a whole. 11.2% of the Milton Keynes population were aged 65+ compared with 16.4% in England as a whole.

Table: 5.2 Milton Keynes & England Population by Ethnicity, 2011

	Milton Keynes		England
Ethnic Group	**Persons**	**%**	**%**
White: British	183,934	73.9	79.8
White: Irish	2,498	1.0	1.0
White: Gypsy or Irish Traveller	72	0.0	0.1
White: Other White	12,590	5.1	4.6
Mixed/multiple ethnic groups	8,235	3.3	2.2
Asian/Asian British: Indian	8,106	3.3	2.6
Asian/Asian British: Pakistani	3,851	1.5	2.1
Asian/Asian British: Bangladeshi	1,989	0.8	0.8
Asian/Asian British: Chinese	2,722	1.1	0.7
Asian/Asian British: Other Asian	6,114	2.5	1.5
Black/Black British: African	13,058	5.2	1.8
Black/Black British: Caribbean	2,524	1.0	1.1
Black/Black British: Other Black	1,549	0.6	0.5
Other Ethnic Group: Arab	565	0.2	0.4
Other Ethnic group	1,014	0.4	0.6
All usual residents	**248,821**	**100.0**	**100.0**

Source: ONS – Census 2011

In terms of ethnicity, 26.1% of the Milton Keynes population are from a black and ethnic minority group. This compares to 13.2% in 2001 and 20.2% for England as a whole. The black and ethnic minority groups that have grown the most between 2001 and 2011 are Black African (1.3% of the population in 2001 to 5.2% in 2011) and White Other (2.5% of the population in 2001 to 5.1% in 2011) (see Tables 5.2 and 5.3). 18.5% of residents in Milton Keynes were born outside of the UK. This compares to 13.8% for England as a whole and 9.9% in 2001.

Table 5.3 Population Distribution by Ethnicity, Milton Keynes, 2001 and 2011

	Milton Keynes 2011		Milton Keynes 2001
Ethnic Group	**Persons**	**%**	**%**
White: British	183,934	73.9	86.8
White: Irish	2,498	1.0	1.4
White: Gypsy or Irish Traveller	72	0.0	-
White: Other White	12,590	5.1	2.5
Mixed/multiple ethnic groups	8,235	3.3	1.8
Asian/Asian British: Indian	8,106	3.3	1.9
Asian/Asian British: Pakistani	3,851	1.5	0.8
Asian/Asian British: Bangladeshi	1,989	0.8	0.5
Asian/Asian British: Chinese	2,722	1.1	0.9
Asian/Asian British: Other Asian	6,114	2.5	0.4
Black/Black British: African	13,058	5.2	1.3
Black/Black British: Caribbean	2,524	1.0	0.9
Black/Black British: Other Black	1,549	0.6	0.2
Other Ethnic Group: Arab	565	0.2	-
Other ethnic group	1,014	0.4	0.5
All usual residents	**248,821**	**100.0**	**100.0**

Source: ONS - Census of Population

Department for Work and Pensions (DWP) also publishes data on the world area of origin of those workers obtaining a National Insurance Number (NINo). Table 5.4 shows the number of NINo allocated in 2011/12 by world area of origin of the applicant.

It shows that the largest number of applications from non-UK nationals in Milton Keynes come from EU accession states. They account for a third of all applications; this is a similar proportion to England as a whole. Other EU States and Asian and Middle East areas account for the next two largest groups, both in similar proportions to England. There is a higher proportion of African registrations in Milton Keynes than the England average; 15.3% compared with 6.8%.

Table 5.4: The number of National Insurance Number Registrations by World Area of Origin 2011/12

	Total	EU	EU Accession States	Other Euro pean	Africa	Asia & Middle East	The Americas	Australasia & Oceania
Milton Keynes Number	**2,810**	**670**	**930**	**40**	**430**	**650**	**60**	**30**
Milton Keynes %	**100**	**23.8**	**33.1**	**1.4**	**15.3**	**23.1**	**2.1**	**1.1**
England %	100	23.9	34.3	2.1	6.8	24.9	4.6	3.2
Bedford %	100	10.9	63.4	1.1	5.7	16	1.1	1.1
Luton %	100	8.9	29.6	0.8	7.9	51.4	1	0.2
Peterborough %	100	9.7	72.9	0.5	2.7	12.9	0.5	0.5
Reading %	100	18.8	21.2	1.9	7	46.5	3.2	1.3
Slough %	100	11.5	32.9	0.9	4.9	48.7	1.2	0.3

Source: Department for Work and Pensions (DWP)

5.2 Ward Population

The 2011 Census shows that the Ward in Milton Keynes with the highest population is Loughton Park at 18,108 followed by Emerson Valley at 17,896 and Campbell Park with a population of 16,859. As shown in Table 5.6 the rural Wards have small population: Newport Pagnell North 7,392, Hanslope Park 5,132, Danesborough, 4,672 and Sherrington 4,102.

Table 5.6: Population by Ward, Milton Keynes, Census 2011

Ward	Census 11	Ward	Census 11
Loughton Park	18,108	Furzton	9,148
Emerson Valley	17,896	Olney	8,735
Campbell Park	16,859	Eaton Manor	8,563
Middleton	15,775	Whaddon	8,462
Wolverton	15,601	Linford North	8,397
Walton Park	14,559	Denbigh	8,062
Bletchley and Fenny Stratford	13,581	Newport Pagnell South	7,726
Bradwell	12,938	Newport Pagnell North	7,392
Stony Stratford	12,148	Hanslope Park	5,132
Woughton	11,824	Danesborough	4,672
Linford South	9,672	Sherington	4,102
Stantonbury	9,469		

Source: ONS - Census 2011

5.3 Household Composition

The 2011 Census of Population reported that there were 98,584 households in Milton Keynes and the composition was as shown in Table 5.7. There were changes in the Milton Keynes household composition between 2001 and 2011. For example, there was a small proportion of one person households of people aged 65 and over in Milton Keynes, 8.7% in 2011 compared to 9.7% in 2001 and 12.4% in England in 2011. Altogether, the proportion of single person households decreased from 27% in 2001 to 25.9% in 2011.

Table 5.7: Household Composition, Milton Keynes& England, 2001 and 2011

Household Composition	Milton Keynes 2001 %	Milton Keynes 2011 Persons	Milton Keynes 2011 %	England 2011 %
One person household: Aged 65 and over	9.7	8,602	8.7	12.4
One person household: Other	17.3	16,944	17.2	17.9
One Family All aged 65 and over	6.1	5,429	5.5	8.1
Married or same-sex civil partnership couple: Dependent children	20.8	18,274	18.5	15.3
Married or same-sex civil partnership couple: No dependent children	19.6	18,255	18.5	17.9
Cohabiting couple: Dependent children	4.2	4,839	4.9	4.0
Cohabiting couple: No dependent children	6.4	6,510	6.6	5.8
Lone parent: Dependent children	7.5	8,166	8.3	7.1
Lone Parent: All children non-dependent	2.5	3,256	3.3	3.5
Other household types: With dependent children	2.2	3,187	3.2	2.6
Other household types: All full-time students	0.1	51	0.1	0.6
Other household types: All aged 65 and over	0.2	146	0.1	0.3
Other household types: Other	3.4	4,925	5.0	4.5
All households	**100**	**98,584**	**100.0**	**100**

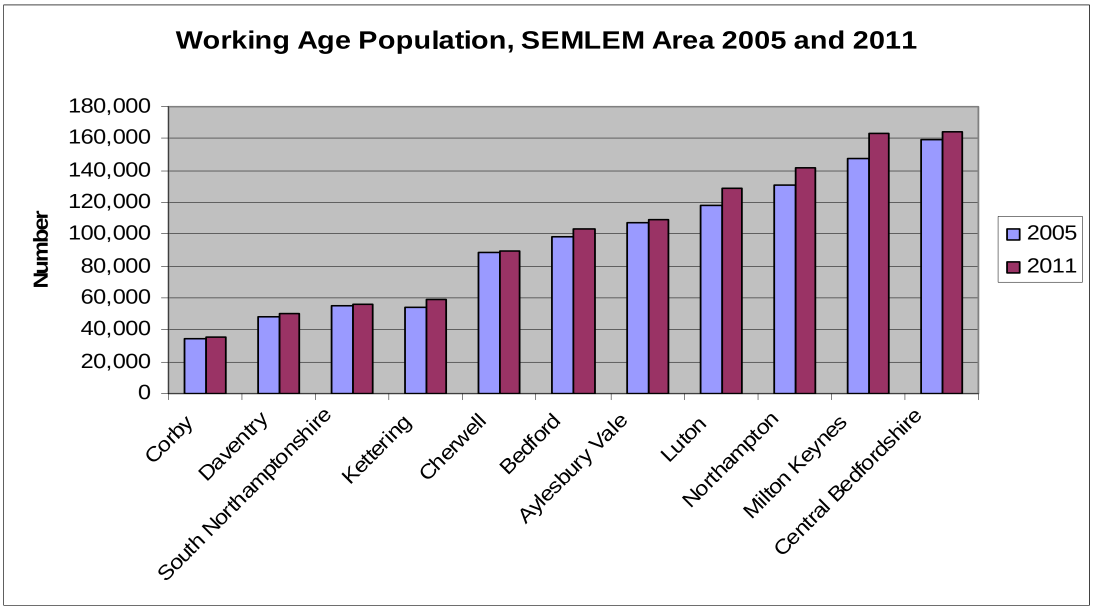
Source: NOMIS

5.4 Working Age Population

The working age population (16-64 years of age) in the SEMLEP area provides a labour pool for the Milton Keynes economy. Central Bedfordshire had the highest working age population in the SEMLEP area at 163,800 followed by Milton Keynes at 162,800 as shown in Figure 5.1. Milton Keynes was on of the few SEMLEP areas which witnessed a considerable increase in working age population between 2005 and 2011of 10.2%. Corby and Daventry had smaller working age populations than other areas in SEMLEP, 35,100 and 50,000 respectively in 2011.

For Milton Keynes, the working age population has risen from 151,100 in 2008 to 162,800 in 2012, an increase of 7.7%.

Figure 5.2: Working Age Population, SEMLEP Area 2005-2011



Source: ONS

5.5 Employment

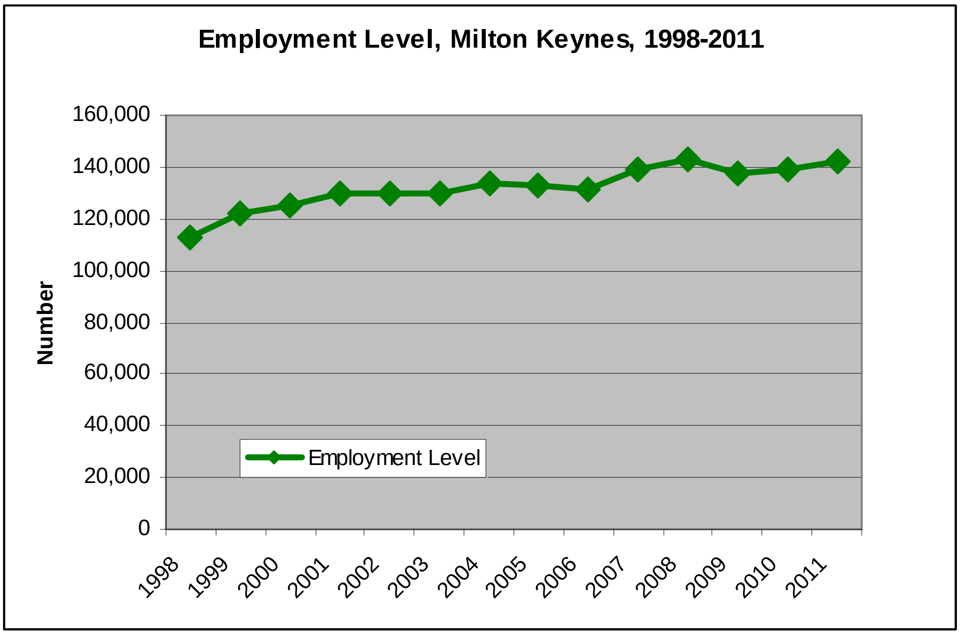
Employment in Milton Keynes increased from 112,993 in 1998 to 142,381 in 2011 an increase of 26% as shown in Table 5.8 and Figure 5.3. It is clear to see the impact of the recession in 2009 on employment as there was a 5,380 job decrease in 2009. However, the resilience of the Milton Keynes economy was shown by the subsequent net gain in employment, 2,275 jobs in 2010 and 2,866 jobs in 2011.

Table: 5.8 Employment Level, Milton Keynes 1998-2011

Year	**Milton Keynes**	**Year on Year Change**
	Number	**Number**
1998	112,993	-
1999	121,843	8,850
2000	124,872	3,029
2001	129,957	5,085
2002	129,629	-328
2003	130,212	583
2004	133,960	3,748
2005	132,972	-988
2006	131,656	-1,316
2007	138,855	7,199
2008	142,620	3,765
2009	137,240	-5,380
2010	139,515	2,275
2011	142,381	2,866

Source: ONS

Figure 5.3: Employment Level, Milton Keynes, 1998-2011

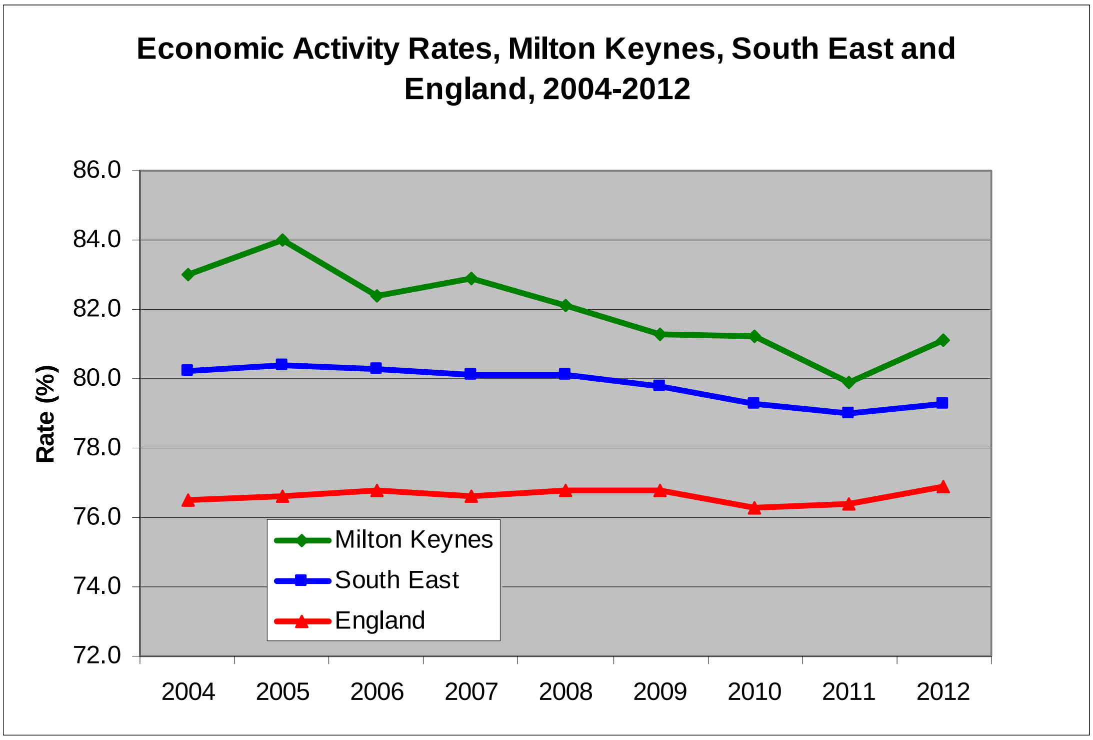


Source: ONS

5.6 Economic Activity Rates

Economic activity rates relate to people who are economically active, expressed as a percentage of all people in the area. Milton Keynes activity rates have been consistently higher than the South East and England between 2004 and 2012 as shown in Table 5.4. In December 2012, economic activity was 76.9% in England, 79.3% in the South East and 81.1% in Milton Keynes.

Figure 5.4: Economic Activity Rates, Milton Keynes, South east and England, 2004 -2012

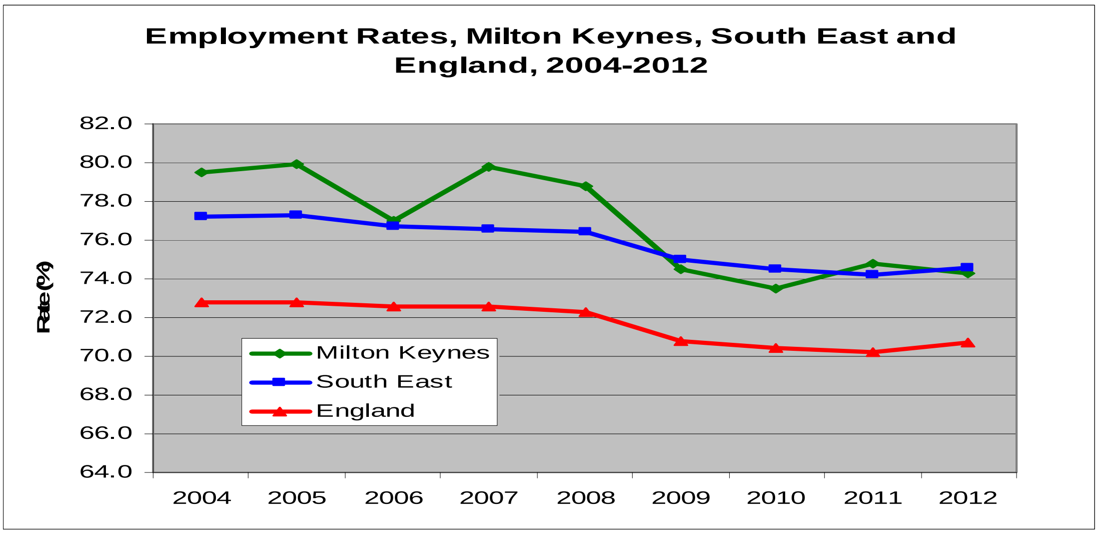


Source: NOMIS

5.7 Employment Rate

The employment rate relates to the number of people in employment expressed as a percentage of all people aged 16-64. The higher the employment rate the better it is for an area. The employment rate in Milton Keynes was higher than both in the South East region and in England between 2004 and 2008, reaching 80% in 2005 and 2007 as shown in Figure 5.4. In 2009 and 2010 the employment rate in Milton Keynes fell to 74.5% and 73.5% respectively, thus rates which were below the South East region levels. However the rate in Milton Keynes recovered to 74.8% in 2011 at a time when the employment rate in England fell to 70.3%.

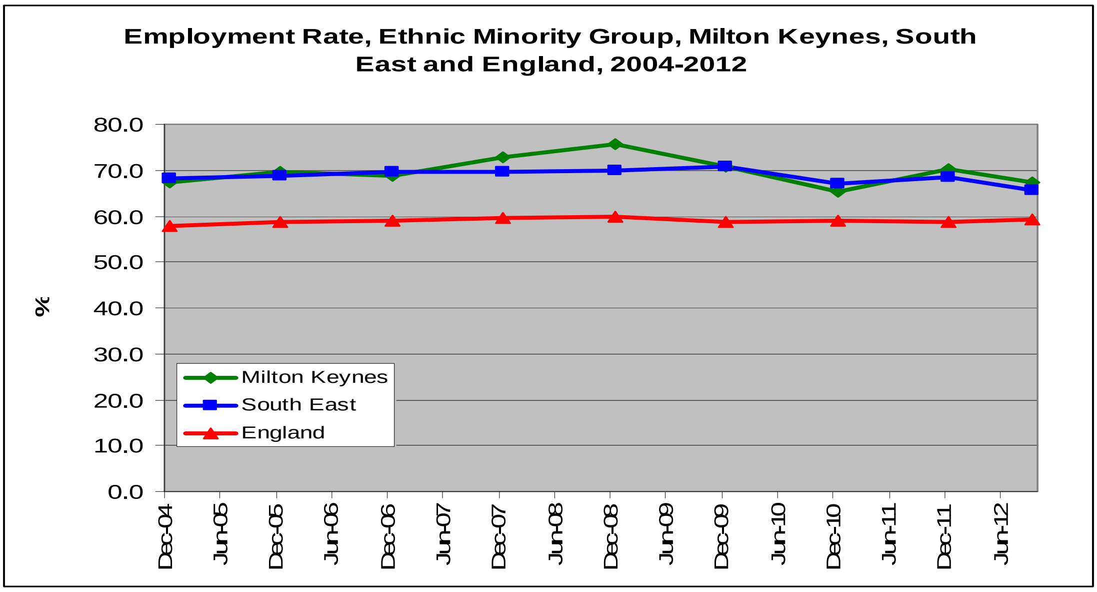
Figure 5.4: Employment Rates, Milton Keynes, South East and England, 2004-2012



Source: NOMIS

The employment rates for ethnic minority groups in Milton Keynes, South East and England between 2004 and 2012 were as shown in Figure 5.5. The employment rates for ethnic minority groups in Milton Keynes and the South East region followed a similar trend apart from between 2007 and the start of 2009 when the employment rate for Milton Keynes was higher than the rate for England.

Figure 5.5: Employment Rate, Ethnic Minority Group, Milton Keynes, South East & England, 2004 and 2012

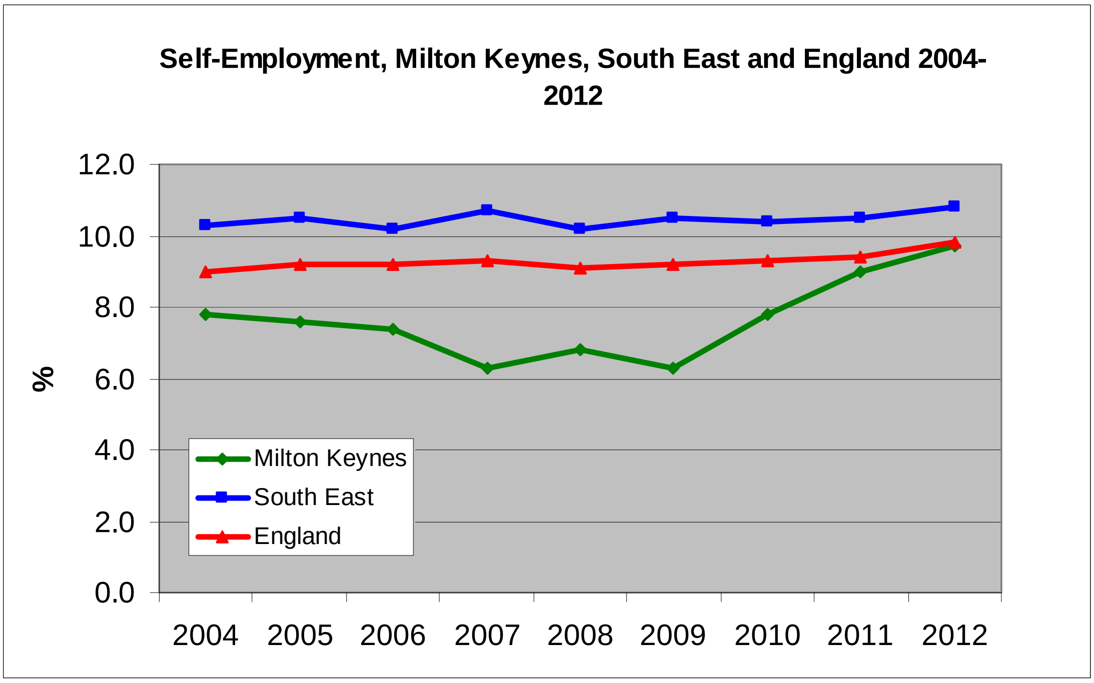


Source: NOMIS

5.8 Self- Employment

Self-employment is a key measure of entrepreneurship and innovation in an area or region. As shown in Figure 5.6. The self-employment rates in Milton Keynes were lower than in the South East and England between 2004 and 2009. However, self-employment in Milton Keynes increased from 6.3% in 2009 to 9.7% in 2012 compared to England rates of 9.2% and 9.8% in 2012. Historically self-employment rates in Milton Keynes have been lower owing to the fact that there were more job opportunities in Milton Keynes than in England as a whole as illustrated by high employment rates. There was no incentive for people to become self-employed. However the recession of 2009 appears to have changed that by providing a stimulus for people to become self-employed.

Figure 5.6. Self-Employment, Milton Keynes, South East and England, 2004- 12



Source: NOMIS

5.9 Pattern of Work

The offer of full-time, part-time work and other forms of flexible working arrangements is critical to the functioning of the labour market. Out of the 142,381 employees in Milton Keynes in 2011, 71% worked full-time and 29% worked part-time (see Table 5.9). By comparison full-time employment in England in 2011 was 67.6% and part-time employment was 32.4%. In the South East full-time employment in the South East was 67.9% and part-time employment was 32.1%.

Analysis of full-time and part-time working by sector shows greater part-time working in some sectors than others. Part-working is highest in Retail, distribution, hotels and restaurants, followed by Public administration, education and health, Banking, Finance and Insurance and Other services. The recession in 2009 resulted in over five thousand people in Milton Keynes loosing their jobs; others accepting reduced working hours per week or moving from full-time to part-time-working. The changing working patterns would no doubt have negatively impacted on income levels, particularly on the affected families.

Table 5.9: Employment, Full & Part-Time by Industry Sector, Milton Keynes, 2011

Industry	Employees		Full-time employees		Part-time employees	
	Number	%	Number	%	Number	%
1 Agriculture, forestry & fishing	44	0.0	40	0.0	4	0.0
2 Mining, quarrying & utilities	410	0.3	362	0.4	48	0.1
3 Manufacturing	10,258	7.2	8,736	8.6	1,522	3.7
4 Construction	3,322	2.3	2,860	2.8	462	1.1
5 Motor trades	4,343	3.1	3,932	3.9	411	1.0
6 Wholesale	9,712	6.8	8,811	8.7	900	2.2
7 Retail	14,452	10.2	6,176	6.1	8,274	20.1
8 Transport & storage	9,617	6.8	8,911	8.8	706	1.7
9 Accommodation & food services	7,515	5.3	3,531	3.5	3,985	9.7
10 Information & communication	10,088	7.1	8,929	8.8	1,159	2.8
11 Financial & insurance	7,109	5.0	5,967	5.9	1,142	2.8
12 Property	1,652	1.2	1,227	1.2	425	1.0
13 Professional, scientific & technical	13,163	9.2	10,622	10.5	2,541	6.2
14 Business admin & support services	12,600	8.8	8,862	8.8	3,737	9.1
15 Public administration & defence	4,772	3.4	3,643	3.6	1,129	2.7
16 Education	12,670	8.9	7,104	7.0	5,565	13.5
17 Health	12,539	8.8	6,160	6.1	6,379	15.5
18 Arts, entertainment, recreation & other services	8,117	5.7	5,260	5.2	2,857	6.9
Column Total	**142,381**	**100.0**	**101,134**	**100.0**	**41,246**	**100.0**

Source: ONS

5.10 Occupational Structure and Change

The occupational structure relates to the jobs people do and is always changing. The Milton Keynes occupational structure for 2012 (see Table 5.10) shows a growth in the high level skilled occupations (Managers, directors & senior officials, Professionals, Associate professional and technical occupations) as they made up 45.7% of all the occupations compared to 48% in the South East and 44.1% in England. This is more evidence confirming the presence of a strong knowledge-based economy. These occupations in Milton Keynes made up 38.7% in 2008 compared to 48% in the South East and 41.9% in England. The Professional occupations in Milton Keynes had the highest employees, making up 19.7% of all employees in 2012 compared to 48% in the South East and 44.1% in England. Milton Keynes had a higher proportion of employees in the Elementary Occupation in 2012, 11.2% compared to 9.4% in the South East and 10.8% in 2012.

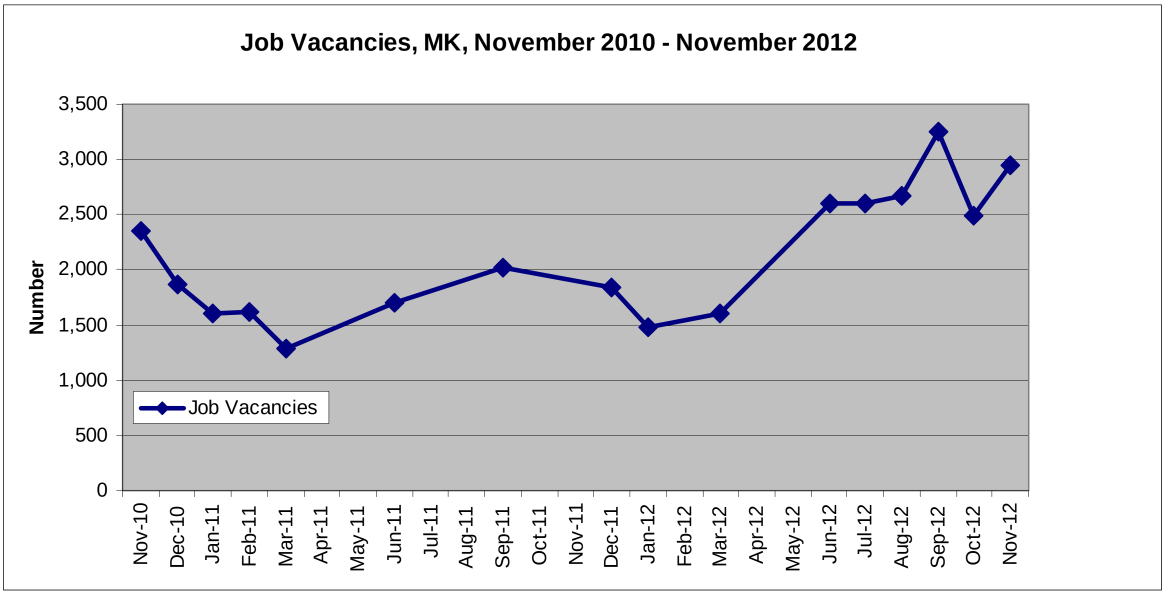
Table 5.10: Employment by Occupation, Milton Keynes, South East and England, 2008 and 2012

	Milton Keynes		South East		England	
	2008	2012	2008	2012	2008	20012
	%	%	%	%	%	%
1 Managers, directors & senior officials	8.6	10.2	10.7	11.7	10.2	10.4
2 Professional occupations	15.3	19.7	19.6	20.8	17.8	19.3
3 Associate prof & tech occupations	14.8	15.8	15.4	15.5	13.9	14.4
4 Administrative & secretarial occupations	14.5	11.7	12.0	11.0	12.0	10.9
5 Skilled trades occupations	8.6	8.3	10.5	10.0	11.2	10.5
6 Caring, leisure & other service occupations	8.0	7.6	7.9	9.0	8.3	8.9
7 Sales & customer service occupations	12.0	10.0	8.0	7.9	8.3	8.1
8 Process, plant & machine operatives	5.9	5.4	5.6	4.4	7.0	6.3
9 Elementary occupations	12.4	11.2	10.1	9.4	11.0	10.8

Source: Annual Population Survey

5.11 Job Vacancies

Figure 5.7: Job Vacancies, (Jobcentre Plus) Milton Keynes, Nov 2010 - Nov 2012



Source: ONS

5.11.1 Job Vacancies Notified to Jobcentre Plus

There were 2,943 job vacancies notified to Jobcentre Plus in Milton Keynes in November 2012, compared to 2,484 vacancies in October 2012, thus, high job vacancy figures since July 2012 (see Figure 5.7). By comparison, there were 2,259 job vacancies in November 2011. Indeed, the job vacancy situation in Milton Keynes remains stable even though there are fluctuations month to month. There were 2 job seekers per vacancy in November 2012 same as in the previous four months compared to 8 in January 2009, illustrating the changing and improving levels of economic activity in Milton Keynes.

5.11.2 Job Vacancies by Industry

The Banking and Finance sector has provided most of the notified job vacancies in MK since January 2009, 70.4% of all job vacancies in November 2012 and 65.1% in October 2012. Within this sector, most of the jobs were in Other Business Activities (Business & Management Consultancy, Legal & Accountancy Services, Labour Recruitment & Provision of Personnel, Software Consultancy & Supply, etc), 68.1% in November 2012, 58.1% in October 2012 and 63.8% in September 2012. Distribution, retail, hotels and restaurants provided 14.4% of the jobs, Public administration, education & health, 6.9%, Other services provided 2.9%, Transport and communications, 1.8%, Manufacturing provided 1.5% and Construction provided 1.4% of the job vacancies in Milton Keynes in November 2012.

5.11.3 Job Vacancies by Occupation

Elementary Occupations and Process, Plant & Machinery Operatives provided 24.3% and 24% of job vacancies in Milton Keynes in November 2012 respectively. Job vacancy contribution in other occupations were as follows: Sales and Customer Service, 21.2%, Associate Professional and Technical Occupations, 8.8%, Skilled Trades, 7.5%, Personal Service Occupations, 5.4%, Administrative & Secretarial Occupations, 4.5%, Managers and Senior Officials, 2.3% and Professional Occupations, 1.9%. Skills remain the key to enhancing one's employment opportunities in the labour market.

5.12 Skills and Learning

The ability of businesses to adapt, respond and even thrive in challenging times relies upon developing and harnessing the talents and skills of their people. There is a significant body of evidence pointing to the value of skills and training investment to individuals, businesses and the economy. For example, the UK Commission for Employment and Skills notes that businesses that do not train are twice as likely to close down than those that do and also that the stock of skills in the UK is not keeping up with international competitors and some of the UK businesses do not adopt strategies which require, use and apply skills. Schools have a significant role to play in preparing young people with the base skills for preparation for the world of work.

5.12.1 Key Stage 2

Key stage 2 results are a good indicator of potential in the pupils who in effect will be tomorrow's workforce. At Key Stage 2 Level 4, Milton Keynes pupils achieved better results than those in the South East and in England in English, Reading, Writing and Mathematics (see Table 5.11).

Table 5.11: Percentage of Pupils Achieving Level 4 or above at Key Stage 2 (2012)

	English	Reading	Writing	Mathematics
England	85	87	81	84
South East	**86**	**87**	**81**	**84**
Milton Keynes	**87**	**87**	**83**	**85**
Luton	84	85	80	81
Bedford	86	87	81	82
Central Bedfordshire	83	83	84	80

Source: ONS

The performance of Milton Keynes boys at Key Stage 2 Level 4 also showed better performance than in the South East and in England in 2012 particularly in English, Writing and Mathematics (see Table 5.12).

Table 5.12: Percentage of Boys Achieving Level 4 or above at Key Stage 2 (2012)

	English	Reading	Writing	Mathematics
England	**82**	**84**	**76**	**84**
South East	**82**	**84**	**76**	**84**
Milton Keynes	**83**	**83**	**78**	**85**
Luton	79	82	75	82
Bedford	82	84	75	82
Central Bedfordshire	79	81	78	80

Source: ONS

Interestingly the performance of girls in Milton Keynes, South East, England and the listed SEMLEP areas was higher than that of boys. Milton Keyes also performed better than the comparative areas as shown in Table 5.13.

Table 5.13: Percentage of Girls Achieving Level 4 or above at Key Stage 2 (2012)

	English	Reading	Writing	Mathematics
England	**89**	**90**	**87**	**84**
South East	**90**	**90**	**87**	**84**
Milton Keynes	**91**	**92**	**88**	**85**
Luton	88	88	86	81
Bedford	90	89	87	83
Central Bedfordshire	86	86	90	80

Source: ONS

5.12.2 GCSE

The proportion of pupils achieving 5 GCSEs at grades A*-C between 2005/6 and 2011/12 was lower in Milton Keynes than in England and the South East. However, performance in Milton Keynes has been improving, rising from 49.9% in 2005/6 to 85.3% in 2011/12. The result was that with a performance of 85.3%, Milton Keynes performed better than the South East at 82% and England at 81.7%. Comparisons with other SEMLEP areas were as shown in Table 5.14.

Table 5.14: Percentage of Pupils Achieving 5 GCSEs at Grades A* - C, 2005/6-2011/12

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
England	57.5	60.1	64.5	70	76.3	80.7	81.8
South East	59.7	62	66	70.1	75.7	79.3	82.0
Milton Keynes	49.9	52	62.2	69.5	75.2	79.9	85.3
Luton	51	55.4	62.2	69	76.7	81.4	85.1
Bedford	-	-	-	67.8	75.6	78.3	78.9
Central Bedfordshire	-	-	-	66.5	71.5	76.8	79.8

Source: ONS

As shown in Tables 5.15 and 5.16 higher percentages of girls than boys achieved 5 GCSEs at Grades A*- C between 2005/6 and 2011/12. The performance of boys in Milton Keynes was lower than performances in both the South East and England apart from between 2008/9 and 2011/12 when performance in Milton Keynes improved immensely. Similarly girls in Milton Keynes performed better than those in the South East and England between 2009/10 and 2011/12.

Table 5.15: Percentage of Boys Achieving 5 GCSEs at Grades A* - C 2005/6 – 2011/12

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
England	52.7	55.6	60.2	66	72.6	77.2	78.3
South East	55.3	58.1	62.3	66.4	72.3	75.6	78.7
Milton Keynes	45.5	49.1	58.9	67.9	71.5	76.5	82.3
Luton	48.3	54.3	59.9	67.4	76.3	80.9	86.3
Bedford	-	-	-	62.8	71.2	73.6	74.5
Central Bedfordshire	-	-	-	61	67.9	73	74.4

Source: ONS

Table 5.16: Percentage of Girls Achieving 5 GCSEs at Grades A* - C, 2005/6 – 2011/12

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
England	62.3	64.6	69	74.1	80.1	84.2	85.5
South East	64.4	66.1	69.8	74	79.3	83.1	85.4
Milton Keynes	54.3	55	65.7	71.3	79.3	83.5	88.5
Luton	53.9	56.4	64.7	70.6	77	81.8	83.8
Bedford	-	-	-	73	80.2	83.2	83.4
Central Bedfordshire	-	-	-	71.9	75.4	80.9	85.7

Source: ONS

Performance of pupils achieving 5 GCSEs including English and Mathematics showed Milton Keynes performing below the South East and England but improving performance considerably between 2008/9 and 2011/12 as shown in Table 15.17.

Table 5.17: Percentage of Pupils Achieving 5 GCSEs incl English and Maths, 2005/6 – 2011/12

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
England	**44.1**	**45.9**	**48.3**	**50.9**	**55.3**	**58.4**	**59.4**
South East	**47.9**	**49.4**	**51.7**	**53.7**	**57.5**	**59.6**	**60.2**
Milton Keynes	**38.7**	**39.6**	**42.1**	**48**	**51.5**	**52.1**	**58.5**
Luton	36.5	40.7	45.3	46.2	52.2	56.7	57.7
Bedford	-	-	-	48.1	50.8	56.2	53.4
Central Bedfordshire	-	-	-	50	54.2	59.4	57.6

Source: ONS

In terms of ethnicity, the percentage of pupils achieving 5 GCSEs including English and Mathematics between 2005/6 and 2010/11 showed an evened out scores but Chinese pupils in all areas performed better than all the other ethnic minority groups as shown in Table 5.18.

Table 5.18 Percentage of Pupils Achieving 5 GCSEs incl English and Maths, 2010/11

	White	Mixed	Asian	Black	Chinese	All Pupils
England	58.1	58.7	62.5	55	80.2	58.4
South East	59.5	62	64.2	52.1	77.6	59.6
Milton Keynes	**52.4**	**55.7**	**53.3**	**43.7**	**72**	**52.1**
Luton	54.7	56.9	59.9	57.6	50	56.7
Bedford	58.2	48.6	50.7	47.6	62.5	56.2
Central Bedfordshire	59.1	55.8	69.8	58.1	-	59.4

Source: ONS

5.12.3 A-Levels

Average points scored per candidate at A-Level between 2005/6 and 2011/12 showed the South East performing better than England and Milton Keynes (Table 5.19). Central Bedfordshire performed better than Milton Keynes between 2008.9 and 2011/12 but Milton Keynes's performance has improved since 2005/6.

Table 5.19: A-Levels, Average Points Scored per Candidate, 2005/6-2011-2012

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
England	**700.9**	**711.2**	**721.1**	**721.1**	**726.5**	**728.2**	**733.0**
South East	**717.2**	**724.3**	**735**	**732.9**	**742.3**	**735.8**	**726.5**
Milton Keynes	**682.5**	**709.8**	**719.4**	**730**	**741.8**	**733**	**723.9**
Luton	628.1	630.8	633.7	653.6	664.4	656.6	652.6
Bedford	-	-	-	697.5	687.1	697.2	679.7
Central Bedfordshire	-	-	-	741.1	739.7	750.3	746.2

Source: ONS

Table 5.20: A-Levels, Average Points Scored per Candidate by Boys, 2005/6-2011/12

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
England	**676**	**689.5**	**696.9**	**699.3**	**707.3**	**710.8**	**717.0**
South East	**689.9**	**700.8**	**710.3**	**709.5**	**721.1**	**718.7**	**707.2**
Milton Keynes	**654.7**	**706.2**	**691.4**	**719.4**	**732.1**	**714.7**	**699.6**
Luton	606.9	612.6	614.8	641.2	652.4	630.7	635.2
Bedford	-	-	-	666.7	661.9	659.4	643.2
Central Bedfordshire	-	-	-	725.9	716.1	734.1	726.9

Source: ONS

Average points scored per candidate by boys and girls (see Tables 5.20 and 5.21) between 2005/6 and 2010/12 shows girls performing better than boys and Milton Keynes performance improved even though the actual performance was below Central Bedfordshire and the South East.

Table: 5.21 A-Levels, Average Points Scored per Candidate by Girls, 2005/6-2011/12

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
England	**721.8**	**729.1**	**741.8**	**740**	**743.1**	**743.4**	**747.2**
South East	**741.1**	**744.7**	**757.2**	**754.1**	**761.2**	**751.2**	**743.8**
Milton Keynes	**708.8**	**712.5**	**742.1**	**738.5**	**750.5**	**749.2**	**746.4**
Luton	645.3	646.4	652.2	665.1	673.8	675.6	668.3
Bedford	-	-	-	728.2	710.4	730.8	713.2
Central Bedfordshire	-	-	-	755.7	763.3	764.3	763.7

Source: ONS

5.12.4 Qualifications

Skills and learning are central to economic growth and global competitiveness. One of the questions asked in the Census of Population in 2011 was on qualifications of individual residents in Milton Keynes. The qualifications profile of residents in Milton Keynes and a comparison with qualifications of residents in England was as shown in Table 5.22. An improvement in the qualifications of Milton Keynes residents between 2001 and 2011 was particularly marked at Levels 3 and 4 and also the proportion of residents with no qualifications. The proportion of residents with Level 3 qualification rose from 7.6% in 2001 to 11.5% in 2011 and this compared to a proportion of 12.4% in England. The proportion of Milton Keynes residents with Level 4 and above qualifications rose from 18.9% in 2001 to 28.2 % in 2011 and this compared to 27.4% in England. It is essential to point out that the Census qualification figures relate to residents aged 16 plus, thus including those beyond retirement. The proportion of residents in Milton Keynes without any qualifications fell from 24% in 2001 to 18% in 2011. The proportion of residents in England without any qualifications was 22.5% illustrating the progress Milton Keynes is making.

5.12.5 Apprenticeships

The National Apprenticeship Service (NAS) reported an increase in Milton Keynes residents who started Apprenticeships, from 750 apprentices in 2005/6 to 2,210 in 2011/12, an increase in starts of 194.7%. The start of the recession in 2008/9 appeared to bring about a rise in apprenticeship starts from 1,090 in 2008/9 to 2,210 in 2012, an increase in apprenticeship starts of 103%.

Apprenticeship completions by Milton Keynes residents (all ages) increased from 410 in 2005/6 to 1,130 in 2011/12, a 175% increase in Apprenticeship completions. The recession witnessed an increase in apprenticeships of 185.2% between 2008/9 and 2011/12. The performance picture on Apprenticeships in Milton Keynes is improving.

Table 5.22: Apprenticeships Starts 2005/6 – 20011/12

	2005/6	2006/7	2007/8	2008/9	2009/10	20/10/11	2011/12
Milton Keynes	750	920	1,030	1,090	1,120	1,980	2,210
Bedford	410	380	420	530	510	850	950
Central Bedfordshire	890	870	980	1,020	1,030	1,630	1,920
Luton	470	500	630	700	660	1,430	1,560
Reading	400	390	540	570	690	1,330	1,330

Source: National Apprenticeship Service

Table 5.23: Apprenticeships Completions 2005/6 – 20011/12							
	2005/6	2006/7	2007/8	2008/9	2009/10	20/10/11	2011/12
Milton Keynes	410	440	490	610	630	880	1,130
Bedford	210	240	210	270	280	380	420
Central Bedfordshire	580	500	530	570	710	820	900
Luton	240	290	260	340	400	610	650
Reading	190	240	230	300	390	600	580
Source: National Apprenticeship Service							

In 2011/12 the highest numbers of apprenticeships nationally were in the following sector subject areas:

- Business Administration and Law
- Retail and Commercial Enterprise
- Health, Public Services and Care
- Engineering and Manufacturing Technologies
- Construction, Planning and the Built Environment and
- Leisure, Travel and Tourism.

Also nationally popular sector frameworks were:

- Health and Social Care
- Customer Service
- Business Administration
- Management
- Hospitality and Catering
- Retail
- Children's Care Learning and Development
- Industrial Applications
- Active Leisure and Learning
- Hairdressing
- Engineering and
- Construction

NAS points out that there are lots of benefits to doing an Apprenticeship since an apprentice can earn while he/she learns, and learn in a way that is suited to the apprentice, through hands-on experience on the job. Key benefits of being an apprentice include:

- Earning a salary
- Getting paid holiday
- Receiving training
- Gaining qualifications
- Learning job-specific skills.

NAS also notes that research shows that apprentices earn on average over £100,000 more throughout their lifetime than other employees. In a report, Productivity matters: The Impact of Apprenticeship on the UK Economy, the Centre for Economic Business Research confirmed and quantified the benefits, setting out in monetary terms the valuable productivity gains which businesses and the wider economy receive due to apprenticeships as well as the benefits to apprentices themselves. The report also unlined the fact that Apprenticeships were a vital and increasingly popular way for young people to earn while they learn in a job, gaining the skills that employers value. Apprenticeships help to create a strong and growing economy, while improving the prospects and earning potential of millions of employers.

Qualification levels for residents in MK and in England in 2001 and 2011 are shown in Table 5.22. There were marked improvements in skills levels between 2001 and 2011 in MK, particularly at qualification Levels 3 and 4, and also the proportion of residents without qualifications which fell from 24.4% to 18%. The difference between the information in Table 5.22 and Figure 5.8 is that Table 5.22 is showing 2011 Census data which relates to residents aged 16 to 74 years whereas Figure 5.8 is showing data from the Annual Population Survey relating to residents aged 16 to 64 years. Some of the residents included in the Census data are not expected to be in the workforce as they are beyond retirement age.

Table 5.22: Skills Profile, Milton Keynes and England, 2001 and 2011 Census

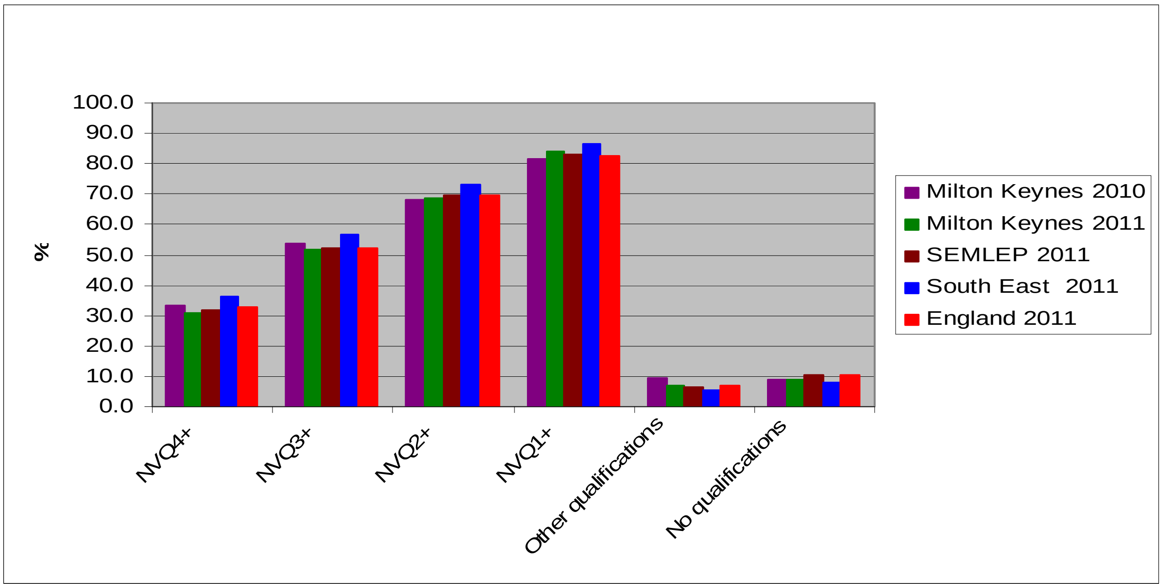
	Milton Keynes 2011		Milton Keynes 2001	England 2011
	Persons	**%**	**%**	**%**
No qualifications	34,850	18.0	24.4	22.5
Level 1 qualifications	30,794	15.9	19.5	13.3
Level 2 qualifications	32,222	16.7	22.7	15.2
Apprenticeship	6,579	3.4	-	3.6
Level 3 qualifications	22,205	11.5	7.6	12.4
Level 4 qualifications and above	54,591	28.2	18.9	27.4
Other qualifications	12,188	6.3	6.8	5.7

Source: ONS - Census 2011

The Annual Population Survey in 2011 provided qualification levels of the working age population in Milton Keynes and comparisons with other areas as shown in Figure 5.8. There was a decrease in the skills proportions particularly on qualification Levels 3 and 4, thus a 1.7% and 2.4% reductions respectively. Hitherto there had been significant improvement in the skills profile in Milton Keynes. The decrease in the qualification level in 2011 was partially due to the retirement of around 6,600 residents. Qualification Level 2 improved slightly from the 2010 level.

The 'no qualifications' category at 8.9% in Milton Keynes did not change but remains higher than the South East level (8.5%). The way to tackle this more effectively is to ensure that those entering the labour for the first time are well equipped with the skills needed by employers or are taking steps to acquire the skills needed in their chosen area of work.

Figure 5.8: Skills Profile, Milton Keynes, SEMLEP, South East and England, 2011.



Source: ONS

5.13 Conclusions

Milton Keynes has one of the fastest growing populations in the UK and there are implications for employment, education, housing, transport and other infrastructure. The Borough has a diversified ethnic population which serves well the international business city image.

The ability of businesses to adapt, respond and even thrive in challenging times relies upon developing and harnessing the talents and skills of their people. There is a significant body of evidence pointing to the value of skills and training investment to individuals, businesses and the economy. Schools have a significant role to play in preparing young people with the basic skills for preparation of the world of work.

The skill levels of residents of working age in Milton Keynes measured by qualifications are improving. This is significant as the global competitiveness of firms will depend on the availability and good use of high level skills.

The performance picture on Apprenticeships in Milton Keynes is improving but the challenge remains to maintain and sustain the improvement.

The next chapter considers Economic and Social Inclusion.

Chapter 6 Economic and Social Inclusion

Key Findings

- Unemployment has a variety of causes in a modern economy: some causes relate to the general level of economic activity and others are a result of a failure of the labour market.
- Whilst male unemployment rates are historically above female rates, female unemployment rates started to rise in 2011.
- Among the ethnic minority groups, Black Africans made up 31.8% of all ethnic minority unemployment claimants in December 2005 and 33.1% in December 2012.
- The unemployment rates as a proportion of the population of working age in that age group showed that the highest unemployment rates were in the 20-24 year age group.
- Since December 2002 youth unemployment rates in Milton Keynes were lower than in the South East, UK and SEMLEP are proportions, 21.8% in December 2002 and 19.1% in December 2012.
- Being Not in Education, Employment and Training (NEET) between the ages of 16 and 19 is a major predicator of later unemployment, low income, teenage motherhood, depression and poor health. No single agency holds all the keys to reducing NEET: local authorities, schools, youth support services and employers all have key roles to play.
- The proportion of NEET in Milton Keynes improved significantly between 2011 and 2013, reducing to 5.1% (443 young people) in January 2013.
- Long term unemployment rates in Milton Keynes remain low but there has been a general rise in the rate since the recession in 2009, 0.1% in 2002 to 0.8% in December 2012.
- The Employment Support Allowance benefit had the highest rates of claimants out of all the benefit types; 6% in England, 4.8% in Milton Keynes and 4.5% in the South East region.
- The Job Seekers' Allowance was the second highest benefit claimed in England, Milton Keynes and the South East in May 2012.
- One of the recommendations of Milton Keynes Child Poverty Commission report was that to reduce the numbers of children in poverty now, there was a need for a forensic focus on employment for parents.
- The other recommendation was that to reduce the likelihood of poverty in the next generation there was a need for a clear focus on improving outcomes, especially educational outcomes for all children and young people.
- In 2010 there were 7 Lower Super Output Areas (LSOAs) in Milton Keynes which were within the most deprived 10% in England and those covered large parts of Woughton and Eaton Manor Wards and part of Fullers Slade.
- Whilst Milton Keynes is an affluent Borough with a strong economy, there are 22 neighbourhoods in Milton Keynes that are feature within the 25% of the most deprived neighbourhoods in England using the 2010 Index of Multiple Deprivation rankings.
- Thames Valley Police data shows that all reported crime in Milton Keynes fell by 12.4% between 2010/11 and 2011/12.
- The only major increase in crime was in Theft or handling Offences which rose by 49.86% between 2010/11 and 2011/12.
- A healthy population, and by extension a healthy workforce, is essential for high productivity, wealth creation and community well-being.
- Deprivation was lower in Milton Keynes than the average in England but about 11,000 children lived in poverty.
- Life expectation was 7.3 years for man and 6 years for women lower in the most deprived area.
- Health priorities in Milton Keynes included reducing death and disability caused by the major killers (cancer, heart disease and stroke) and reducing inequalities in life expectancy.

6.1 Unemployment

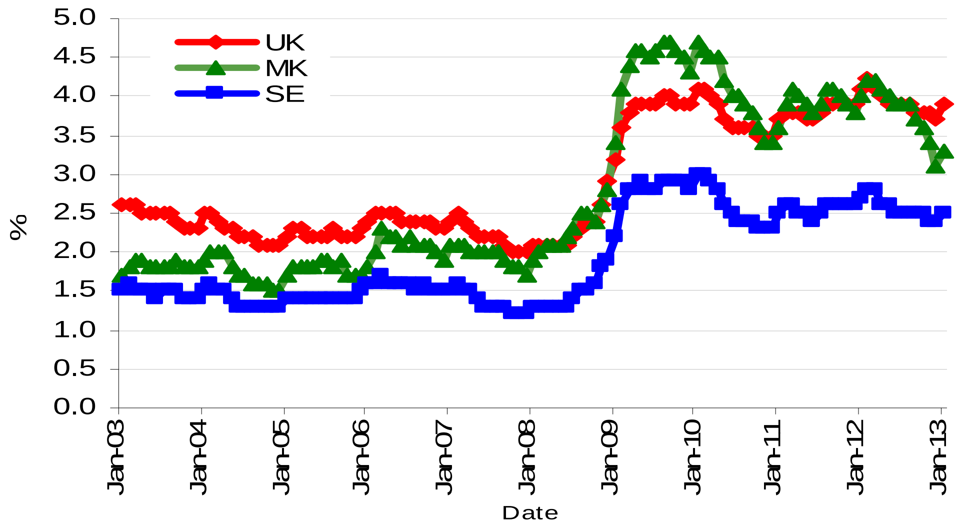
Unemployment is an economic indicator that refers to the number or proportion of people in an economy who are willing and able to work, but are unable to get a job; a person in this situation is said to be unemployed. People who are not willing or able to work, for whatever reason, are "economically inactive" and do not count towards unemployment figures. All the unemployment figures in this assessment relate to the claimant count, that is, those claiming job seekers' allowance.

Unemployment has a variety of causes in a modern economy. Some of them relate to the general level of economic activity, others are the result of a failure of the labour market. There are many causes of unemployment including:

- Cyclical or demand deficient unemployment
- Frictional unemployment
- Structural unemployment
- Seasonal Unemployment
- Real wage unemployment
- Hidden or voluntary unemployment.

The unemployment rate in Milton Keynes was 1.7% in January 2003 compared to 1.5% in the South East region and 2.5% in the UK. The unemployment rate in MK surpassed the UK rate for the first time in June 2008 since January 2003 as shown in Figure 6.1. Since June 2008 the unemployment rate in Milton Keynes steadily increased reaching a level of 4.7% in August and September 2009 and January 2010. Since March 2012 the unemployment rate in Milton Keynes has fallen from 4.2% to 3.3% in January 2013 compared to a fall from 4.1% in March 2012 to 3.9% in the UK.

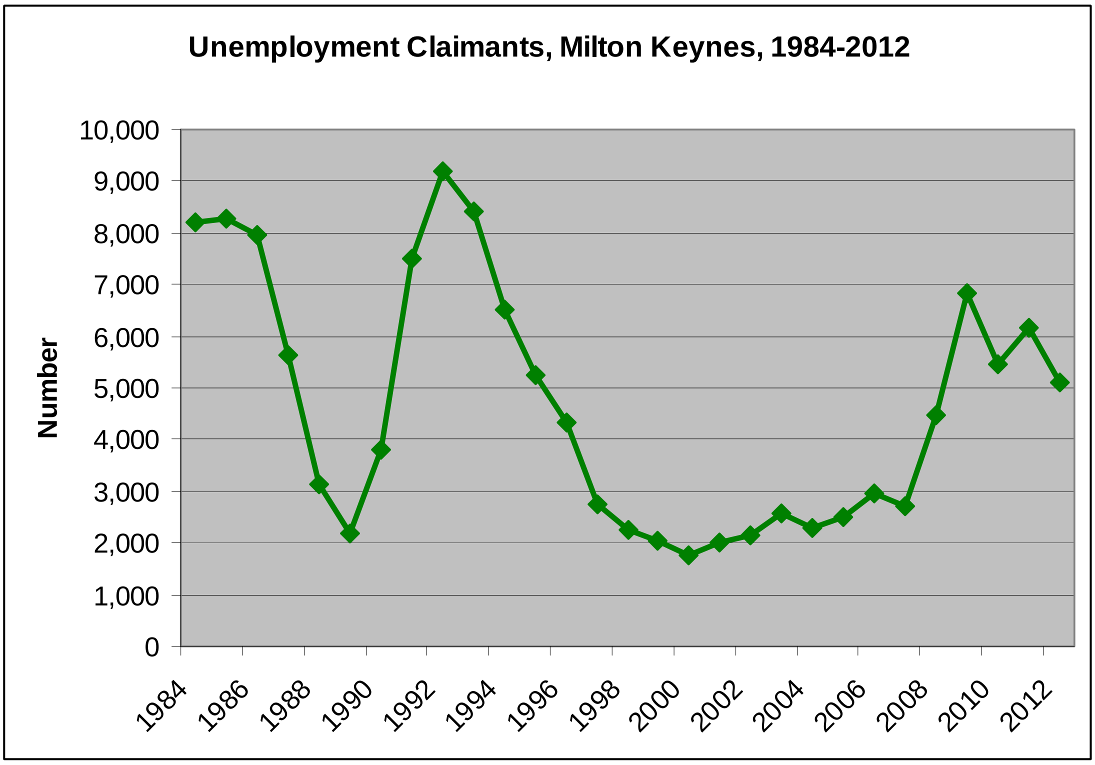
Figure 6.1: Unemployment Rates (Claimant Count) MK, SE and UK, 2002-2013



Source: NOMIS

In December 1984 there were 8,198 job seekers claiming unemployment benefit in Milton Keynes. The 1990s recession saw job seekers rising to 9,192 claimants in 1993. In the post recession period, there were 1,769 job seekers in Milton Keynes in December 2000 (1.2%) the lowest absolute figure in a long time. Unemployment in Milton Keynes started to rise again before the 2009 recession as there were 2,965 claimants in December 2006, 4,473 claimants in December 2008 and reaching a height of 6,820 claimants in December 2009. Since December 2009, unemployment has been falling, 5,109 claimants (3.1%) in December 2012 and 5,475 claimants (3.3%) in January 2013 (see Table 6.1).

Figure 6.2 Unemployment Claimants, Milton Keynes, 1984-2012

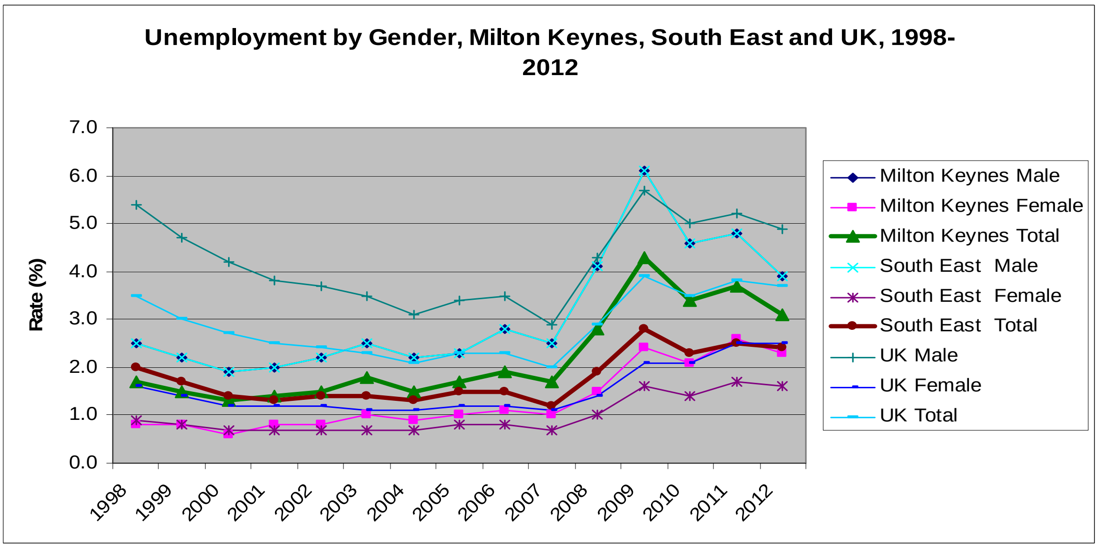


Source: NOMIS

6.1.1 Unemployment by Gender

Unemployment trends by gender in Milton Keynes showed male unemployment rates above the Milton Keynes unemployment rate whilst female unemployment was lower than both the male and Milton Keynes trend rates between 1999 and 2012 as shown in Figure 6.2. However female unemployment rates started to rise in 2011.

Figure 6.3 Unemployment by Gender, Milton Keynes, South East and UK, 1998-2012



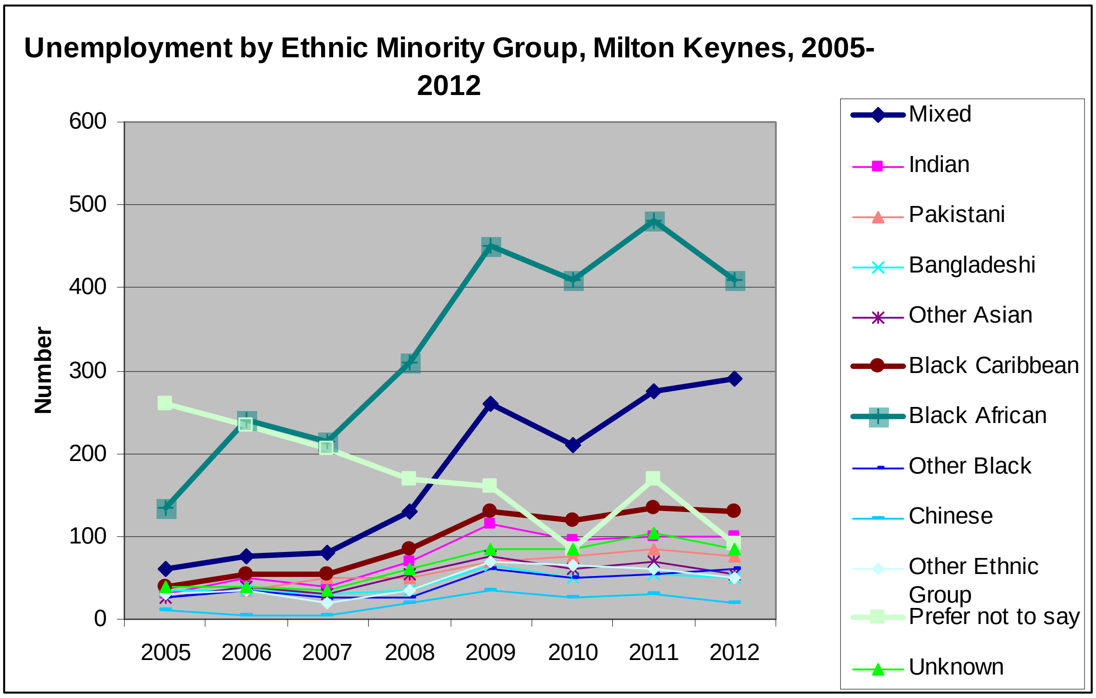
Source: NOMIS

6.1.2 Unemployment by Ethnicity

In terms of unemployment by ethnicity, white people make up the largest proportion of the unemployed people claiming unemployment benefit, 72.4% in December 2005 and 75.1% in December 2012. The unemployment distribution trend among the other ethnic groups (in absolute terms was as shown in Figure 6.4.

Among the ethnic minority groups Black Africans made up 31.8% of all the ethnic minority unemployment claimants in December 2005 and 33.1% in December 2012. As the trend in Figure 6.5 shows Black Africans had the highest levels of unemployment between 2005 and 2012 followed by mixed ethnic group and Black Caribbean.

Figure 6.4: Unemployment by Ethnic Group, Milton Keynes, 2005-2012



Source: NOMIS

Table 6.1: Unemployment Rates by Ethnic Group, Milton Keynes, December 2012

Ethnic Group	Working Age Population*	Claimants December 2012	Unemployment Rate (%)
White	129,200	3,835	3
Mixed	2,700	145	5
Indian	6,100	100	2
Pakistani	2,900	75	3
Bangladeshi	1,100	50	5
Other Asian	1,300	55	4
Black Caribbean	1,900	130	7
Black African	3,400	410	12
Other Black	400	60	15
Chinese or Other	4,000	70	2

* Working Age Population figures relate to 2009 estimates.

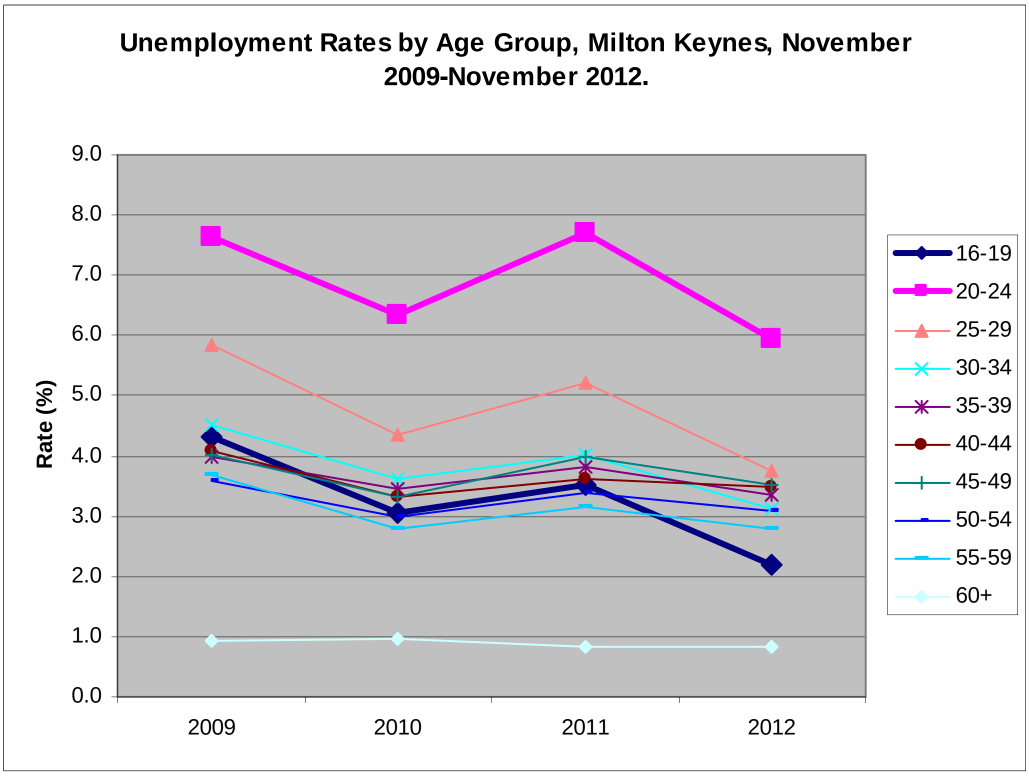
Source: Office for National Statistics (ONS)

Unemployment rates by ethnic group for December 2012 show that the rates are reflective of the working age population of that ethnic group. The rates in Table 6.1 help to also confirm the absolute figures in Figure 6.4, particularly the high unemployment levels among Black Africans. The anomaly is with the ethnic group ‘Other Black’ where the working age population of this group is so low that the group’s unemployment rate appears high as a result, at 15% and an absolute figure of 60 claimants.

6.1.3 Unemployment by Age

Trends on unemployment rates in all age groups in Milton Keynes between 2009 and 2012 were as shown in Figure 6.5. The unemployment rates as a proportion of the population of working age in that age group show that unemployment rates were highest in the 20-24 year age group, 7.6% in 2009, 7.7% in 2011 and 6% in 2012.

Figure 6.5: Unemployment Rates by Age Group, MK, November 2009-2012

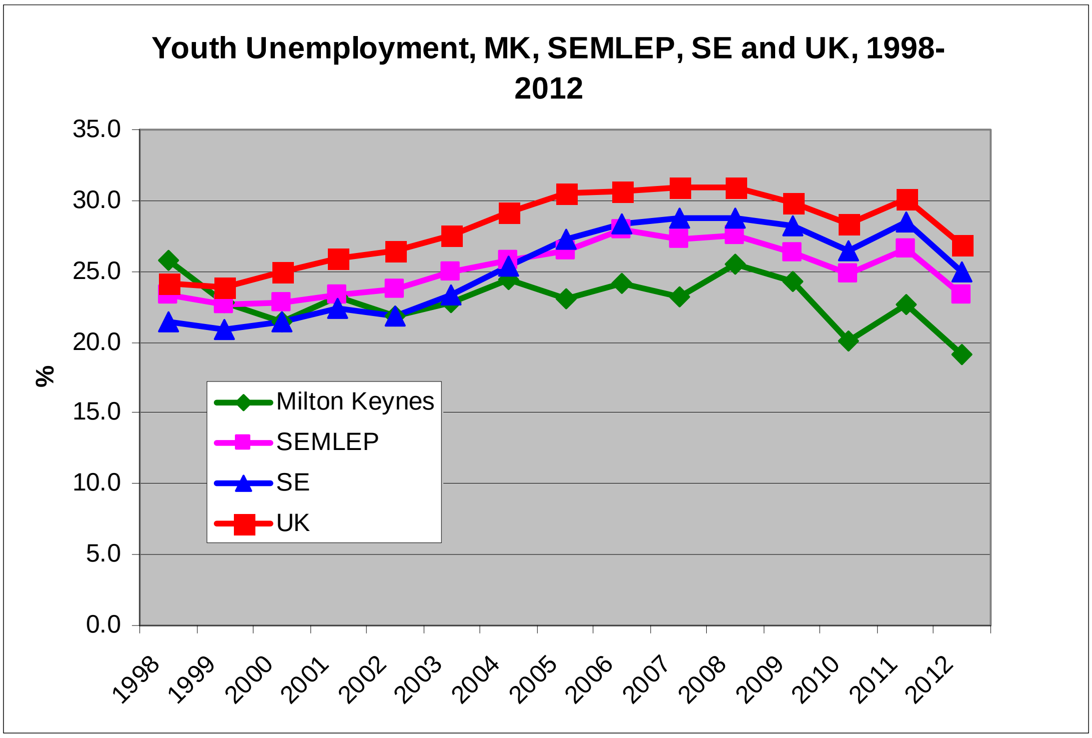


Source: NOMIS

Youth unemployment trends in Milton Keynes, bench marked against SEMLEP, SE and the UK between 1998 and 2012 were as shown in Figure 6.6. The youth unemployment trend shows young people claiming job seekers’ allowance as a proportion of all the unemployed claimants. Since December 2002 youth unemployment in Milton Keynes has been lower than the South East, UK and SEMLEP area proportions, 21.8% in December 2002 and 19.1% in December 2012. The Milton Keynes trend compares to the UK youth unemployment proportions of 26.4% in December 2002 and 26.8% in December 2012.

The issue of some MK Wards being impacted heavily by high unemployment rates remains. Analysis of unemployment by Ward in January 2013 showed high unemployment rates in Woughton, 6.9%, Eaton Manor, 7%, Campbell Park, 5.6%, Wolverton, 5.4%, Bletchley and Fenny Stratford, 4.4%, Bradwell, 4.5%, Denbigh, 4.3%, Stantonbury, 4.6% and Stony Stratford – 3.6%. Indeed, nine Wards in MK have unemployment rates which are above the MK average in January of 3.3%. In all these Wards, the majority of the claimants have worked in, and or are looking for jobs in Elementary occupations, indicating that low skills levels are an issue. Historically, these Wards have also tended to have high rates of unemployment.

Figure 6.6: Youth Unemployment, MK, SEMLEP, SE and UK, 1998-2012



Source: NOMIS

6.1.4 Not in Education, Employment and Training

There are a number of options open to young people when they reach the age of 16. Over 80% of 16-19 year olds choose to continue in full-time education in schools and colleges, studying for A-levels, Diplomas, or vocational qualifications. Some choose to undertake work-based learning; either in the form of an Apprenticeship of employment with accredited training such as National Vocational Qualification (NVQ). Others will choose to participate in employment with no formal training component. The remainder, including those on gap years or who are full-time volunteers, are classed as “not in education, employment or training” (NEET).

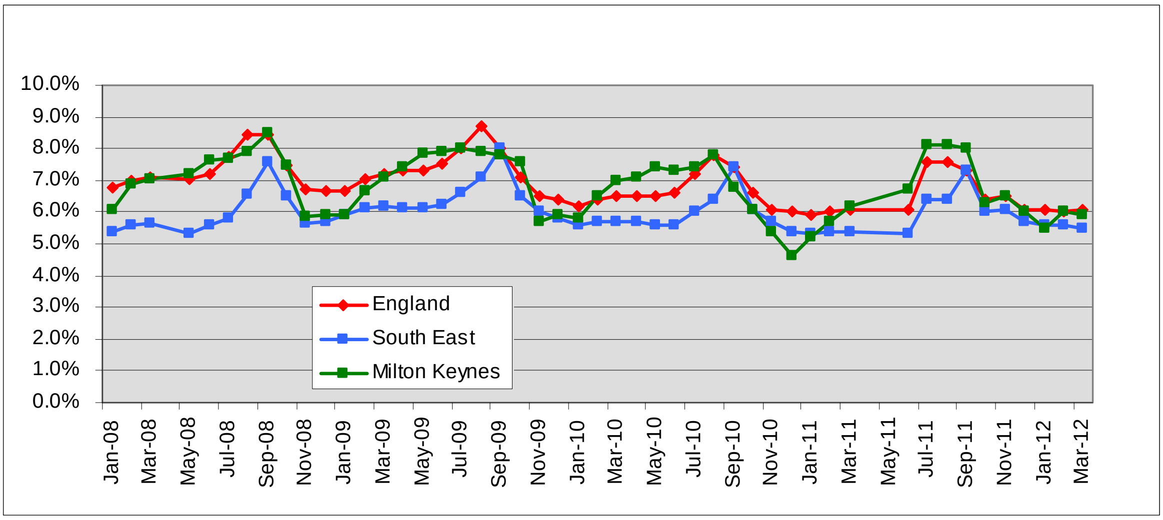
Reducing the proportion of 16 -19 year old NEET is the priority for the Government. Being NEET between the ages of 16 and 19 is a major predicator of later unemployment, low income, teenage motherhood, depression and poor health. No single agency holds all the keys to reducing NEET: local authorities, schools, youth support services and employers all have key roles to play. Generally people aged 16 to 19 are not entitled to JSA or other benefits. There is a link between low achievement at school and long-term NEET.

A shortage of apprenticeships places in companies remains an issue and good work experience places are sometimes hard to find. This makes it difficult for an apprenticeship course to be completed fully.

It must be noted that NEET figures from April 2011 relate to new a methodology which counts young people of an age that puts them in Academic Years 12 to14, and not simply of ages16 to 18 years as before. The count now includes all young people of this age group resident in MK, and excludes those who are educated in MK but live in other local authority areas. This information is relevant to Figures 6.7 and 6.8. The NEET trends in Milton Keynes, South East and England between 2008 and 2012 are shown in Figures 6.7 and 6.8.

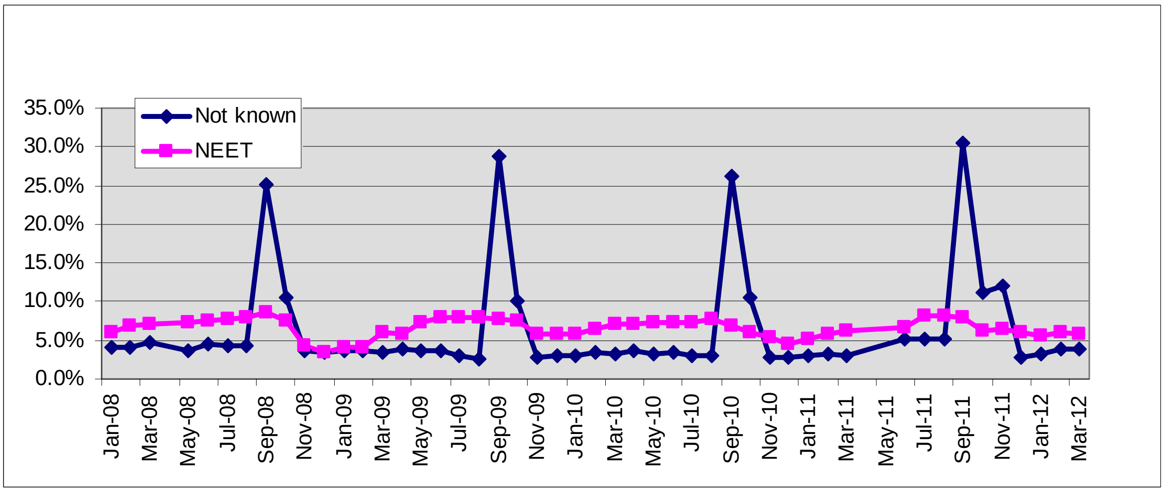
The number of young people (16-19 year olds) in Milton Keynes who were NEET in January 2013 was 443, 5.1% of the Year 12 to Year 14 cohort compared to 490 (5.5%) in January 2012. The number of young people in learning was 7,468 in January 2013, 83% of the cohort. The cohort count includes all young people in this age group resident in MK, and excludes those who are educated in MK but live in other local authority areas.

Figure 6.7: NEET, Milton Keynes, South East & England, 2008-2012



Source: Department for Education (DfE)

Figure 6.8 NEET, Milton Keynes, 2008 - 2012

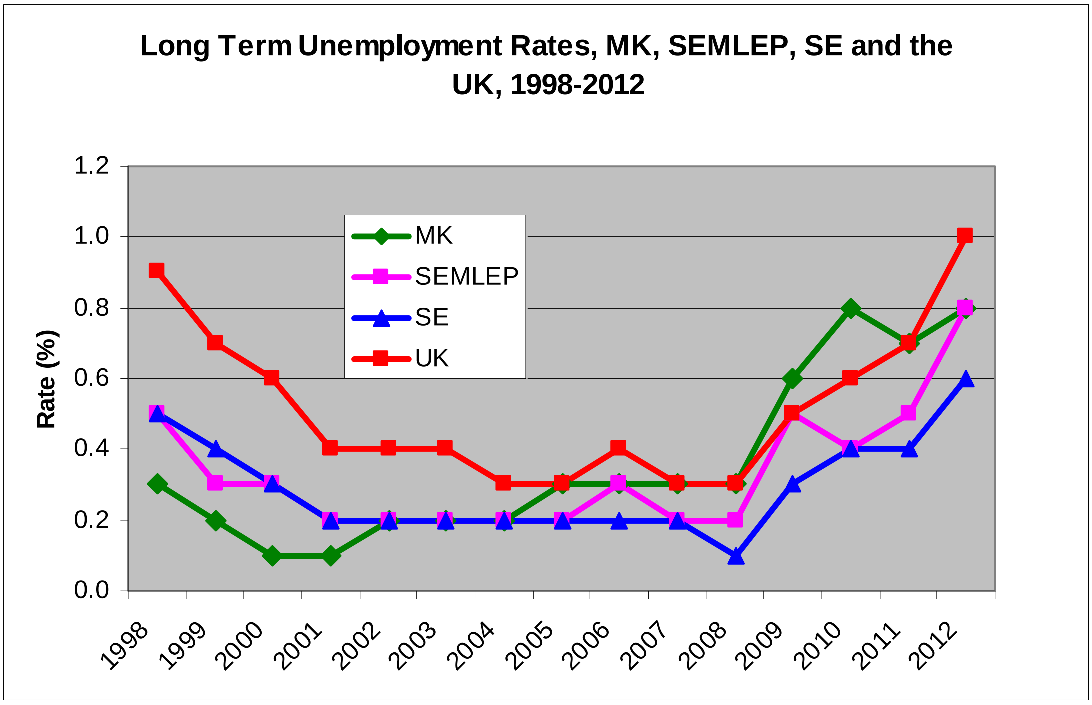


Source: DfE

6.1.5 Long Term Unemployment

Long term unemployment relates to being out of work and claiming Job Seekers Allowance (JSA) for one year and over. The long term unemployment rate in Milton Keynes has remained low but there has been a gradual rise in the rate since the recession in 2009 as shown in Figure 6.8. The lowest unemployment rates in Milton Keynes were in 2001 and 2002 at 0.1% but rose to 0.6% in 2009 and the rate has continued to rise, albeit slowly, reaching 0.8% in December 2012. In UK the long term unemployment rate was 1% in December 2012.

Figure 6.8 Long Term Unemployment Rates, MK, SEMLEP, and SE & UK, 1998-2012



Source: NOMIS

6.1.6 Workless Households

Workless households relate to households where no adult of working age is in work. The impact of an individual's worklessness depends on the economic status of the other adults in the household. Clearly, the situation is most serious if there is no adult in the household with any paid work. The number and proportion of workless households in Milton Keynes increased from 7,700 (10.6% of all households in MK) to 12,700 (15.5%) between 2004 and 2011, an increase in workless households of 65% as shown in Table 6.2. Percentages of workless households in England are much higher than in Milton Keynes and the South East, 18.4%, 15.5% and 14.4% respectively in December 2011 (see Table 6.2).

Table 6.2 Workless Households, Milton Keynes, South East and England

	Milton Keynes		South East	England
	Number	%	%	%
Jan-Dec 2004	7,700	**10.6**	**13.0**	17.1
Jan-Dec 2005	9,100	**12.0**	**12.7**	17.0
Jan-Dec 2006	9,600	**12.0**	**12.8**	17.2
Jan-Dec 2007	10,000	**12.6**	**13.0**	17.2
Jan-Dec 2008	9,100	**11.6**	**13.2**	17.3
Jan-Dec 2009	11,900	**14.9**	**13.9**	18.1
Jan-Dec 2010	14,500	**17.5**	**14.6**	18.4
Jan-Dec 2011	12,700	**15.5**	**14.4**	18.4

Source Annual Population Survey, 2011

Economic inactivity relates to people who are neither in employment nor unemployed. This group includes, for example, all those who are looking after a home or are retired. Economic inactivity rates in Milton Keynes have been lower than in the South East and in England as shown in Figure 6.9. Economic inactivity in Milton Keynes was 17% in December 2004 rising to 20.1% in December 2011 and falling to 18.9% in September 2012. The Milton Keynes inactivity rate compared to rates for England of 23.5% in December 2004 rising to 23.6% in 2011 and falling to 23.1% in June 2012.

Figure: 6.9 Economic Inactivity, Milton Keynes, South East and England, 2004-2012

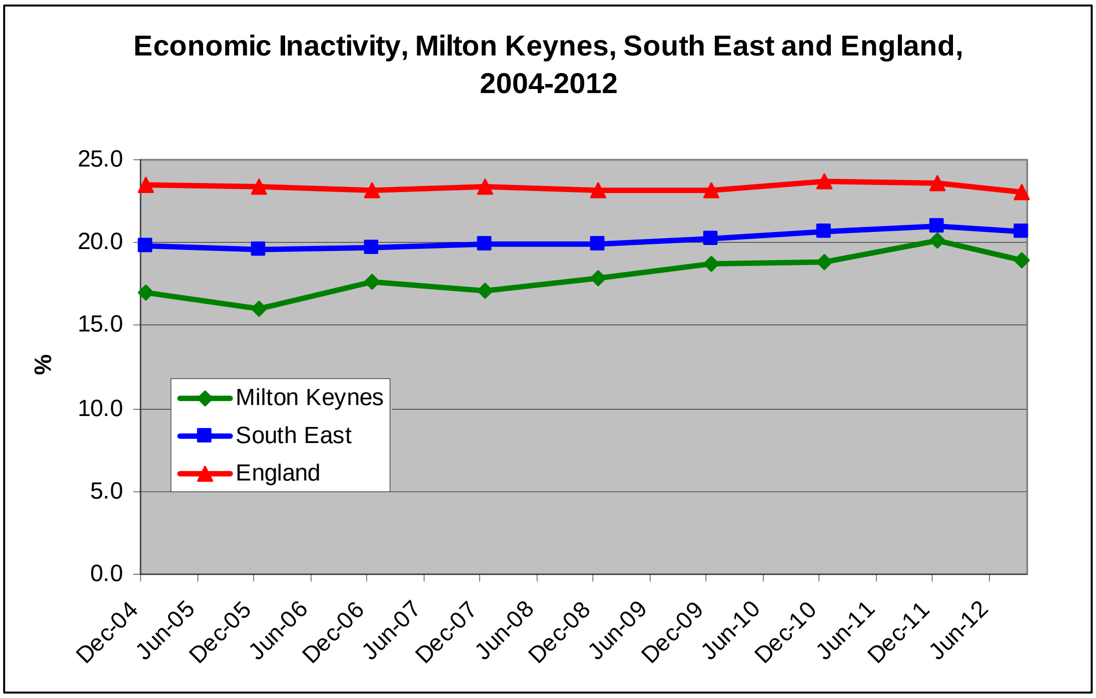
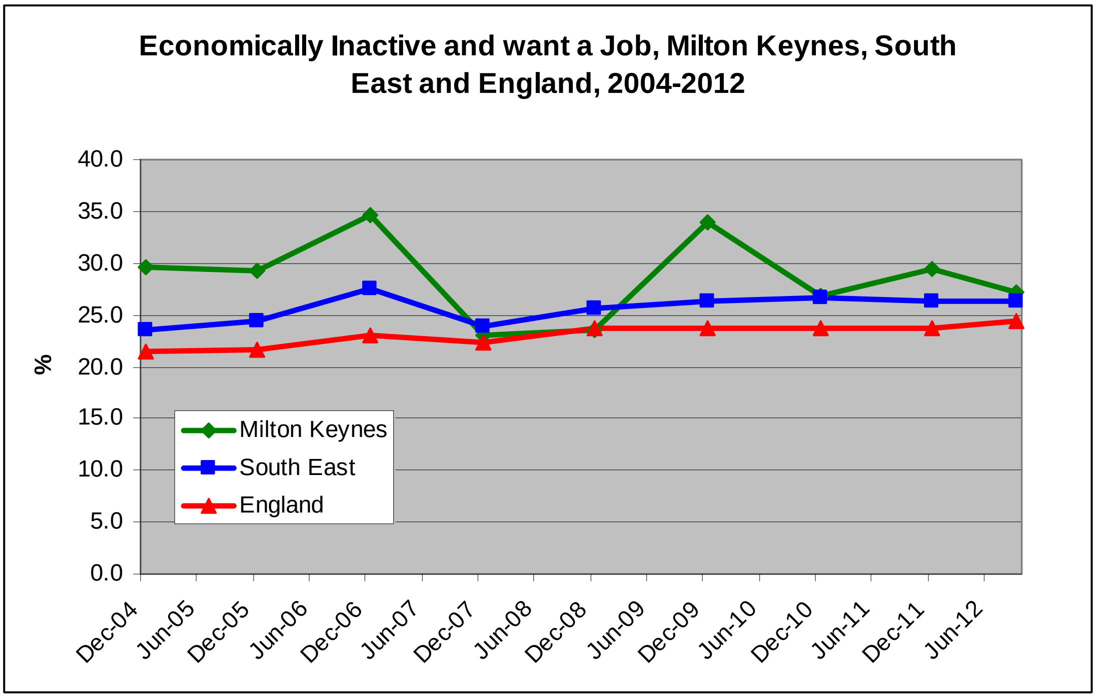


Figure 6.10 Economically Inactive & Want a Job, MK, South East & England 2004-2012



Source: NOMIS

Figure 6.11 Economically Inactive & Do not Want to Work, MK, SE & England, 2004-2012

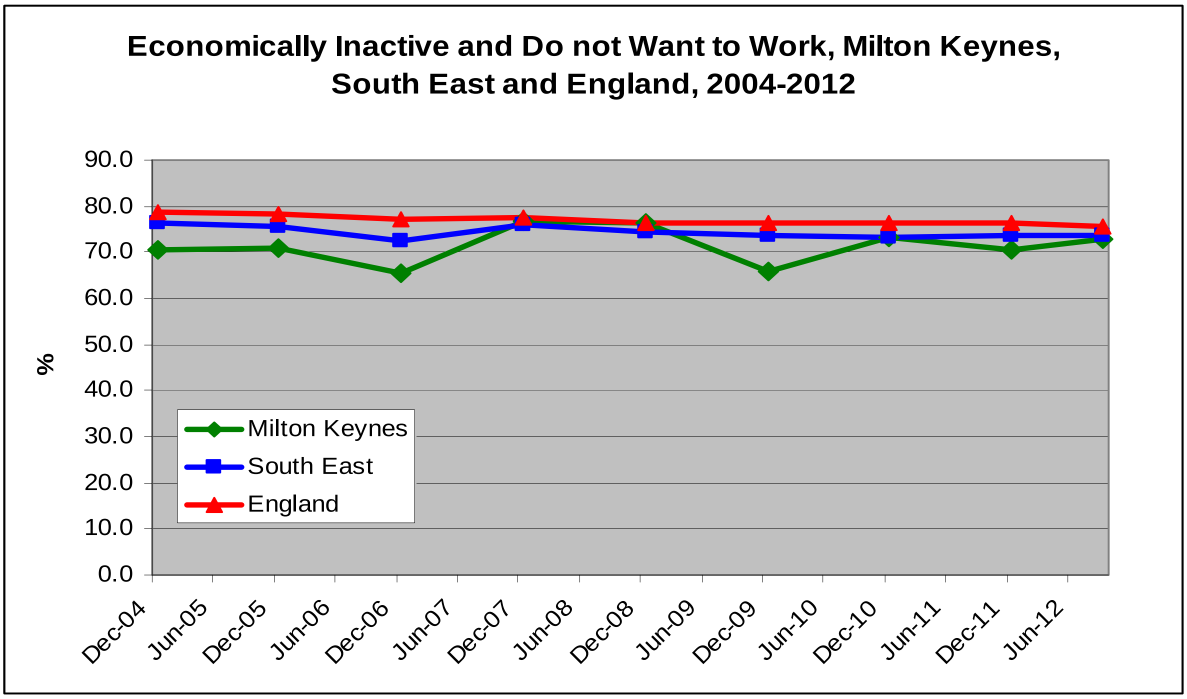
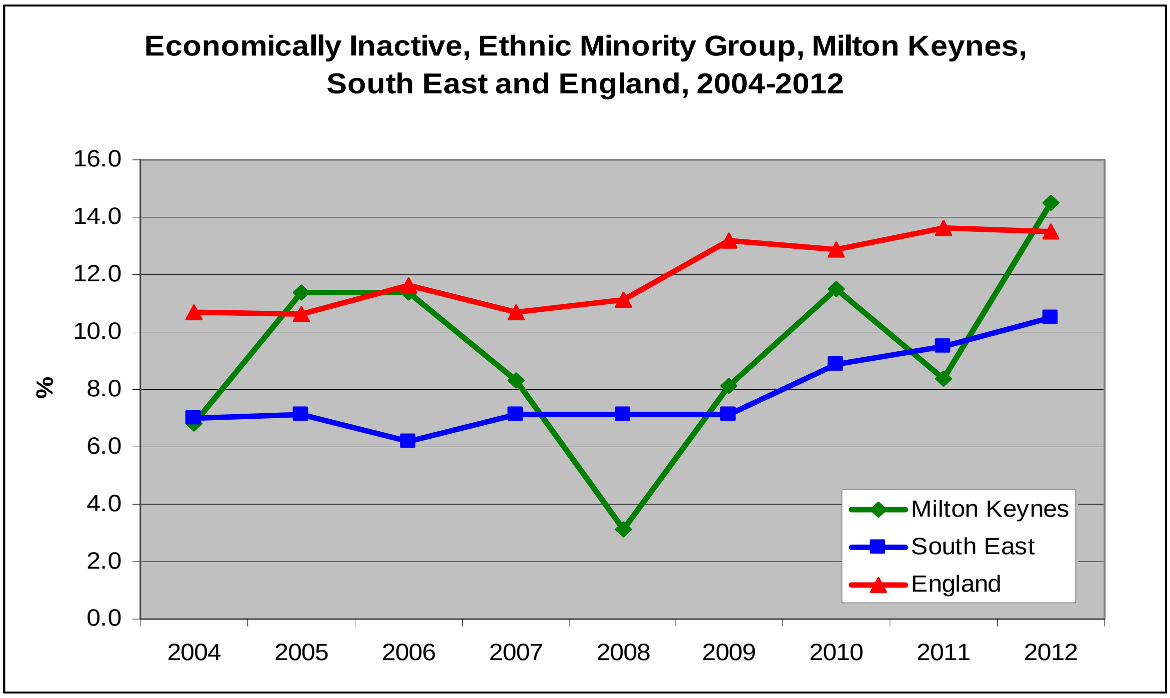


Figure 6.12 Economically Inactive, Ethnic Minority Group, MK, SE & England

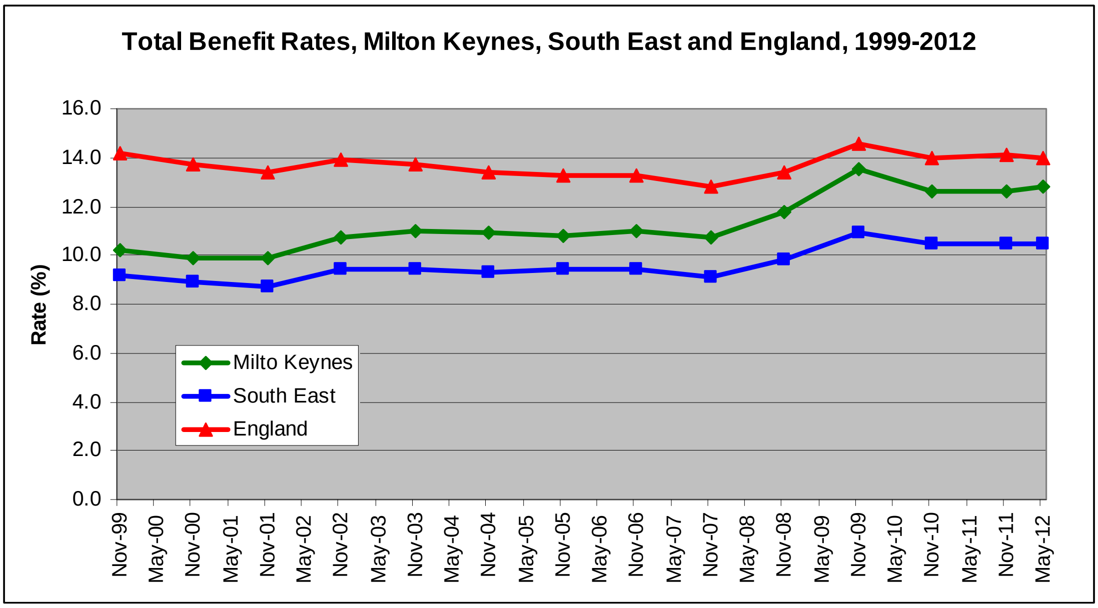


Source: NOMIS

6.1.7 Welfare Benefit Trends

The total proportion of people on welfare benefits in Milton Keynes (encapsulating job seekers' allowance, employment support allowance and incapacity benefits, lone parents, carers, other income related benefits, disability and bereavement benefit) as a proportion of the working age population stood at 9.9% in November 2000 rising to 13.5% in 2009 during the recession and falling to 12.8% in May 2012 as shown in Figure 6.13. In the South East England, the total welfare benefits proportion stood at 9.2% in November 2000 rising to 10.5% in May 2012. In England the total welfare benefits proportion stood at 13.7% in November 2000 rising to 14% in May 2012.

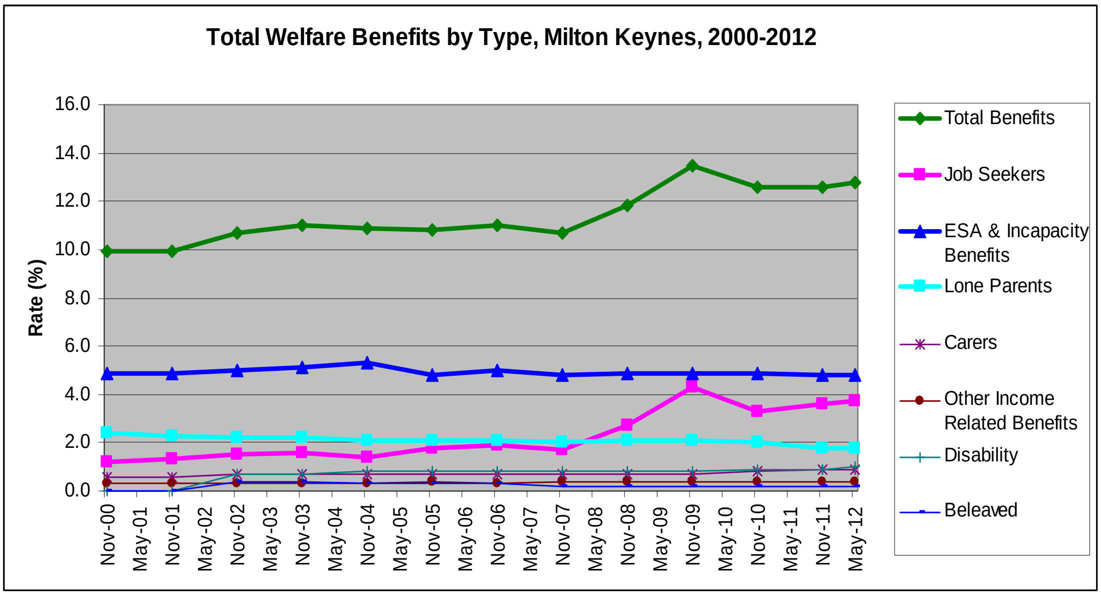
Figure 6.13: Total Benefit Rates, Milton Keynes, South East and England, 1999-2012



Source: NOMIS

In Figure 6.13 the total benefit proportion is compared to the individual benefit types. A welfare benefit that has remained high is the employment support allowance which was 4.9% in November 2000 and 4.8% in May 2012. Job Seekers' Allowance (JSA) in Milton Keynes was 1.2% in November 2000 and 3.7% in May 2012. The proportion of people paid lone parents benefits stayed more or less the same between 2000 and 2010 averaging 2.1% and falling between 2011 and 2012 to 1.8% and an absolute number of 2,960 claimants.

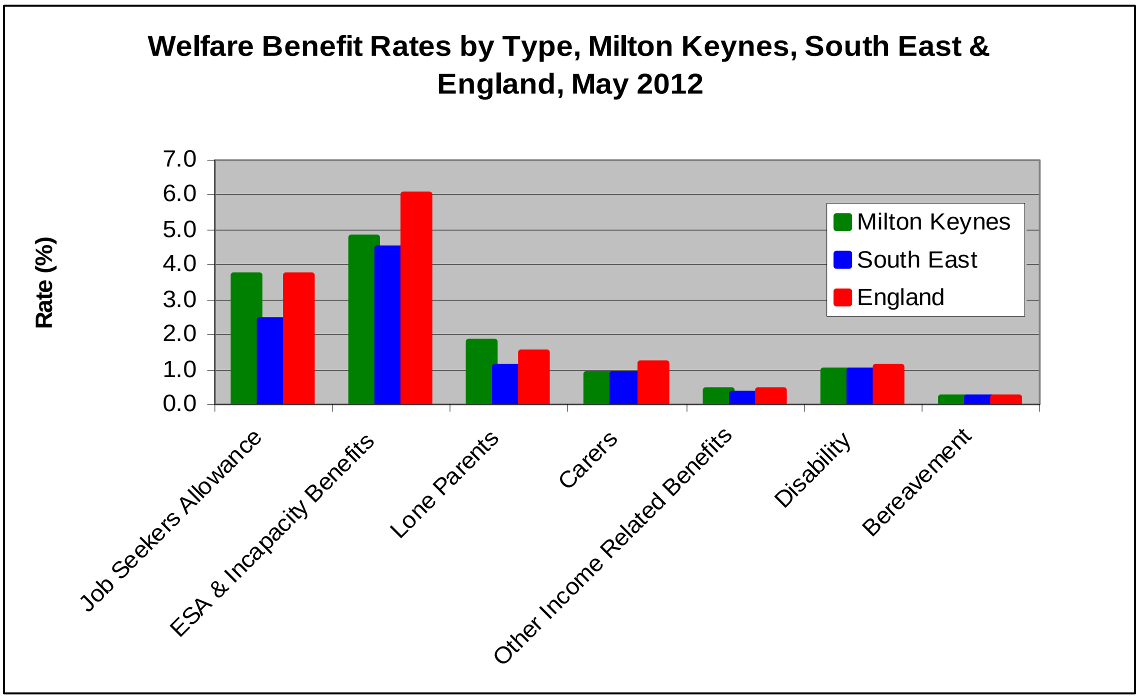
Figure 6.14: Total Welfare Benefits by Type, Milton Keynes, 2000-2012



Source: NOMIS

Comparisons of welfare benefit rates by type in Milton Keynes, South East and England in May 2012 show a similar benefit claiming pattern (Figure 6.14. The Employment Support Allowance benefit had the highest rates of claimants out of all the benefit types; 6% in England, 4.8% in Milton Keynes and 4.5% in the South East region. The Job Seekers' Allowance was the second highest benefit claimed in England, Milton Keynes and the South East in May 2012, in both Milton Keynes and 2.4% in the South East region (see Figure 6.15). The third highest benefit claimed in Milton Keynes, South East and England was Lone parents.

Figure 6.15: Welfare Benefit Rates by Type, Milton Keynes, South East & England, May 2012



Source: NOMIS

6.2 Welfare Reforms

The Welfare Reform Act 2012 introduced a wide range of reforms that the Government aims will make the benefits and tax credits systems fairer and simpler by:

- creating the right incentives to get more people into work
- protecting the most vulnerable in our society
- delivering fairness to those claiming benefit and to the taxpayer.

The main elements of the Act are:

- the introduction of Universal Credit to provide a single streamlined payment
- a stronger approach to reducing fraud and error with tougher penalties for the most serious offences
- a new claimant commitment showing clearly what is expected of claimants while giving protection to those with the greatest needs
- reforms to Disability Living Allowance, through the introduction of the Personal Independence Payment to meet the needs of disabled people today
- creating a fairer approach to Housing Benefit to bring stability to the market and improve incentives to work
- driving out abuse of the Social Fund system by giving greater power to local authorities
- reforming Employment and Support Allowance to make the benefit fairer and to ensure that help goes to those with the greatest need
- changes to support a new system of child support which puts the interest of the child first.

As all these reforms take effect, the benefit claimant's trends shown in Figure 6.15 will be impacted upon. One of the main differences between Universal Credit and the current welfare system is that Universal Credit will be available to people who are in work and on low income, as well as to those who are out of work.

6.3 Child Poverty

A report by the Milton Keynes Child Poverty Commission produced on behalf of the Children and Families Partnership in April 2012 reported that the majority of poor children in Milton Keynes lived in a household where no adult worked. Some of the adults due to their circumstances were deemed not able to work and were on Income Support and they did not appear in the unemployment statistics. One of the recommendations of the report was that to reduce the numbers of children in poverty now, there was a need for a forensic focus on employment for parents. The other recommendation was that to reduce the likelihood of poverty in the next generation, there was a need for a clear focus on improving outcomes, especially educational outcomes for all children and young people.

6.4 Index of Multiple Deprivation

The Indices of Multiple Deprivation (IMD) 2010 are measures of deprivation for every Super Output Area (SOA) and local authority area in England. Super Output Areas are a geography designed for the collection and publication of small area statistics. There are currently two layers of SOA, with areas intermediate in size between census Output Areas (OAs) and local authorities and each layer nesting inside the layer above. This offers a choice of scale for the collection and publication of data, and allows for the release of local data. SOAs give an improved basis for comparison across the country because the units are more similar in size of population than, for example, electoral wards. They are also intended to be stable, enabling the improved comparison and monitoring of policy over time.

Lower Layer Super Output Areas (LSOAs) were originally built using 2001 Census data from groups of Output Areas (typically four to six) and were constrained by the Standard Table wards used for 2001 Census outputs. They had a minimum size of 1,000 residents and 400 households, but average 1,500 residents. Measures of proximity and social homogeneity were also included.

IMD combines a number of indicators across seven domains (Income, Employment, Heath deprivation and disability, Education, skills and training deprivation, Barriers to Housing and Services, Living Environment deprivation and Crime) into a single deprivation score and rank for each area. There are also six summary measures for County Councils, an Income Deprivation Affecting Children Index and an Income Deprivation Affecting Older People Index. Key performance results for Milton Keynes:

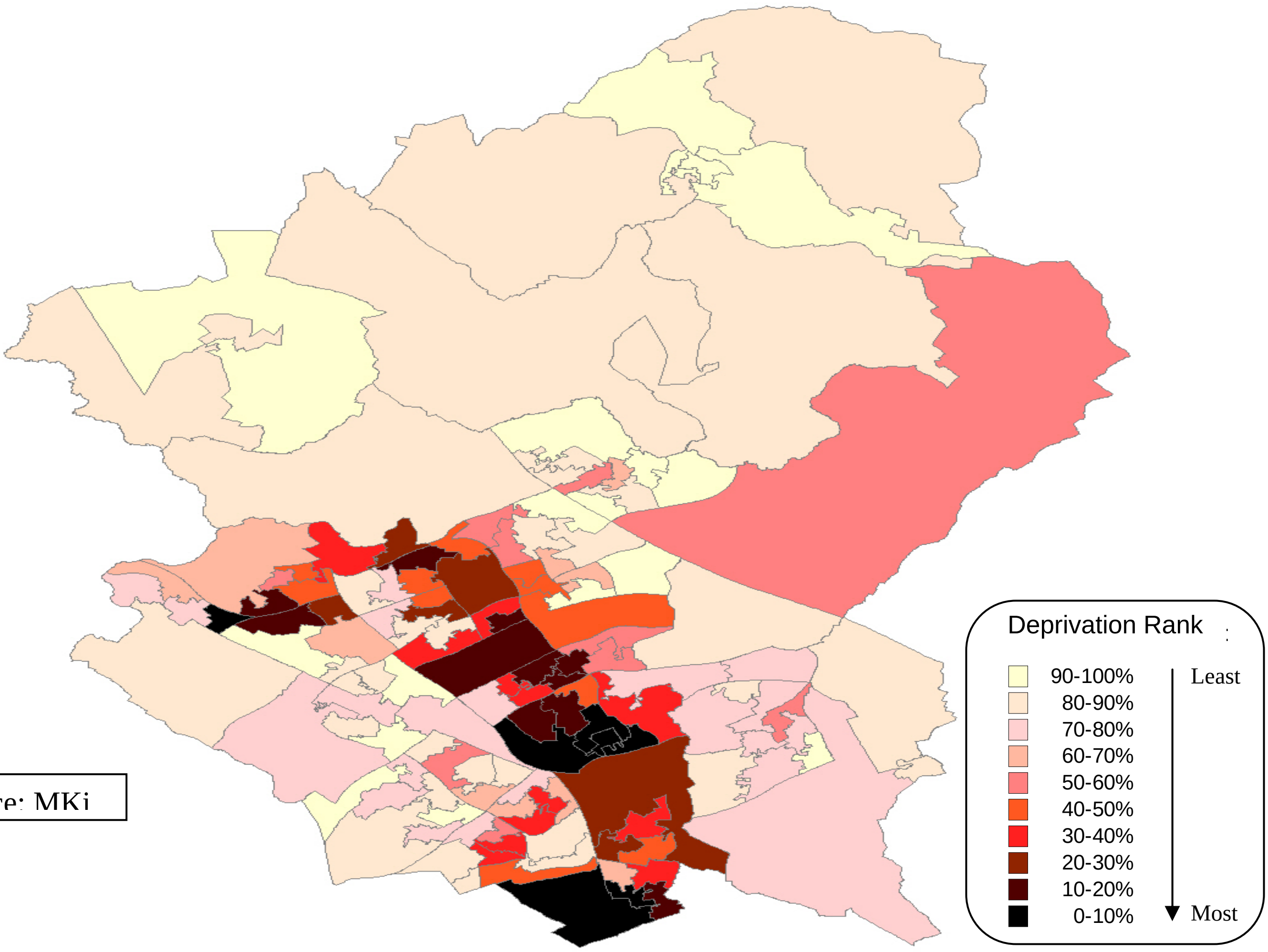
- Milton Keynes has a local authority rank of 211, compared to 212 last time out of 326 – where 1 is the most deprived.
- Authorities ranked closely to Milton Keynes include Cheltenham (214); Chichester (213); Solihull (212); Braintree (210); East Devon (209).
- 7 lower super output areas are in the 10% most deprived in England, compared to 6 in the 2007 index.
- 18 lower super output areas are in the 20% most deprived in England, compared to 15 in the 2007 index and 13 in 2004.
- 17 lower super output areas are in the 10% least deprived in England, compared to 14 in the 2007 index
- 51 lower super output areas are in the 20% least deprived in England, compared to 49 in the 2007 index and 40 in 2004
- This continues the trend, seen between the 2004 and 2007 indices, of increasing numbers in the most and in the least deprived quintiles of the national population.

Table 6.3: Index of Deprivation in MK: Number of Lower Super Output Areas (LSOAs)			
	2004	**2007**	**2010**
Within most deprived (%)	No of LSOAs	No of LSOAs	No of LSOAs
0-10	5	6	7
11-20	8	9	11
21-30	9	7	6
Within least deprived			
0-10	14	14	17
11-20	26	35	34
21-30	31	23	21
Source: MKi Observatory			

Table 6.3 shows the number of LSOAs in Milton Keynes within the most/least deprived 10%, 20%, 30% LSOAs in England with a comparison to the 2004 and 2007 Indices. The table shows that of the 139 LSOAs in Milton Keynes there are 7 which are within the 10% most deprived in England. This compares to 6 in 2007. Overall there are 24 LSOAs within the most deprived 30%, 2 more than the 2007 Index.

There are 17 LSOAs within the least deprived 10% in England, three more than in the 2007 Index. Map 6.1 outlines that there are 7 LSOAs in MK which are within the most deprived 10% in England. These areas cover a large part of Woughton Ward and parts of Eaton Manor Ward and Fullers Slade. Overall there are 24 LSOAs within the most deprived 30%. There are 17 areas within the least deprived 10% these are in rural areas, Newport Pagnell and some areas in the Borough.

Map 6.1: Index of Multiple Deprivation 2010 – Overall Ranks



Source: MKi

6.4.1 Income Deprivation

There are 9 LSOAs in MK which are within the most deprived 10% in England in terms of income, mainly within Woughton, and Eaton Manor Wards and also around Fullers Slade and Fishermead. Overall there are 34 LSOAs within the most deprived 30%. There are 10 areas within the least deprived 10% these are in rural areas, Newport Pagnell and some areas in the city.

6.4.2 Employment Deprivation

On the employment front, there are 11 LSOAs in MK which are within the most deprived 10% in England. These areas cover a large part of Woughton Ward, Central MK, parts of Eaton Manor Ward, Conniburrow, Fullers Slade and Hodge Lea. Overall there are 29 LSOAs within the most deprived 30%. There are 18 areas within the least deprived 10% these are in rural areas, Emerson Valley Ward, Newport Pagnell and some areas in the city.

6.4.3 Education, Skills and Training Deprivation

There are 11 LSOAs in MK which are within the most deprived 10% in England in terms of education. Overall there are 39 LSOA within the most deprived 30%. These areas cover Woughton Ward, areas in Bletchley, areas in Campbell Park, Wolverton, Bradwell and Stantonbury Wards. There are 8 areas within the least deprived 10% these are around Olney, rural areas and other areas in the city.

6.4.4 Health Deprivation and Disability

There is just 1 LSOA in MK within the most deprived 10% in England in terms of health. This area is within Woughton Ward. Overall there are 7 LSOAs within the most deprived 30%. There are 33 areas within the least deprived 10% these are in rural areas around Hanslope and Olney, Newport Pagnell and large areas in the city.

6.4.5 Barriers to Housing and Services

There is just 1 LSOA in MK which is within the most deprived 10% in England in terms of housing. Overall there are 8 LSOAs within the most deprived 30%. These areas cover a large proportion of rural areas and some areas in the city. There are 43 areas within the least deprived 10% located throughout the city.

6.4.6 Crime

There are 27 LSOAs in MK which are within the most deprived 10% in England in terms of crime. Overall there are 51 LSOAs within the most deprived 30%. These areas cover Woughton, Stantonbury, Wolverton, Middleton, Campbell Park and parts of Bletchley. There are 3 areas within the least deprived 10% these are in rural areas, and Newport Pagnell.

6.4.7 Living Environment

There are no LSOAs in MK which are within the most deprived 10% in England. In addition there are no areas within the most deprived 30%. There are 58 areas within the least deprived 10% and a total of 106 in the least deprived 30%.

6.4.8 Income Deprivation Affecting Children

There are 12 LSOAs in MK which are within the most deprived 10% in England. In addition there are 38 areas within the most deprived 30%. There are 7 areas within the least deprived 10% and a total of 31 in the least deprived 30%.

6.5 Regeneration

In the 2011 Local Economic Assessment, regeneration was described as a process of "reversing economic, social and physical decline in areas where market forces will not do this without the support from government." Regeneration priorities have not changed and these relate to:

- Improving economic performance and tackling worklessness, particularly in deprived areas.
- Creating the right conditions for business growth which could include investments in infrastructure, land use and a better public realm, and
- Creating sustainable places where people want to live and can work and businesses want to invest.

The Milton Keynes Regeneration Strategy set the overall framework for the delivery of regeneration in the most deprived neighbourhoods in Milton Keynes. It is based on the premise that empowered communities will drive the shape of their neighbourhoods and the services they receive to deliver a shared vision for the area.

Work which started in 2010 is ongoing in 6 neighbourhoods across Milton Keynes, with a focus on physical, economic, social and human capital renewal. This recognises the complexity of the issue of tackling unemployment and low skills, placing importance on an individual's sense of wellbeing and the place where they live, as key influencers on their ability to get and sustain employment.

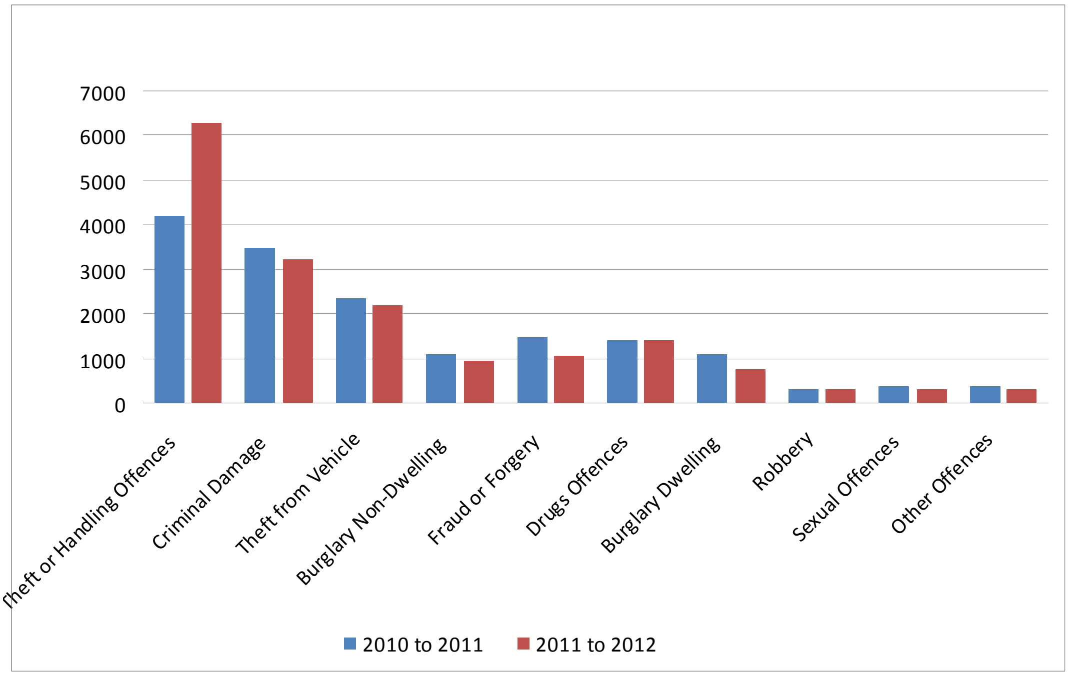
Though Milton Keynes overall is an affluent Borough with a strong economy against national measures there are 22 neighbourhoods in Milton Keynes that fall within the 25% of most deprived neighbourhoods nationally using the 2010 Index of Multiple Deprivation rankings. Since the nature of urban development in Milton Keynes many of these neighbourhoods sit next to more affluent areas and deprivation is hidden at ward level. Milton Keynes Council works with parish and town councils and other partners under the auspices of the Milton Keynes Regeneration Strategy 2012-2016 (due to be published in summer 2013) to target social, human, economic and physical regeneration activity on the 22 Estates as shown in Table 6.4. Community mobilisers are present in the six Estates written in bold below.

Table 6.4 Milton Keynes Regeneration Estates			
Beanhill	**Fishermead**	Springfield	West Bletchley
Bradville	Greenleys	Stacey Bushes	Peartree Bridge
New Bradwell	Hodge Lea	**Stantonbury**	Oldbrook
Conniburrow	Leadenhall	**Tinkers Bridge**	**Eaton Manor/Lakes**
CMK	**Netherfield**	Fullers Slade	Eaglestone
Wolverton	Coffee Hall		
Source: MKC			

6.6 Crime

All reported crime fell in Milton Keynes between 2010/11 and 2011/12 by 12.43%. The only major increase in the reporting period was in Theft or Handling Offenses which rose by 49.86% (see Figure 6.16. Drug Offenses and Robbery were the other categories to experience an increase of 1.08% and 7.51% respectively over the period. All other crime measures witnessed reductions between 2010/11 and 2011/12. The categories with the most prominent reductions were Fraud or Forgery and Burglary Dwelling, which fell by 29.92% and 29.55% respectively. Violence against the Person also witnessed a substantial reduction of 26.50% between 2010/1 and 2011/12.

Figure 6.16: Crime by Type, Milton Keynes 2010-2012



Source: Thames Valley Police 2012

6.7 Health

A healthy population and by extension a healthy workforce is essential for high productivity, wealth creation and community well being. Indicators of health or ill-health and well being such as Low Birth Weight, coronary heart disease, life expectancy, conceptions of under 18 year olds only give partial insights of the issues. On health, the aim in this assessment is to emphasise the importance of a healthy population and highlight the significance of health issues to the performance of the MK economy.

A health profile for Milton Keynes produced by the Health Observatories working in partnership noted the following:

- The health of the people in Milton Keynes is mixed compared with the England average.
- Deprivation is lower than the average however about 11,000 children live in poverty.
- Life expectancy for both men and women is similar to England average
- Life expectancy is 7.3 years for men and 6 years for women lower in the most deprived areas.
- Over the last 10 years, all cause mortality rates have fallen. Early death rates from cancers and from heart disease and stroke have fallen and are similar to the England average.
- About 19.9% of Year 6 children are classified as obese.
- An estimated 22.9%of adults smoke and 25.3% are obese.
- Health priorities in Milton Keynes include reducing death and disability caused by the ‘major killers’ and reducing inequalities in life expectancy.

6.7.1 Low Weight Births

Low Weight Births in Milton Keynes between 2004 and 2010 were higher than in Aylesbury Vale, Northampton, and Bedford but lower than in Luton as shown in Table 6.5. Having a baby who is under 5lb 8oz at birth can signal long term health problems, hence a need to reduce the risk of low birth weight.

Table 6.5: Low Weight Births, Milton Keynes and Other SEMLEP Areas, 2004- 2010

	2004	2005	2006	2007	2008	2009	2010
Milton Keynes	**251**	**221**	**270**	**262**	**270**	**316**	**326**
Aylesbury Vale	127	127	131	128	141	141	145
Bedford	-	-	-	-	-	164	154
Luton	342	296	318	284	317	349	334
Northampton	195	218	233	222	263	236	295

Source: MKi Observatory

6.7.2 Life Expectancy

Life expectancy in Milton Keynes has steadily risen from 76.6 years in 2003/2005 to 78.1 years in 2008/2010. During the same period life expectancy in the South East region rose from 78.1 years to 79.7 years and in England life expectancy rose from 76.9 to 78.6 year. Male life expectancy in MK is lower than female life expectancy. However, male life expectancy in MK rose from 76.3 years in 1999/2003 to 78.2 years in 2006/2011. During the same period, female life expectancy in MK rose from 80.5 to 82.1 years. Some Wards in Milton Keynes which feature the most for being deprived, for example Eaton Manor and Woughton also have lower life expectancy than the least deprived Wards.

Public Health responsibilities transferred to Local Authorities on 1 April. Already Local Authorities are expected to consider health and health inequalities in all their policies through the development of Joint Strategic Needs Assessments (JSNAs) and Joint Health and Well-being strategies, which integrate efforts under the umbrella of a community wide approach.

6.8 Conclusions

The rise in female unemployment rates in Milton Keynes was a signal that economic growth prospects were going to remain fragile. The high unemployment rates amongst Black Africans in Milton Keynes require further investigation to establish if skills issues play a part.

Youth unemployment in Milton Keynes was lower than in the South East and in England but represented a waste of resource and a poor introduction to the world of work to young job seekers.

Whilst long-term unemployment remained low its gradual increase meant it will take greater effort and resource to engage long-term unemployed claimants. Worklessness is a serious situation but it is most serious if there is no adult in the household with any paid work. Welfare Reforms will impact on the current benefits claimant trends as various parts of the reforms take effect.

Tackling child poverty in Milton Keynes now was a necessity and also reducing the likelihood of poverty in the next generation by focusing on improving educational outcomes for all children and young people was fundamental.

The regeneration work in the 22 deprived estates in Milton Keynes is vital to ensure that parts of the Borough are not left behind in the growth and economic development of Milton Keynes.
Reducing all crime is also essential to making Milton Keynes a safe and welcoming place to live, work, locate a business, visit or pursue leisure or cultural activities.

The health of the Milton Keynes population is vital for the continued supply of a healthy workforce to drive the economy in a sustainable way.

The next chapter considers Sustainable Economic Growth.

Chapter 7 Sustainable Economic Growth

Key Findings

- Achieving sustainable economic development in Milton Keynes will take concerted effort in assessing and ensuring that there is a balance and linkages between population growth, jobs, housing, transport, natural and historical environment, types of energy used, water and other related sources.
- The Housing Strategy sets out how Milton Keynes Council will provide access to good quality well maintained housing.
- A total of 21,464 homes were built between 1998/1999 and 2011/12, giving an annual average housing completions of 1,533 homes.
- One of the Milton Keynes Core Strategy objectives is to deliver land for at least 28,000 new homes within the Borough between 2010 and 2026 giving an annual average completion rate of 1,750 homes per year.
- The majority of completed dwellings during 2011/2012 were flats.
- Milton Keynes had the highest proportion of shared ownership dwellings in England as per 2011 Census of Population – 6.1% of households in Milton Keynes lived in a shared ownership dwelling compared to just 0.85 in England as a whole.
- The Milton Keynes Core Strategy sought to continue the current Milton Keynes employment growth rate of 1.5 jobs per new dwelling.
- By using the housing completions per year, it is possible to estimate the amount of office and industrial floor space needed to create the 2,625 jobs per year.
- The Milton Keynes Core Strategy acknowledged that similar to the housing supply, there was substantial existing supply of employment land in the borough.
- A good transport system needs to balance the needs of society, the economy and the environment.
- Milton Keynes will be at an important crossroads in the national 'electric spine' rail network when the improved (and electrified) East West Rail Link crosses the West Coast Main Line.
- The development of HS2 will lead to increased capacity on the West Coast Main Line serving Milton Keynes, the Midlands and NW England.
- The location of the Milton Keynes stations on the West Coast Mainline is an important asset to the City, providing residents and non-residents with significantly improved transport opportunities.
- The 2011 Census of Population showed that Milton Keynes had a high proportion of car based trips with 61.8% of residents travelling to work by car of van compared to 54.2% in England.
- A proportion of 10.2% of the population in Milton Keynes worked mainly from home compared to 10.7% in England.
- West of Milton Keynes the A421 between Milton Keynes and the M40 West of Bisector may need to be improved to maximise the potential for strategic East West road movements.
- Transport infrastructure improvement work to match the growth ambitions and potential of the South East Midlands area will benefit from partnership working in the area as a whole.
- Milton Keynes was one of the first three areas and Cities to be part of Central Government's £30 million "Plugged Places" Initiative.
- East West Rail is important as it will connect businesses, people and markets, providing a strategic corridor that helps businesses to grow, develop and compete in local and global markets.
- The level of fast services at Milton Keynes compares unfavourably with locations such as Reading, despite Milton Keynes being a comparable journey time from London.
- Key issues taken into consideration when assessing transport needs to 2030 include: the economy; Milton Keynes as a City Region; parking provision in civic, public transport, commuting patterns, rural proofing; regeneration of deprived areas and transport's contribution to reduce CO2 emissions.

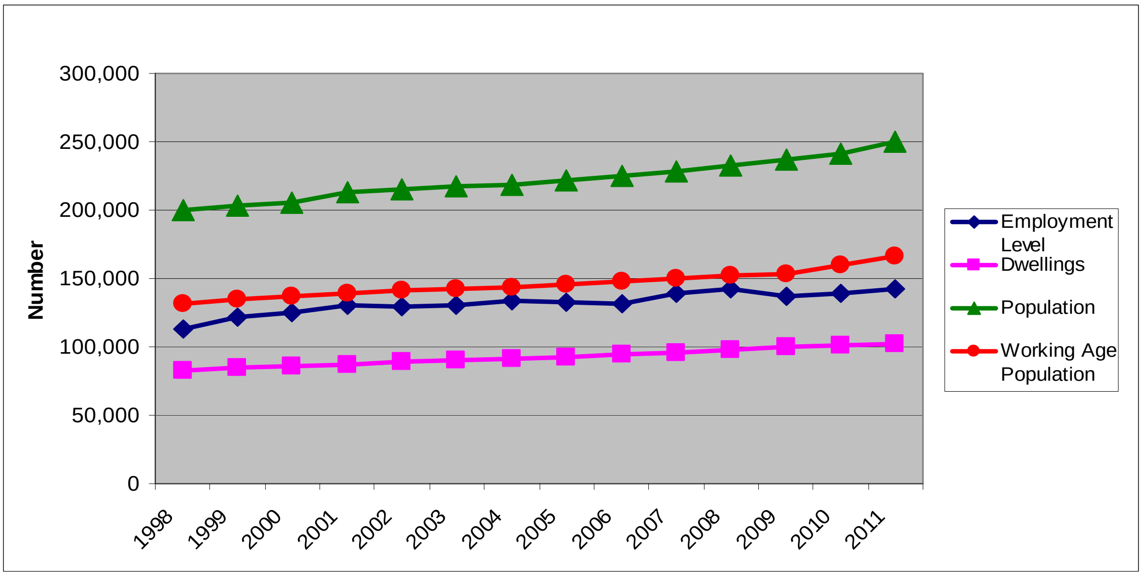
- Broadband has the power to spur economic growth by creating efficiency for society, business and consumers as it opens up possibilities for more advanced online services, smarter utility services, tele-commuting and tele-presence.
- Many of the current carbon reduction activities are pioneering some of the most advanced practices in an effort to minimise Milton Keynes's environmental footprint while at the same time take advantage of the economic opportunities afforded by low carbon technologies.
- Milton Keynes is a unique place where a modern city combines with an attractive rural landscape, where the city area consists of historic towns and villages and over 20% is parks and open spaces.

The 2011 Local Economic Assessment noted that sustainable economic growth was a pattern of resource use that aimed to meet human needs while preserving the environment so that those needs could be met not only in the present, but also for future generations. It remains true that the achievement of sustainable economic development requires an approach to policy making and implementation which demands greater integration and co-ordination of policy making and its implementation within and across organisations and across social, economic and environmental partners and agencies.

Achieving sustainable economic development in Milton Keynes will take concerted effort in assessing and ensuring that there is balance and linkages between population growth, jobs, housing, transport, natural and historic environment, types of energy used, water and other related resources.

Figure 7.1 illustrates the trends on population growth, employment level, total dwellings and working age population, key indicators to understanding growth characteristics. Whilst commuting figures from the 2011 Census are awaited, it is clear that there is a need to ask the question on whether commuters to Milton Keynes would settle in Milton Keynes is the right type of dwelling was there for them. Indeed there are many determinants of why people live and work where they do.

Figure: 7.1 Population, Working Age Population, Dwellings & Employment Level, MK, 1998-2011



Source: ONS & MKC

7.1 Housing

There is a requirement for MK Council to plan for the future of housing in the Borough. The Core Strategy sets out the housing target based on evidence of local needs and analysis of other market factors. The Housing Strategy sets out how the Council will provide access to good quality well maintained housing. Indeed, good quality housing is fundamental to improving quality of life for residents and supporting educational achievement, health and prosperity.

The Housing Strategy has three main priorities:

- **To increase the supply of housing**: Milton Keynes continues to be a thriving place to live and work and there is a need to build new homes to meet needs. Milton Keynes Council needs to ensure that all new homes in Milton Keynes meet the diverse needs of existing and future residents with the highest design, space and accessibility standards possible.

- **To tackle housing conditions**: The Council is working to improve housing conditions throughout Milton Keynes to ensure that all homes are maintained to the highest possible standards.

- **To improve access to and affordability of housing:**
  Average house prices in Milton Keynes are lower than the average for England and Wales. Average earnings are also higher. However many people cannot afford a deposit to get a mortgage so rent their home which can be more expensive than mortgage repayments;

  Life time tenancies mean that some people may be in social housing who no longer have a need whilst others cannot afford private rents;

A total of 21,464 homes were built between 1998/1999 and 2011/2012, giving an annual average housing completions of 1,533 homes. As the Local Planning Authority, Milton Keynes Council is required to identify and maintain a rolling 5 year supply of deliverable housing land to ensure the continued supply of homes in the area. To be considered deliverable sites must be: available now, be suitable (offer a suitable location for development now and contribute to the creation of suitable mixed communities); and be achievable (offer a reasonable prospect that housing will be deliverable on the site within five years).

The assessment of the 5 year land supply only includes sites that are:

- Allocated for housing through the Development Plan (the Local Plan, 2005)
- Sites that have extant planning permission; and
- Specific unallocated Brownfield sites that are deemed suitable for housing.

In January 2013, there was land to accommodate 29,864 homes across the Borough. This is almost enough land to fulfil the whole of the remaining Core Strategy housing target. This land is made up of a range of sites from large scale to expansion areas to small infill developments. Table 7.1 shows housing completion forecasts to 2017/18, the next 5 year monitoring period, of 10,575. This is equivalent to a 5.88 year deliverable land supply across the Borough.

Table 7.1: Housing Completion Forecasts 2010/11 to 2014/15

Housing Completion Forecasts	2013/14	2014/15	2015/16	2016/17	2017/18
	1495	2178	2135	2374	2393

Source: SHLAA, 2012

Strategic Housing Market Assessments (SHMAs) are a crucial part of the evidence base informing policy and contributing to shaping strategic thinking in housing and planning. They were introduced as the required evidence base to support policies within the framework introduced by Planning Policy Statement 3 (PPS3) in November 2006. They are still part of the evidence requirement under the National Planning Policy Framework (NPPF).

A growing economy will require a good supply of housing in the market. The SHMA process helps to understand what the level of need is locally and therefore how many homes the Council should be planning for. Milton Keynes Council is currently in the process of updating its SHMA.

Also, sub-regionally there is a need for in-depth understanding of housing markets at a strategic level and developing an evidence base for sub-regional housing strategy. By matching housing need and demand (gross requirements) against supply it is possible to consider the overall net housing requirement for the area and the balance of this net requirement between the different housing types.

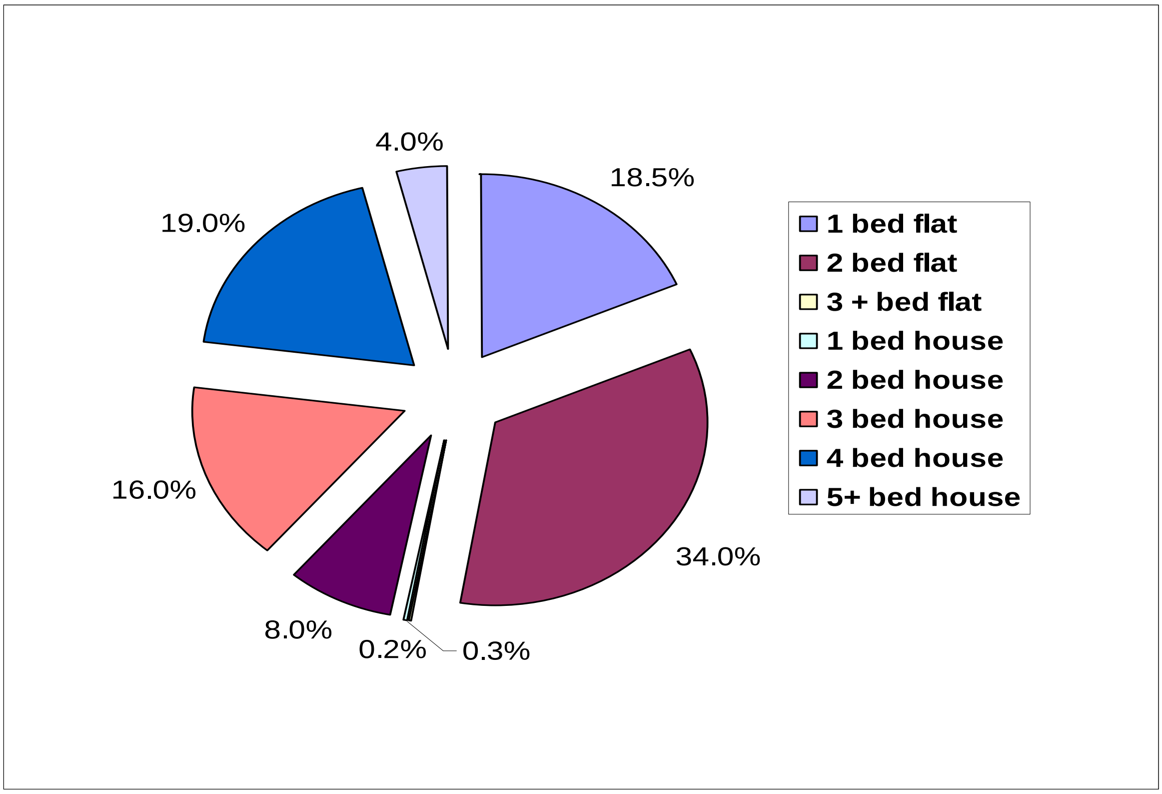
One of the Core Strategy objectives is to deliver land for at least 28,000 new homes within the Borough between 2010 and 2026. This comprises an annual average completion rate of 1,750 homes per year. It is expected that the 28,000 new homes target will be split between the city (26,240) and the rest of the Borough (1,760). It is also important to emphasise the importance of sustaining rural economies and housing is a factor in sustaining those economies. A new SHMA is currently being prepared.

The Milton Keynes Core Strategy has the objective of allocating and managing the development of employment land and the pursuance of a vigorous economic development strategy sufficient to deliver a minimum of 1.5 jobs for every house built in Milton Keynes so that the business sector and local economy are supported, existing firms can expand, new firms are attracted, the level of working skills among the local population is enhanced and the resident population can find work locally. The job ratio of 1.5 jobs per dwelling was also suggested in the GVA Grimley Milton Keynes Employment Land Study undertaken in 2007.

Records of past housing completions show that high levels of housing completions have been difficult to achieve even under normal or favourable economic conditions. In 2007/8 a high housing completion figure of 2,317 was reached and this appears to have been a one off. The drivers however, have got to be employment and population growth.

Projections on the population and dwelling requirements in Milton Keynes to 2018 show an annual average increase of circa 1% per annum. It is essential to ensure that housing completions are responding to population and economic growth trends to avoid the creation of bottlenecks, which could stifle the growth of the city and the Borough as whole.

Figure 7.2: Housing Completions by Type 2011/2012



Source: MKC

Figure 7.2 shows the distribution of housing completions by type during 2011/12. There was a high proportion of 2 bed flats in 2011/12 at 34% followed by 4 bed houses at 19% and 1 bed flat at 18.5%. The majority of completed dwellings were flats. Comparisons with previous years also indicate that there was an increase in the number of flats (both 1 and 2 bed) for the first time in two years. However, there was a decrease during 2011/12 in the supply of 3, 4 and 5 bedroom houses, reversing a trend which saw increases in the supply of the houses during 2009/10 and 2010/11.

Milton Keynes has the highest proportion of shared ownership dwellings in England as shown in Table 7.2. The 2011 Census showed that 6.1% of households lived in a shared ownership dwellings compared with just 0.8% in England as a whole**.** Milton Keynes had a lower proportion of owner occupied dwellings compared with England. The Census results also showed that 57.7% of dwellings in Milton Keynes were owner occupied a lower proportion than the figure for England as a whole of 63.3%. However if shared ownership (6.1%) is also included in that figure the proportions would be roughly the same.

There was a higher proportion of households living in the council rented accommodation in Milton Keynes than England. A total of 10,800 households (11%) live in council rented accommodation this compared to 9.4% in England as a whole. Milton Keynes had a lower proportion of households in other social rented accommodation than England as a whole. There were 7,000 households in social rented housing other than from the council accounting for 7.1% of households compared to 8.3% in England. A total of 17,900 households were in private rented accommodation (including living rent free); this was 18.2% of the population compared to 8.1% in England.

Table 7.2: Housing Tenure, Milton Keynes and England, 2011

	Milton Keynes 2011		England 2011	MK 2001
	Persons	**%**	**%**	**%**
Owned: Owned outright	21,157	21.5	30.6	18.3
Owned: Owned with a mortgage or loan	35,756	36.3	32.8	46.9
Shared ownership (part owned and part rented)	5,985	6.1	0.8	5.2
Social rented: Rented from council (Local Authority)	10,801	11.0	9.4	14.0
Social rented: Other	6,962	7.1	8.3	6.4
Private rented: Private landlord or letting agency	15,930	16.2	15.4	7.1
Private rented: Other	1,136	1.2	1.4	2.1
Living rent free	857	0.9	1.3	-
Total	98,584	100	100.0	100

Census 2011

7.2 Employment Land Supply

The Employment Study 2007 concluded that Milton Keynes had a healthy employment land supply and premises portfolio. The study also confirmed that Milton Keynes employment land areas were generally of a good/high quality reflecting the age of premises, and the stock of employment sites was equally of a good quality. The Employment Land Study also assessed a range of potential sources of employment land and premises supply of 1.62 million sqm of floor space of which over half was likely to be offices and technology space. This represents a very significant economic development resource which could house up to 56,000 jobs.

The MK Core Strategy acknowledged that similar to the housing supply, there was a substantial existing supply of employment land in the Borough. There was a current land capacity of around 22,000 to 38,000 jobs (excluding CMK). As developed employment land brought office and industrial jobs, other jobs would also be created in retail, education, health and other services as a result. The potential job creation from development employment land and related sources is shown in Table 7.3.

The Core Strategy sought to continue the current Milton Keynes employment growth rate of 1.5 jobs per new dwelling. The 1.5 ratio is also an average of the growth in the number of jobs and dwellings between 1998 and 2008.

Using the 1.5 jobs per dwelling the 28,000 homes to be provided in MK by 2026 would equate to 42,000 an average of 2,625 jobs per year. By using the housing completions per year, it is possible to estimate the amount of office and industrial floor space needed to create the 2,625 jobs per year.

Table 7.3:
Jobs Potential of existing employment locations in the Milton Keynes Borough 2011 - 2026

	Vacant Land	Number of Jobs
1. Number of jobs in CMK delivery of 12,000 sq metres of B1(a) Office space pa (2010-2026)	180,000 sq. m.	12,000
2. Jobs from retailing, health, etc 0.31 jobs per dwelling 28,000 dws in MK		8,680
3 Jobs from education, real estate etc 0.37 jobs per dwelling 28,000 dws in MK		10,360
Number of jobs from development of vacant employment land above.		Maximum 40,740
Total number of jobs		43,330 - 71780
Jobs per dwelling ratio 28,000 dwellings		1.5-2.6 jobs per dwelling

Source: Employment Technical Paper: The Milton Keynes Economy, July 2012.

The critical point is that in maintaining the balance between jobs and housing the nature of floor space provision is a key driver. The need to develop a knowledge-based economy would call for more floor space to be provided for more office and knowledge intensive industries and indeed reduce reliance on distribution and logistics activities which have a low job density. Knowledge-based industries by their very nature use less floor space and are high value businesses such as R&D, software development etc. By their very nature, knowledge intensive industries do not only create high-level skilled jobs but also low skilled jobs in the services sectors of the economy. They create a dual labour market for both highly skilled and low skilled jobs.

7.3 Transport

Transport plays an important part in economic development and economic growth. A good transport system needs to balance the needs of society, the economy and the environment. Transport or transportation relates to the movement of people and goods from one location to another. Modes of transport include road, rail, air, water, cable, and pipeline, space, cycling and walking. During 2011 Milton Keynes Council developed its Transport vision and strategy for Milton Keynes; this was adopted as the Authorities third Local Transport Plan (LTP3) in June 2012 following a refresh that took account of the latest data. This is a statutory plan that sits alongside the core strategy and other planning framework documents. The plan looks at how transport can be improved to address key transport issues and contribute to achieving wider goals.

Rail is increasing in its importance to MK as a regional connector, although it has to be said rail travel does not feature very highly in the Milton Keynes transport mix at the local level. Milton Keynes will be at an important crossroads in the national ‘electric spine’ rail network when the improved (and electrified) East West Rail link crosses the West Coast Mainline (WCML). This will lead to improved (and in many cases direct rail services to the East Midlands, the west of England and in time links into Heathrow without the need to travel into and across London. The development of HS2 will also lead to increased capacity on the WCML serving MK, the Midlands and NW England.

Locally the location of the Milton Keynes stations on the WCML is an important asset to the city, providing residents and non-residents with significantly improved transport opportunities. The Coach way adjacent to the M1 Junction 14 serves the M1 corridor and has inter-connections with other east-west coach services.

The development of a world class transport network that will support the local economy, in creating greater access to a wide range of services, and help to tackle climate change is essential. Table 7.4

summaries the wide range of methods of travel to work by Milton Keynes residents in 2011 as per Census of Population in 2011.

Table 7.4: Method of Journey Travel to Work: Milton Keynes and England 2011

	Milton Keynes		England
	Persons	%	%
Work mainly at or from home	13,037	10.2	10.7
Underground, metro, light rail, tram	226	0.2	3.7
Train	5,276	4.1	5
Bus, minibus or coach	6,994	5.5	7.2
Taxi	1,478	1.2	0.5
Motorcycle, scooter or moped	642	0.5	0.8
Driving a car or van	78,922	61.8	54.2
Passenger in a car or van	8,021	6.3	5
Bicycle	3,576	2.8	2.8
On foot	9,064	7.1	9.7
Other method of travel to work	547	0.4	0.5

Source: Census 2011

Milton Keynes has a high proportion of car based trips with 61.8% of residents travelling to work by car or van compared to 54.2% in England. A proportion of 10.2% of the population in Milton Keynes (13,037 residents) worked mainly at or from home compared to 10.7% in England. It is surprising (in view of the Redway infrastructure) that only 2.8% of residents in Milton Keynes cycle to work, same as proportion as in England. However the benefits the Redways bring to supporting leisure trips should not be under estimated.

7.3.1 The External Road Network

The Highways Agency (HA) is responsible for the M1 motorway and trunk roads (A5 and A421 east of the M1 Junction13) and the other named authorities are responsible for the remainder (A421 westward to Buckinghamshire and the A422/A509 north-eastward into Bedfordshire and Northamptonshire). As with the internal road network, there are limitations, in terms of cost and space available, to the additional capacity that can be provided on these roads.

The HA has recently completed improvement schemes in progress for the M1 where the section from Junctions 6 to 13 has been be widened to four lanes/ hard shoulder running with active traffic management in each direction. This has increased the M1's capacity south of Milton Keynes by about 30 per cent. The HA has also completed improvements to the A421 between Junction 13 and Bedford with a dual carriageway (including a major improvement of Junction 13 itself). With this improvement complete it raises the importance of dualling the A421 from J13 to MK to ensure the capacity improvement to the south and east of J13 can be realised all the way to MK.

West of MK the A421 between Milton Keynes and the M40 west of Bicester may need to be improved to maximise the potential for strategic east west road movements. MKC has initiated a discussion with the HA and adjacent highway authorities to determine how increased traffic demand will be met on the remainder of the Milton Keynes entry/exit routes. All these traffic improvements are beneficial to business and individuals as they will help to reduce travel time.

Transport infrastructure improvement work to match the growth ambitions and potential of the South East Midlands area will benefit from partnership working in the area as a whole.

7.3.2 Current and Planned Transport projects

Progress on delivery of transport projects is reported below:

7.3.2.1 The Coachway

This new £2.6 million Coachway building was opened in December 2010. It provides a covered seated area for approximately 100 passengers taking coaches, local buses and taxis. Other facilities include a café, a convenience shop and ticket office for the National Express Group, public and disabled toilets with baby changing facilities and a taxi service. It also included a completely rebuilt Park & Ride site at Brook Furlong creating approximately 360 parking spaces. Almost 500,000 people used the facility in the first year of opening the new Coachway.

7.3.2.2 Plugged in Places

Milton Keynes was one of the first three areas and cities to be part of Central Government's £30 million 'Plugged-in Places' initiative. As such, Milton Keynes Council has ambitious plans to support 1,000 electric vehicles on the road. The scheme forms part of the Council's Low Carbon Living Strategy and Action Plan, placing Milton Keynes at the forefront of low carbon living nationally and internationally.

Milton Keynes Council will have installed 180 charge points, at various locations around Milton Keynes by April 2013. Parking will be offered free of charge to electric vehicles when parked in these designated spaces, irrespective of whether the vehicle is charging. Non electric vehicles will be able to use the electric vehicle spaces during the core hours of 10am – 4pm, subject to the existing restrictions (e.g. pay and display). As well as free parking, the Council is providing free electricity as an additional incentive for drivers considering the purchase of a sustainable and environmentally friendly electric vehicle.

7.3.2.3 Better Bus Area Fund Project

In March 2012, Milton Keynes Council was awarded £2.23 million from the Department for Transport's Better Bus Areas Fund to fund a project that will develop Real Time Passenger Information (RTPI) and Marketing initiatives for public transport in Milton Keynes. In addition to these funds, local sources will add another £1.086 million.

The project is to be delivered by March 2014 and the bid was split into six activity areas:

- **Develop/expand RTPI in** Milton Keynes
- **Develop smart ticketing**
- **Bus service enhancements** by local contribution from Arriva
- **Smarter Choices** - delivering bus based personalised travel planning (PTP) packs delivered to all 63,000 households within 400 metres of the 2, 4, 5 and 8 services and to 16,400 employees (accessing the 2, 4, 5 and 8 service corridors); and improving roadside publicity for bus services .
- **Interchange improvements** with 4 new 'virtual interchange' locations installed offering high quality and simple bus to bus interchange environments (via improved on street promotion etc).

- **Wayfinding -** Targeted improvements to the walk connections from three inward facing residential areas to 4 major bus routes (running along grid squares) with wayfinding routes developed and implemented in partnership with local residents.

- **Delivery of "AccessAdvisr",** a web-site and mobile phone application that aims to 'make difficult journeys easier'. The core focus of AccessAdvisr is on improving the quality and user-focus of accessibility information for people with limited mobility.

The above project illustrates the value accorded to public transport to ensure the efficient and smooth movement of workers, shoppers and visitors in Milton Keynes. The works at Granby Roundabout comprised a realignment of the main carriageway (Watling Street and Bletcham Way) and the construction of a new 4th arm onto the nearby Denbigh Road in order to provide an alternative and safer access onto the Denbigh Road and thereby reduce traffic activity at the nearby B&Q intersection. The project was completed in March 2011 with the roundabout fully operational.

7.3.2.4 Public Transport Improvements

The Council has maintained improvements to public transport which has seen year on year growth of over 900,000 in bus patronage (an annual figure of 9.68m to 31 December 2011) and have seen an increase in overall satisfaction from 51% to 62% as reported by the Arriva Customer Satisfaction survey.

The All-in-1 MK card was launched in 2011 which provides a proof of age for under 19s in fulltime education, retailer discounts as well as the junior concessionary travel scheme.

In 2011 the Council upgraded 22 bus stops and shelters from capital funding, in addition the completion of the Station Square gateway/interchange shelters.

The MKube Travel Centre was opened in May 2011, an Arriva initiative in partnership with the Council which has improved availability of public transport information. The Council also signed a revised Bus Punctuality Improvement Partnership agreement with Arriva with better joint monitoring of services.

Two major projects which support the Council's priorities and contribute to the improvement of the public transport environment were started and completed. These are the Station Square Improvements and the Wolverton Station Building. However, there are challenges for 2012/13 and future years to maintain and improve service achievements against backdrop of further potential budget reductions.

Electric Bus Contract - Milton Keynes is to lead the way with wirelessly charged electric buses. Wireless charging technology allows electric buses to run all day and will save 500 tonnes Co2 per year. This initiative could reduce bus running costs by between £12-15k per annum.

7.3.2.5 Small Vehicle Transport System (SVT)

The Council has devised with several private sector partners an innovative approach to transport in Milton Keynes. The system will utilise the latest advances in smartphone, internet and cashless technologies to enable easy and efficient vehicle booking and sharing. This system is ideally suited to Milton Keynes where small numbers of trips are made to a very large number of destinations. The Council and its partners are now developing this idea further and testing its potential implementation within Milton Keynes.

7.3.2.6 Street Lighting Innovations

The Council has invested in new lighting technology that would help to lower the energy consumption and reduce carbon emissions contributing to the Council's programme of "Low Carbon Living". Work is underway convert the CMK Parking area lights to White light, reducing the wattage and dimming the lights at hours of low usage. This initiative does not compromise safety, however in the long term it save money and is good for the environment.

Station Square –The major works have started on this project have now been completed with an opening ceremony by the mayor in October 2012. The objective of the project was the reduction of conflicts arising from the competing transport demands in Station Square and to provide a safer and more welcoming access for pedestrians and cyclists travelling to and from the station.

CMK Parking Changes – This introduced a simplified charging regime across Central Milton Keynes. A further review identified areas of under use, which following changes now maximised space usage helping shoppers, businesses and visitors. The aim is to give an economic stimulus to the CMK. Resident Permits have been introduced to help local communities to address inappropriate parking.

Milton Keynes Council Travel Plan: Very good progress has been made implementing the Travel Plan for Milton Keynes Council launched in February 2013. This will enable employees of the Council to work towards a reduction in car journeys. By promoting travel choice, this initiative will help reduce carbon footprint across the authority through the introduction of an effective behaviour change programme.

7.4 East West Rail

In November 2012, the Chancellor announced that the western section of East West Rail (EWR) project is now part of the National Infrastructure Plan. The EWR Consortium, made up of local authorities and interested private sector businesses will now work with Network Rail and the rail industry, along with the Department for Transport. The announcement included the upgrade of the route to electrification with the route seen as part of the national electric spine network.

Government sees EWR as an innovative and leading edge collaborative approach to promoting and delivering key infrastructure to help unlock economic growth, jobs, and new homes – 'localism in action'.

East West Rail is important as it will connect businesses, people, and markets, providing a strategic corridor that helps businesses to grow, develop and compete in local and global markets. It will create 12,000 new jobs and support up to 70,000 new homes in addition to reducing journey times to major centres. Preliminary work on the route has started with main work expected to commence in 2014. Train operations beginning during 2017.

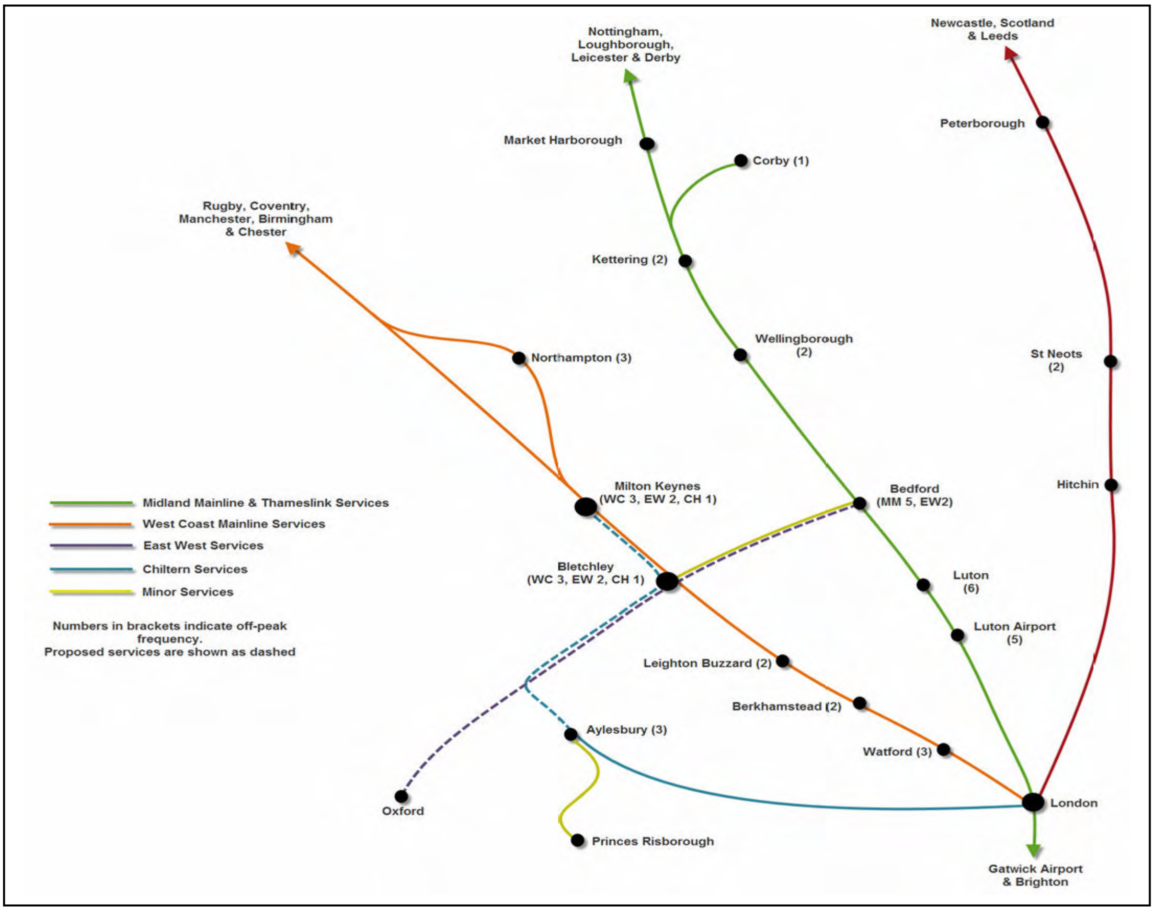
7.5 National Networks – Rail

The rail links within and through the sub-region are heavily dominated by north-south radial lines linking the Midlands, the North and Scotland with London. With the exception of the currently under-used Bedford – Bletchley line, there are no lateral or orbital rail links.
Milton Keynes, Northampton, Luton and Bedford are all on the National Rail network. Milton Keynes is served by Virgin West Coast services as well as the regional London Midland Trains which serve Northampton and other smaller towns. However, the pressure of longer-distance demand on Virgin peak period services to and from Euston means that there is no peak service for Milton Keynes. Connectivity northbound from Milton Keynes has also been reduced since the December 2008 timetable. London Midland trains provide valuable links within the sub-region as well as to the West Midlands and London.

The level of fast services at Milton Keynes compares unfavourably with locations such as Reading, despite Milton Keynes being a comparable journey time from London. The proposed High Speed Rail to the North via Birmingham will help MK as it will release capacity on the WCML, thus reducing over-crowding, improving reliability, speeding up journeys, and catering for the increased demand that comes from continued economic growth (also see Section 7.8).

The need for better transport links between MK and nearby towns including Aylesbury, Bedford, Northampton, Luton and Dunstable to support local economies, improve access to airports and major hospitals and also achieve growth is well known. There is also recognition in MK of the need to improve East–West transport links, including the A421 and the western section of the East-West rail link to match the North – South connections (WCML), M1 and A5).

Map 7.1: South East Midlands Rail Network



Source: Colin Buchanan, July 2009.

A key issue will be the trade-off between serving Milton Keynes and achieving a faster end to end journey time. There is an aspiration for a service linking Aylesbury and Milton Keynes in addition to the 6 trains per hour standard pattern.

Of itself, East West Rail provides much-needed east-west rail connectivity within the sub-region, while also linking four important and currently unconnected main line corridors, the Great Western, Chiltern, West Coast and Midland. If a link to Cambridge is eventually provided, then the main lines connected would include the East Coast and Great Northern. The potential strategic significance of this, and what it can offer to rail freight and to cross-country passenger services, is considerable.

7.6 High Speed Rail (HS2)

Milton Keynes Council fully supports the need to enhance strategic transport infrastructure to support economic growth and regards the case put forward by HS2 as a strong one.

High speed rail is however only a part of what should be a wider strategy to deliver improvement to wider strategic networks. This should be achieved through targeted improvements based on the principles of better asset management. HS2 cannot just act as a rail 'bypass' isolating parts of the country. Therefore the benefit HS2 brings in terms of potential increased capacity to the WCML and M1/M40 corridors is welcomed. The development of services along the WCML must be influenced by the needs of the local communities it continues to serve. MK would want an input into these reviews – the expectation is that this will be achieved through future route utilisation strategies.

Milton Keynes will clearly want to see capacity gains on the WCML serve MK. This should not be seen as purely a parochial view. As a strong economic centre MK supports economic growth within and outside its immediate area. Milton Keynes is a significant and successful economic hub which supports other areas by having strong transport links. This should not be eroded – therefore our support for HS2 is based on it having the ability to enhance local and regional economic performance.

7.7 Future Transport Needs

Key issues taken in to consideration when assessing transport needs to 2030 include: the economy; MK as the main hub in the region; parking provision in CMK, public transport (especially buses); commuting patterns; rural proofing; regeneration of deprived areas and transports' contribution to reduce CO_2 emissions.

The following are some of the most important transport issues (raised in 2011 and remain valid) facing Milton Keynes over the coming years:

- The predicted increase in travel demand associated with the planned growth of Milton Keynes is of the order of 31% to 2016 and 57% to 2031, compared with 2001 levels.
- If nothing is done to change travel behaviour and reduce car dependency, delays to peak period traffic in Milton Keynes could increase by at least 60% by 2016 and 160% by 2031.
- International access – Airports/oversees visits
- It is only practical to add about 25% extra traffic capacity at the key junctions that control the overall capacity of the network, unless there is greater emphasis on measures to reduce travel by car – especially during peak periods
- Targeted policies for managing congestion are to influence the mode of travel for the journey to and from work, by providing more effective public transport alternatives, encouraging car sharing, encouraging use of cycling and walking, providing 'park and ride' services.
- Further development of parking management strategies in CMK, and provision of effective bus services – and the strengthening of facilities to support site-specific 'travel plan' initiatives.
- Overall, there will need to be a 5% per annum increase in public transport patronage each year for the next 25 years if Milton Keynes development plans are to be fulfilled and serious traffic congestion is to be avoided.

Key Strategy Priorities included network development, development of Public Transport, travel planning and use of sustainable transport modes and management of Central Milton Keynes Parking.

7.8 Sustainable Transport System

The following activities need to happen to ensure that Milton Keynes remains a viable and vibrant place to live, work and visit:

- Reduce carbon emissions through encouraging alternative fuel technologies and modal shift to sustainable transport modes.
- Better promotion and improved public transport provision, Central Milton Keynes parking restraint, improved travel planning and investment in green infrastructure such as the Redway network (a dedicated walking and cycling network), electrical charging points and incentivising the use of green vehicles.

- Promote tele-working and tele-conferencing to reduce the number of car trips
- Encourage sustainable development that supports smarter travel choices
- Reduce lost productive time by improving the reliability and predictability of journey times on key local routes for business, commuting and freight
- Develop bus network and interchange hubs, improve reliability and information availability and overall bus quality to provide better service
- Provision of better information about travel plans
- Altogether improve quality of life by ensuring that the transport needs of new and existing developments are met through sustainable measures.

7.9 Other Infrastructure

7.9.1 Digital Infrastructure: Broadband

Many nations around the world are investing in broadband infrastructure as a way to jump-start economies weakened by the recent financial collapse. The decline in stock market valuations, rise in unemployment, and reduction in overall economic growth has highlighted the need to target financial resources and develop national priorities. In conditions of economic scarcity, countries no longer have the luxury of being passive and reactive. Instead, they must be proactive and forward-looking, and think clearly about how to create the basis for sustainable economic recoveries.

For example, superfast broadband allows physicians to share digital images with colleagues in other geographic areas. Schools are able to extend distance learning to under-served populations. Smart electric grids produce greater efficiency in monitoring energy consumption and contribute to more environment-friendly policies. Video conferencing facilities save government and businesses large amounts of money on their travel budgets. New digital platforms across a variety of policy domains spur utilization and innovation, and bring additional people, businesses, and services into the digital revolution.

In recognition of the increasingly important role that superfast digital connectivity plays in the workplace and at home, delivering benefits for the local economy, for the quality of life of residents and facilitating essential development and growth. Delivery of Next Generation Access (NGA) broadband infrastructure has become an established policy priority across the UK.

This has been given particular emphasis in Milton Keynes where it is estimated that BT is spending over £30m to upgrade its copper networks where commercially viable to do so. The latest broadband performance data provided by BT indicates that over 71,000 (66%) of premises in Borough have now been passed and that take up of superfast broadband is 18%, twice the average for the UK as a whole.

Under the auspices of the Broadband Delivery UK (BDUK) procurement framework Milton Keynes has joined forces with partners in the adjoining local authority areas of Bedford Borough and Central Bedfordshire. This will deliver the benefits of superfast broadband to the widest proportion of its residents and businesses to areas that the BT commercial rollout won't reach.

Milton Keynes is investing significantly in the BDUK project and in addition has been awarded a BDUK government grant. However, the actual overall cost of deploying NGA infrastructures to 95% of premises across the Borough will only be known once the BDUK procurement has been completed; as will the amount of private sector investment available to add to the public sector commitment. This will determine how far towards or above the 95% coverage target it is possible to reach.

7.9.2 Superfast broadband and Economic growth

Positive effects come from automated and simplified processes, increased productivity, as well as better access to basic services such as education and health. The growth stems from a combination of direct, indirect and induced effects that provide a short-to-medium term stimulus to the economy. The induced effect includes creation of new services and businesses. It is the most sustainable dimension that could represent as much as one third of the projected GDP growth.

Broadband has the power to spur economic growth by creating efficiency for society, businesses and consumers. It opens up possibilities for more advanced online services, smarter utility services, tele-commuting and tele-presence. There is a lot of evidence supporting the view that broadband access does enhance economic growth and performance, and that the assumed economic impacts of broadband are real and measurable.

7.10 Water Resources, Flood Risk, Energy Supply and Waste

There would be economic implications if there are issues which adversely impact on businesses in aspects of water resources, flood risk and waste. For example, the Waste Development Plan Document sets out how MK will manage waste up to 2026.

7.11 Low Carbon Economy

Milton Keynes Council has a statutory responsibility to respond to the Climate Change Act 2008 to achieve carbon reduction targets. MKC is determined to lead this agenda and provide an enhanced environment for its citizens. Historically ‘Low Carbon’ has been seen as ‘anti-car’ which has caused problems for a city designed to be car friendly. The recent trend towards electric vehicles has enabled a low carbon programme that includes low emission vehicles.

Construction in MK is obliged to adhere to stringent standards to achieve carbon neutrality. Where this is not obtained fines are in place through the MKC planning department. The Low Carbon Living programme is an initiative championed and led by Milton Keynes Council that requires the support of partners across the city to achieve the ambition: ‘To place Milton Keynes at the forefront of low carbon living nationally and internationally’ which is encapsulated by a resolution passed by Milton Keynes Council on October 13th 2009.

7.11.1 Trends, in Carbon Emissions

The figures in Table 7.5 show the Milton Keynes carbon emissions per capita (per person). The Cities Outlook 2013 report compared CO_2 emissions per capita in UK cities as shown in Table 7.6 and Milton Keynes was one of the UK cities with very high carbon emissions.

Total emissions in MK in the future may rise due to the planned growth in population, jobs and its related traffic. Many of the current carbon reduction activities are pioneering some of the most advanced practices in an effort to minimise Milton Keynes’s environmental footprint while at the same time take advantage of the economic opportunities afforded by low carbon technologies. Milton Keynes has a significant carbon footprint, in fact, one of the highest in the South East region due to the level of economic activity in the City.

Milton Keynes is now addressing Low Carbon and sustainable living on a coherent and strategic basis with help from partners, taking the lead in key economic areas, including transport, energy supply, transmission and demand side management. In addition, a low carbon infrastructure is being encouraged by planning initiatives with proven benefits for reducing the carbon emissions locally.

Table 7.5: CO_2 Emissions per capita, Milton Keynes, 2010	
Cities	Total CO_2 emissions per capita (t)
Milton Keynes	7.4
Luton	4.8
Northampton	5.8
Oxford	6.2
Cambridge	6.0
UK	7.6
Source: Centre for Cities Outlook, 2013	

High profile outcomes of this strategic approach include the first large scale combined heat and power plant supplying the new communities in CMK; the successful bid for funding under the Plugged-in Places project to provide an electric vehicle charging point infrastructure; the bid for OFGEM funding for the inclusion of a city scale 'Smart Grid' and an innovative local BioGas plant which will feed gas produced from local household waste into the local gas grid.

The business case for action is made stronger by recognising many wider benefits of carbon reduction including: issues of fuel poverty, community cohesion, economic development, health and energy security. The campaign recommended six policies to achieve this target: home insulation, fitting renewable energy to homes, reducing traffic levels, encouraging a shift to low-carbon vehicles, encouraging renewable energy through planning policies, setting up Energy Services Companies to invest in local low carbon and energy systems such as combined heat and power.

7.12 The Natural and Historic Environment

The economic significance of all the green space in Milton Keynes must not be underestimated. Not only does it make Milton Keynes an attractive city where people want to come to live, work and visit, it also plays an important role in intra-urban transport and sustainable movement (walking cycling etc.) and provides a number of other environmental services, (flood attenuation for example) which contributes to the overall sustainability and economic competitiveness.

One of the aspects that make Milton Keynes so distinctive is the quantity and quality of its green space. In fact, about 40% of the city area is 'green space', which includes all parks, open spaces as well as golf courses, balancing lakes, the grid road landscape corridors and many incidental open space areas. The Parks Trust's green estate alone accounts for 20% of the city area, the other 20% of green space being owned by Milton Keynes Council or private landholders (e.g. the golf courses).

- **City Centre**

Although less than fifty years old, there are historic clues of what lay before in the street names and surrounding open spaces lying between historic Watling Street and the Grand Union Canal. Secklow mound behind the Central Library and Roman field boundaries in Campbell Park are just two to explore.

- **Listed Buildings**

There are over 1,100 listed buildings in Milton Keynes ranging from medieval churches to a 20th Century red telephone box, some of which are part of the heritage cycling and walking trails.

- **Conservation Areas**

Milton Keynes has 27 Conservation Areas and most of them are based around historic town and village centres. They are areas of particular architectural or heritage interest with special characteristics worth preserving.

- **Archaeology**

There are 50 scheduled ancient monuments, over 600 Heritage Interest Areas in Milton Keynes and over 9,000 items as part of its Historic Environment Record.

- **Parks, Woodland and Open Spaces**

Milton Keynes has a great wealth and variety of parks, woodland and open space that all have unique, individual characters, offering heritage, arts, leisure and play, woodland walks, wildlife watching, regular events and activity and much more. In a sense, the role of the parks, woodlands and open spaces is the key to defining the character and lifestyle in Milton Keynes and to bring out the direct links between the quantity and quality of green spaces and the local economy.

The Borough has many areas of historic woodland, new wooded areas and open space with 20 million trees in the city area alone. Linford, Shenley and Howe Park Woods are examples of former ancient woodland that provide for local leisure needs.

Milton Keynes was originally planned as the 'Forest City' where the built up areas of the city sit within an integrated green network of landscape corridors, linear parks and preserved woodlands and heritage sites which bring the countryside and the natural environment into the heart of the city. This has been so successful that there are more species of certain types of wildlife (e.g. butterflies) recorded within the city's green spaces and the mosaic of habitats this contains, than in surrounding countryside where the land is given over primarily to intensive agricultural production.

Campbell Park is a major 'City Centre Park' on par with any central park in any major city in the world. It is also the headquarters of the Milton Keynes Parks Trust, an independent body managing 4,500 acres of parks, river valleys, woodland, lakesides and landscaped areas along the grid roads. The Parks Trust integrates attractive parkland with areas where major city centre events and outdoor activities can take place and the Trust is keen to maximise the role and opportunity of the park in defining Central Milton Keynes as an attractive and vibrant place and venue. The park also contains a top class cricket pitch which is becoming increasingly recognised as a quality venue for regional level cricket matches.

The natural, heritage, historic and environmental outlook of Milton Keynes help to characterise the place in terms of the quality of life, place to live, work, visit and do business. Heritage Guide to Milton Keynes can be found on www.milton-keynes.gov.uk/heritage

7.13 Conclusions

Achieving sustainable economic development in Milton Keynes will involve concerted effort in assessing and ensuring that there is balance and linkages between population growth, jobs, housing, transport, natural and historic environment, types of energy used, water and other related resources, but the policy and strategic framework is in place.

The planned delivery of 28,000 homes in MK by 2026 requires an annual housing completion rate of 1,750 homes and needs to link firmly to the ambition for 1.5 jobs per dwelling. A growing economy will require a good supply of housing in the market.

Reduction in carbon emissions through encouraging alternative fuel technologies, improved housing design and modal shift to sustainable transport modes is one of the activities which need to happen to ensure that Milton Keynes remains a viable and vibrant place to live, work and visit. Many of the current carbon reduction activities are pioneering using some of the most advanced practices in an effort to minimise Milton Keynes's environmental footprint while at the same time taking advantage of the economic opportunities afforded by low carbon technologies.

The need to develop a knowledge – based economy would call for more floor space to be provided for more office and knowledge intensive industries and indeed reduce on distribution and logistics activities which have a low job density. Knowledge – based industries use less floor space and are high value businesses such as R & D and software development. By their very nature, knowledge intensive industries do not just create high-level skilled jobs but also low skilled jobs in the services sector of the economy. They create a dual labour market for both highly skilled and low skilled jobs.

The proposed High Speed Rail to the North via Birmingham will help Milton Keynes as it will release capacity on the West Coast Mainline, thus reducing over-crowding, improving reliability, speeding up journeys and catering for the increased demand that comes from continued economic growth.

Superfast broadband plays a significant connectivity role in the workplace and at home delivering benefits for the local economy, for the quality of life of residents and facilitating essential development and growth.

Milton Keynes is ambitious, placing itself at the forefront of low carbon living nationally and internationally with a broad based approach covering sustainability objectives for housing, energy, water and transport; Milton Keynes is unique – where modern city combines with an attractive rural landscape, where the city area consists of historic towns and villages and over 20% is parks and open space. One of the benefits of the low carbon economy could be new sources of employment, job creation in the process of reducing the carbon footprint.

The next chapter considers Milton Keynes Economic Competitiveness.

Chapter 8 Economic Competitiveness

Key Findings

- A factor in the economic competitiveness of Milton Keynes is that it has a strong diversified economy and there is no dependency on any one particular sector for employment.
- Independent research consultancies have noted the strengths, competitiveness and potential of the Milton Keynes economy.
- Milton Keynes retains a strong manufacturing sector which provides opportunities for rebalancing the local economy from services to production.
- Milton Keynes can take advantage of its premier location for investment and growth with a strategic proximity to London, Birmingham, Oxford and Cambridge.
- City Region – Milton Keynes is a regional centre for employment, shopping, retail and tourism, leisure and cultural activities.
- Milton Keynes is an international business city in view of the high proportion of companies whose headquarters are based in the City.
- Further and higher education in Milton Keynes has developed immensely to match the demand for high-level skills needed by businesses.
- There are pockets of deprivation in Milton Keynes which are being addressed and need to be addressed.
- CMK offers a huge opportunity for Milton Keynes to confirm its status as a City Region.
- A failure to attract knowledge intensive businesses and enhance the knowledge – based economy will have implications for the creation of sustainable jobs.

8.1 Overall Economic Competitiveness of Milton Keynes

Milton Keynes is leading the way in UK economic recovery, according to new figures released by the international financial analysts Experian. Experian's figures show Milton Keynes heading a top ten of 'prosperous' towns and cities, in terms of growth in jobs, and in the manufacturing, financial and business services, and retail sectors. Previous research the Centre for Cities in 2012 placed Milton Keynes as "one to watch" in leading economic recovery and again in 2013 the Centre for Cities placed Milton Keynes at the top of the a national list of cities which had the potential to drive economic recovery

Experian forecasted that employment will rise by 1.9% each year from 2013-2017, together with an annual increase in output/production of 3.1% - which is measured by Gross Value Added, a standard economic measure similar to Gross Domestic Product. The research also includes manufacturing and business services growth, all of which are expected to do well in Milton Keynes.

For Milton Keynes the performance on the indicators used was:

- Annual average population change (2001-2011) – 1.7%
- GVA growth (1998-2008) – 79% and decrease of 0.8% between 2008 and 2009.
- Private sector jobs growth (1998-2011) – 23.7%
- Average house prices (2011) £175,000
- Average Job Seekers Allowance (2000-2013) 2.4%
- Average wage - £543.00

The key performance measures which help to benchmark the competitiveness of MK include: Gross Value Added (GVA); productivity; employment rate, unemployment rate (the lower the better), working age population; business start-ups skills; location of Milton Keynes; high performance sectors; low carbon economy and innovation and the improvement of the business environment.

8.2 SWOT Analysis for Milton Keynes

As part of the Local Economic Assessment an analysis was carried out to investigate the strengths, weaknesses, opportunities and threats/challenges (SWOT) facing the Milton Keynes economy.

Strengths

- A strong diversified economy, not dependent on one sector for employment
- A larger private sector than public sector with positive implications for rebalancing the economy
- Striving business services and retail sectors
- Retains a strong manufacturing sector despite employment reduction in the sector.
- A high proportion of businesses and employees in knowledge-based industries
- A premier location for investment and growth with a strategic proximity to London, Birmingham, Oxford and Cambridge
- A regional centre for employment, retail and leisure, culture, tourism and shopping
- 400,000 sq m of commercial floor space in Central Milton Keynes (CMK) including head quarter buildings
- A high proportion of companies whose head quarters are based in MK
- An international business city
- A major house building programme
- A growing transport system which allows smooth movement of traffic and availability of parking at a reasonable price
- A network of multi-functional parklands and recreational space including four golf courses.
- A good quality of life
- Very attractive hinterland settlements of Newport Pagnell, Stony Stratford, Bletchley and Woburn Sands
- A new University Campus in MK helping provide the much needed high level skills
- Availability of employment land and by implication floorspace for office and commercial accommodation
- A modern unique city hosting over 1,000 listed buildings, 50 scheduled national monuments, 27 conservation areas and many other attractions
- Football team and football stadium.

Weaknesses

- Car dependent city
- Limited public transport
- Lower educational attainment
- Lower skills levels and high demand for low or non skilled jobs
- Pockets of deprivation and social exclusion
- Poor East-West sub-regional transport
- Lingering public misperception nationally about Milton Keynes
- Perception of a lack of historic and cultural identity
- High Level of carbon emissions per persons.

Opportunities

- A premier location for investment and growth, with a strategic proximity to London, Birmingham, Oxford and Cambridge.
- Central Milton Keynes, further development and exposure
- Potential for 5,000 new homes in CMK
- Leading on low carbon economy work.
- Innovation and creativity in building design and architecture.
- Young and growing population providing an increasingly skilled workforce.
- A manufacturing presence which makes the rebalancing of the economy possible.
- Capacity to attract more high value knowledge based industries.

- Improving education attainment
- The University Campus Milton Keynes (UCMK), providing high level skills.
- Availability of employment and housing land.
- Development of East-West rail link to improve connections to Oxford, Aylesbury Vale and Bedford.
- Improved public transport facilities
- New high-quality public spaces, creating a more people-friendly environment.
- National and International business whose HQs are in MK
- A football stadium with room for expansion.
- Space for employment and housing.

Threats/Challenges

- A lack of improvement in resident workforce skills
- Loss of high level skills through retirement
- Failure to seize opportunity to develop a knowledge economy or knowledge intensive industries
- Failure to refresh the CMK shopping centre
- A lack of a fully fledged University for MK
- Failure to balance jobs and houses, thereby exacerbating both in and out-commuting.
- Impasse on the development of CMK
- Incapacity to develop and grow as a regional city
- Perceived to be not open for business
- Child poverty and implications for next generation
- Failure to tackle deprivation
- Perceived image
- Failure to maintain the transport infrastructure.

8.3 Central Milton Keynes (CMK)

The area known as Central Milton Keynes (CMK) covers around 340 hectares (840 acres) and includes Campbell Park at its eastern end.

8.3.1 The Planning Policy Context for CMK

Current adopted planning policy for CMK is provided in the National Planning Policy Framework (NPPF), and the Milton Keynes Local Plan (adopted 2005), specifically strategic policy S5 and the Town Centres and Shopping chapter policies, CC1-CC19. The recently adopted CMK Development Framework Supplementary Planning Document (February 2013) provides further guidance to encourage a wide variety of development set within a strong public realm framework.

Emerging policy for CMK is in the Milton Keynes Core Strategy, especially Policy CS7 which will, once adopted, replace the local plan policy S5. The Core Strategy is well advanced, having been through examination in July 2012. A further important emerging policy document is the CMK Alliance Business Neighbourhood Plan. Each of the planning policy documents highlighted above are considered in more detail below.

8.3.2 The National Planning Policy Framework

The NPPF requires planning permissions to be determined in accordance with the development plan. It gives a strong commitment to the planning system supporting sustainable economic growth and supports the vitality and viability of town centres. Running through the NPPF is a ‘golden thread’ of sustainable development so that the desire for and encouragement of economic growth should be balanced against social and environmental consideration, for example the protection of built heritage and the natural environment.

8.3.3 Milton Keynes Local Plan (MKLP)

The MKLP has a vision for a Milton Keynes that:

- Provides a high quality of life for all
- Encourages sustainable lifestyles
- Offers real choice for transport
- Promotes a dynamic, knowledge based economy
- Creates attractive, vibrant, successful town centres
- Enjoys a clean, green environment
- Stimulates diversity and innovation
- Welcomes growth to meet local needs
- Strengthens its role as a regional centre

Specifically relating to transport the MKLP aims to:

- Reduce the number, length and need to make trips
- Promote an integrated transport system that gives priority to walking, cycling, bus, rail and canals
- Allocate new developments at locations that are easily accessible by sustainable transport modes or are capable of being well served by such modes through transport enhancements.

CMK is set to develop as regional centre focusing on retail, commercial, cultural (and housing) development within the city. Key objectives for CMK, expressed in Policy S5, are to:

- Achieve a broader mix of uses within a finer grain of development, incorporating a high standard of design
- Promote a higher density of development leading to a greater intensity of activity supporting and supported by high quality public transport
- Reduce the influence of the car in the design and layout of the area
- Encourage walking, cycling and the use of public transport for people travelling to, from and within the area with walking the first priority within CMK
- Integrate different facilities and quarters within the centre.

The Town Centres and Shopping chapter of the plan sets out general policies for CMK together with detailed polices for specific quarters and Priority Development Areas.

8.3.4 Milton Keynes Core Strategy

The Core Strategy, incorporating changes arising from the Examination, identifies CMK as a regional centre and the main focus for additional B1a office floorspace and B1b high technology/ research and development floorspace as well as commercial leisure and entertainment facilities, especially those with a sub-regional catchment. In retail terms, the Core Strategy requires about 85% of additional comparison retail floorspace to be directed to the Primary Shopping Area in CMK.

In terms of quantum of development over the plan period, the Core Strategy allows for some 5,000 new homes to be built in CMK and Campbell Park and identifies that some 10,700 new jobs could be created from 12,000 sqm of new commercial floorspace and taking account of the 100,000 sqm of office floorspace that already has the benefit of planning permission in Campbell Park.

On adoption of the Core Strategy, MKLP Policy S5 will be replaced by Core Strategy Policy CS7 but the detailed Town Centres and Shopping policies in the local plan will remain in place until they are replaced either by the emerging CMK Alliance Business Neighbourhood Plan or the new local plan for Milton Keynes (Plan MK)

8.3.5 CMK Alliance Business Neighbourhood Plan

A business neighbourhood plan is being prepared for CMK and Campbell Park under the provisions of the Localism Act, 2011. The plan has been the subject of informal and formal pre-submission consultation and it is anticipated that the final version of the plan will be submitted to Milton Keynes council at the end of April 2013. The plan will be subject to a light touch examination and, if approved by an independent examiner as acceptable, will proceed to a referendum. As a business neighbourhood plan, there will be two referendums – one for the residents of the area and one for the businesses.

The business neighbourhood plan seeks to protect CMK's distinct design and heritage and promote its role at the centre of a prosperous and growing sub-region. Across the 60 plus hectares of land yet to be developed in CMK and Campbell Park, the plan seeks to encourage the expansion and diversification of the retail offer of CMK; the building of more offices to create new jobs; to reserve key sites for future major opportunities such as the expansion of the University; complete almost 5,000 new dwellings and enrich the social, sporting and cultural life of the area.

Milton Keynes Council has either approved or is publicising Neighbourhood Area designation for the following parishes (designation of the Neighbourhood Area is the first formal stage in the preparation of a plan):

- CMK Town Council - Business Neighbourhood Plan
- Wolverton and Greenleys Town Council (the Neighbourhood Plan is just for Wolverton town centre)
- Bletchley and Fenny Stratford Town Council - the Neighbourhood Plan is just for the Lakes Estate
- Stony Stratford Town Council
- Castlethorpe Parish Council
- Woburn Sands Town Council
- Wavendon Parish Council
- Great Linford Parish Council
- Campbell Park Parish Council
- Bow Brickhill Parish Council

There is also interest from a number of other parishes but they haven't started on the formal designation route yet.

8.3.6 The CMK Development Framework, February 2013

CMK has a legacy of masterplanning; the original Masterplan for CMK was for low density, mixed developments with generous landscaping. In 2002, following a wide-ranging public consultation programme, a development framework was prepared to guide the second generation of development in CMK. A key aim was to build on the economic success of Milton Keynes over the previous 30 years. The framework was intended to provide a long term flexible strategy for CMK that could respond to changing circumstances.

In the 10 years since the Development Framework was adopted, a limited amount of high density mixed use developments were completed that resulted in changes to the public realm infrastructure. The developments met with a significant amount of criticism and the Milton Keynes Council Cabinet resolved that the Development Framework should be reviewed.

Following a review of the lessons to be learned from the implementation of the 2002 CMK Development Framework, and based on extensive stakeholder consultation, a new CMK Development Framework has been prepared. The new Development Framework was adopted by Cabinet in January 2013.

The new CMK Development Framework replaces the 2002 Development Framework and other guidance that derives from the 2002 document – the Supplementary Planning Guidance for

Campbell Park and the Sustainable Residential Quarter, and the Central CMK Supplementary Planning Document.
The new 2013 CMK Development Framework will, as was the case with the 2002 version, provide a flexible strategy to accommodate changing circumstances and respond to market conditions but it also now provides some basic rules for the protection of the public realm infrastructure within CMK and provides further planning and design guidance for the growth and development of CMK.

8.3.7 Employment in CMK

Table 8.1 Employment by Sector, Central Milton Keynes, 2011

Industry	**Employees**	**%**
Construction	200	0.58
Wholesale and Motor trades	300	0.88
Retail	5600	16.37
Transport & storage (inc postal)	2300	6.73
Accommodation & food services	2700	7.89
Information & communication	2800	8.19
Financial & insurance	4100	11.99
Property	500	1.46
Professional, scientific & technical	6100	17.84
Business administration & support services	5400	15.79
Public administration & defence	1900	5.56
Education	200	0.58
Health	600	1.75
Arts, entertainment, recreation & other services	1500	4.39
Total	**34,200**	**100.00**

Source: ONS - Business Register and Employment Survey

Beyond the recession of 2009 and 2010, CMK still employs almost one quarter (24%) of all employees in Milton Keynes as shown in Table 8.1. The highest proportion of employees in CMK in 2011 was in the Professional, scientific & technical sector at 17.8% followed by Retail which employed 16.4% of all those employees in CMK. Business administration & support services employed 15.8%, Financial & insurance employed 12%, Information and communication 8% and Accommodation and food services 7.9%. The majority of the high employment sectors operating in CMK apart from Retail, Accommodation and food services are knowledge intensive industries. As it happens the location of knowledge intensive industries also attracts Retail, Accommodation and food services. The message appears to be that focusing development in CMK particularly through the attraction of the knowledge-based industries will also bring sustainable jobs in the services sectors and around in CMK.

8.4 Further and Higher Education

8.4.1 Milton Keynes College

Mission and Vision

Milton Keynes College's mission is to be an outstanding College at the heart of the city, nurturing ambition and delivering success. The College's vision is to be at the heart of a connected and inclusive learning community, driving new models and partnerships to create an education landscape where there are no boundaries to limit access, progress and success and also be a catalyst for economic prosperity and wellbeing.

The Facts

Milton Keynes College is one of the fastest growing Colleges in the UK, increasing turnover in the last ten years from £15m to c£60m (August 2012). It is the lead provider in Offender Learning and from August 2012 had 30% of the national market share, delivering across 35 prisons with an annual contract value of £35m.

The College invested significantly and took the lead role in the development and operations of the University Centre Milton Keynes (UCMK). The College was allocated its first directly funded Higher Education numbers in 2012 and will be continuing to grow its Higher Education in Further Education provision.

Milton Keynes College has a population of over 20,000 students, and is the city's largest provider of education, training and development. Since 2004, the College has recorded over 20 percentage points improvement in overall success rates.

The College makes a significant economic contribution to the City of Milton Keynes. A recent economic impact assessment showed that:

- the College accounted for approximately £136.1m in added regional income
- students enjoy a 19% annual return on their investment in time and money
- for every £1 students invest in their time at the College, they receive a cumulative £4.70 in higher future earnings over the course of their careers
- Tax payers see a real return of 15% of their annual investments in the College.

Milton Keynes College works with over 3,000 16-18 year old full-time students equating to a 36% market share of the local cohort. It is the largest training provider for employers in Milton Keynes working with around 600 employers through a combination of apprenticeships, professional qualifications and commercial training. The College has achieved the Training Quality Standard for outstanding employer engagement and is an accredited Peter Jones Enterprise Academy. The College:

- provides Skills for Life qualifications to over 1,500 adult learners on campus, in local community learning centres and in the workplace.
- delivers a broad range of employability programmes, engaging with over 1,700 students in 2011/12.
- draws its students from a wide range of ethnic backgrounds with 26% of full-time students being from black and minority groups.
- achieved the Investors in Diversity Standard, one of the first Colleges nationally and the first major employer in the City to do so.

Milton Keynes College employs over 1,000 staff, making it one of the largest employers in Milton Keynes. The expanded Offender Learning contracts will increase the employment level to over 2,000 staff. A state of the art Innovation and Technology Centre was opened in 2011 representing a £6.3m investment in engineering and technology. The College is also on a journey to develop business opportunities in the emerging Chinese market.

8.4.2 University Campus Milton Keynes (UCMK)

UCMK represents a creative partnership between Milton Keynes Council and the University of Bedfordshire which will open its doors to students in September 2013.

The University Campus Milton Keynes' mission is to:

- create a vibrant, multicultural, learning community, which enables people to transform their lives by participating in excellent, innovative education, scholarship and research
- contribute to the successful delivery of Milton Keynes Council's Economic Development Strategy 2011-16 for a thriving economy and status as an international city

- contribute to Milton Keynes' brand as a thriving, dynamic, innovative, and successful city by driving the knowledge-economy of the sub-region
- support the development of a highly educated population and skilled work force by offering its people, businesses, cultural and social enterprises a beacon of academic excellence
- act as a focus and catalyst for thought leadership and cultural expression.

UCMK is a high-profile flagship development for the city with a strong focus and identity. It sends a clear message to all sections of the community that the city's vision and aspirations for university education are entering a new and exciting phase.

UCMK will build Milton Keynes' participation rate in higher education, raise aspirations, increase opportunities and advance cutting-edge skills and boost the knowledge-intensive and creative economy.

UCMK will grow the research community in Milton Keynes and it will house a multidisciplinary business-facing Institute for Smart Cities. The distinct physical presence of UCMK in the city centre will stimulate and engage the interest of students looking to move into higher education from schools and colleges city-wide. UCMK brings added vibrancy to Central Milton Keynes, complementing the Milton Keynes Theatre, the Gallery, the Xscape and the shopping district.

UCMK will have a flexible portfolio of blended learning, distance learning and professional courses. It is a showcase for Higher Education and will inspire the young citizens of Milton Keynes and support lifelong learning among adults.

UCMK's academic portfolio for 2013/14 includes undergraduate and postgraduate courses.

Undergraduate:
BA (Hons) Applied Education Studies
FD Business Management
BEng (Hons) Computer Systems Engineering (level 4 only)
BEng (Hons) Electronic Engineering (level 4 only)
BA (Hons) Journalism (level 6 only)
FD Leadership, Innovation & Management
BA (Hons) Management Practice (level 6 only, supported distance learning)
BEng (Hons) Telecommunications & Network Engineering (level 4 only)

Postgraduate:
MSc Electronic Engineering
MSc Embedded Systems Engineering
MSc Engineering Business Management
MSc Project Management (supported distance learning)
MSc Telecommunications Management.
UCMK also offers short courses for Continuing Professional Development in education, project management for business; engineering and IT service management (ITIL) as well as training for health and social sciences senior managers.

The establishment of the University Campus Milton Keynes has created an environment to drive up higher education level skills. A strong graduate pool and the development of a highly skilled workforce will stimulate local and regional economic growth.

The curriculum is aligned to the needs of an aspiring knowledge-based economy. Curriculum alignment is derived through an analysis of the emerging skills needs of the city and region. UCMK's facilities are designed to be forward-looking, cross-disciplinary and innovative.

A commitment to excellence underpins every aspect of UCMK's endeavour. Through its contribution to the intellectual capacity of the city, its students and its faculties, UCMK contributes to Milton Keynes' reputation, cultural vibrancy and economic success.

8.4.3 The Open University

Situated in the heart of Milton Keynes, The Open University (OU) has been changing lives and transforming learning since its launch in 1969. The OU and Milton Keynes have both shared astounding growth in the last 45 years. Now one of the biggest employers, with many staff living locally, the OU plays an active role in the commercial, cultural and community life of Milton Keynes

The OU's mission is to be open to people, places, methods and ideas. It was founded to open up higher education to all, regardless of their circumstances or where they live. It has students of all ages and backgrounds: school students wanting experience of university-level study, school leavers who choose to begin their careers while they study for a degree, people wanting to develop or update their skills, or change career entirely, and retired people wanting to explore new interests and keep mentally active.

The OU offers 342 undergraduate modules, 60 CPD modules and 141 post-grad modules to over 250,000 students. 62% of our students study vocational or professional courses and 80 of the FTSE 100 companies have sponsored staff on OU courses.

The Open University has a wide-reaching and vibrant research and enterprise portfolio and offers various cost-effective ways of engaging and working with local companies.

The OU is not a traditional residential university and the vast majority of its students study part-time for a degree. The OU has over 1,000 post doctoral students, with 353 studying full time at its Milton Keynes campus.

OU students and academics are supported by around 3,500 administrative, technical, secretarial and student services staff. The OU has connections and links with:
Milton Keynes Technology Network;
University Campus Milton Keynes;
Milton Keynes Community Foundation;
Bletchley Park;
Milton Keynes College;
MK Stadium;
MK Business Leaders' Partnership;
The Institute of Directors;
Education Business Partnership;
WorkTree;
Community Action: MK;
MK Hospital;
MK Equality Council;
BizTech;
MK Economic Development Forum;

The work of Milton Keynes College, the University Campus Milton Keynes and the Open University helps to show residents and also businesses in Milton Keynes and globally that further and higher education in Milton Keynes is thriving.

8.5 Conclusions

Milton Keynes has a strong diversified economy which means that there is no dependence on one sector for employment. The fact that CMK is set to develop as a regional centre with a focus for retail, commercial, cultural and housing development within the Borough illustrates how much of an asset CMK is.

Focusing development in CMK particularly through the attraction of the knowledge-based industries will bring sustainable jobs in the services sectors in and around CMK.

The drive to develop a skilled workforce and a learning culture in Milton Keynes starts in schools during early years. The future competitiveness of MK can be predicted through what happens in schools, as these are the places where future business leaders are made.
The next chapter considers Future Growth Prospects.

Chapter 9 Future Growth Prospects

Key Findings

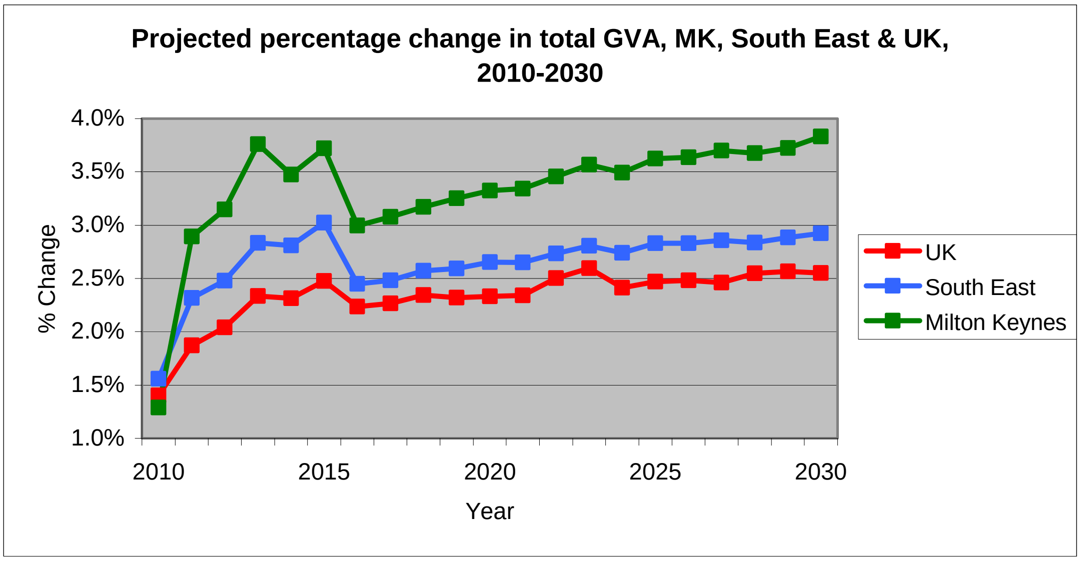
- The Cambridge Econometric forecasts (2010) show positive and encouraging growth prospects for the MK economy to 2030, despite current economic conditions, including the impact of the recession
- From a forecasting point of view, it is wise to pay most attention to short term forecasts for the next three to five years as in the long term many variables may change.
- Total GVA is expected to increase from 2011: 2.89% in MK compared to 2.32% in the SE and 1.87 in the UK.
- Forecast positive job changes per sector in MK (2010-2033) were in Finance, Business and other Market Services 36.5%, Non-Market Services 17.4%, Distribution, Hotels etc 8.7%, Transport and Communications 8.1% and Construction 3.8%.
- In recent years, job losses in manufacturing have tended to be in low value, low skill manufacturing whilst high value and high skill manufacturing has flourished.
- Projected change in productivity in MK, SE and UK, year on year between 2010 and 2030 is encouraging, particularly in the next five years.
- Productivity increase in MK was forecast at 3.3% in 2010 compared to 3% in the SE and UK respectively. Productivity in MK is forecast to remain higher than in the SE and UK at least in the next 5 years to 2015.
- Experian forecasts showed that employment would rise by 1.9% each year from 2013-2017, together with an annual increase in output/production of 3%. Other research consultancies such as Centre for Cities and Local Futures also pointed at Milton Keynes having great prospects for growth and attracting new investment.
- The future direction of the local economy needs to put emphasis on knowledge based industries including high value manufacturing.
- Key future trends: Population and age distribution, GVA forecasts, growth rates, sectoral and employment growth are positive and the task will be on sustaining growth.
- Milton Keynes is one of the few areas in the country, which still has considerable available employment land.

9.1 Economic Forecasts

The Cambridge Econometric forecasts show positive and encouraging growth prospects for the MK economy to 2030. Obviously, from a forecasting point of view, it is wise to pay attention to the forecasts in the short term, that is, three to five years, as in the long term many variables may change. It appears that the short-term element of the Cambridge Econometric forecasts is proving to be in line with recent forecasts by other Forecasting houses. The forecasts below concentrated on overall GVA, growth or change in GVA by sector, overall job numbers, jobs by sector and productivity changes.

In view of the current tough economic climate, forecast percentage changes to total GVA in MK, SE and UK, year on year between 2010 and 2030 showed smaller growth in 2010, 1.29% in MK, 1.56% in the SE and 1.4% in the UK. Total GVA is expected to start to increase from 2011, 2.89% in MK compared to 2.32% in the SE and 1.87% in the UK. Indeed from 2011, forecast total GVA is expected to change by greater proportions in the MK than in the SE and England as shown in Figure 9.1.

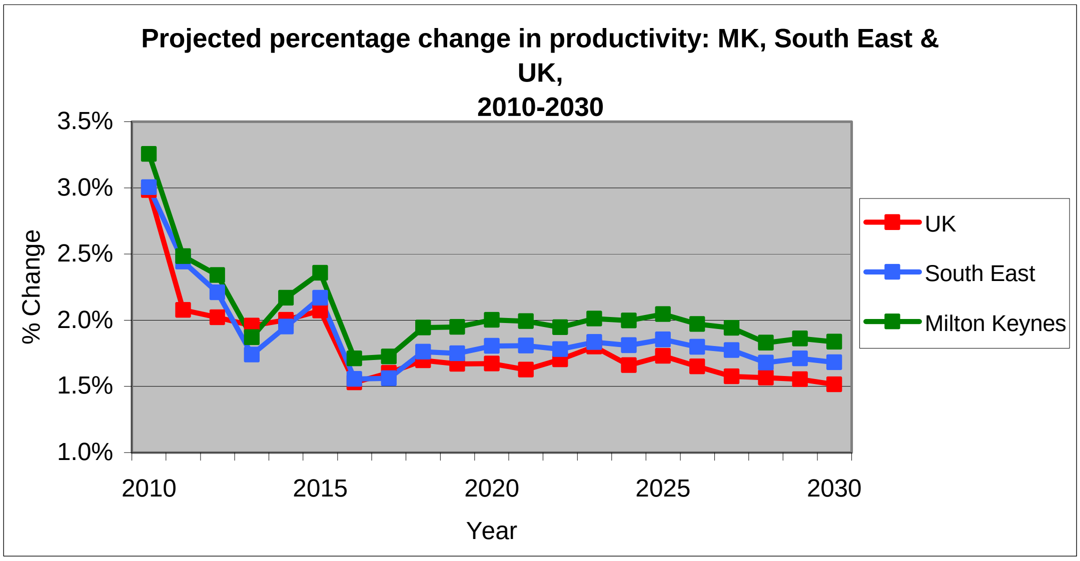
Figure 9.1: Projected percentage change in Total GVA, MK, SE and UK, 2008-2030



Source: Cambridge Econometrics, 2010

Forecasted positive job changes per sector in MK (2010-2033) were in Finance, Business and other Market Services 36.5%, Non-Market Services 17.4%, Distribution and Hotels 8.7%, Transport and Communications 8.1% and Construction 3.8% (Figure 9.4). The Manufacturing sector was forecast to lose jobs in MK, SE and the UK. In recent years, job loses in manufacturing have tended to be in low value low skill manufacturing whilst high value and high skill manufacturing has flourished.

Figure 9.2: Projected percentage change in total jobs: MK, SE and UK, 2010-2030



Source: Cambridge Econometrics, 2010

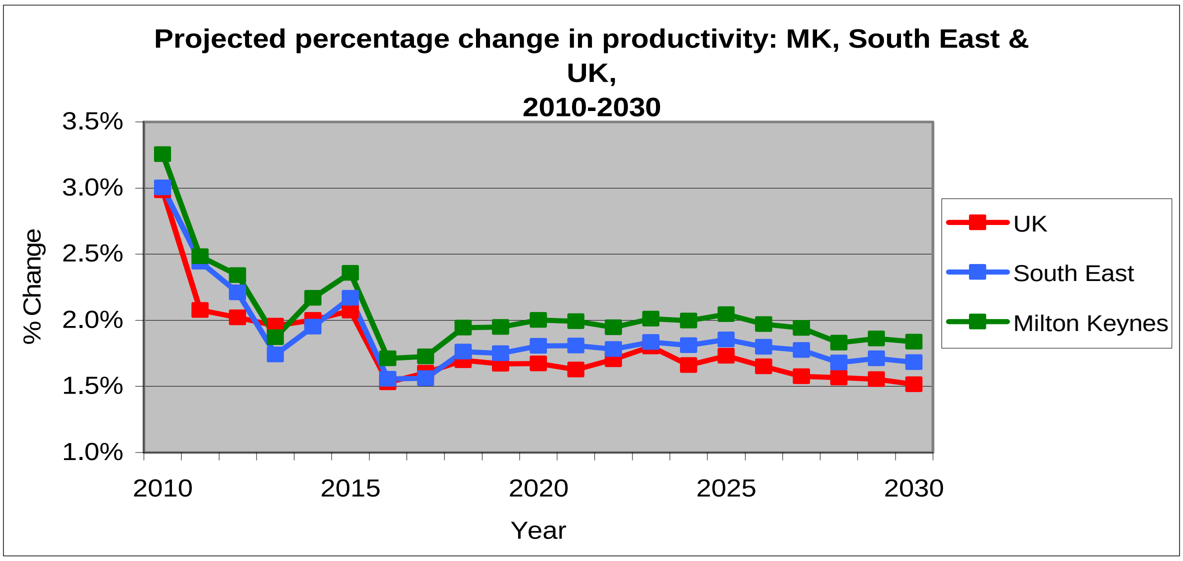
Table 9.1: Projected change in jobs per sector: MK, SE and UK, 2010-2030

Sector	MK	South East	UK
	%	%	%
Transport & Communications	8.1	9.7	19.1
Agriculture	-28.4	-25.9	-16.3
Mining & Quarrying	-32.0	-28.1	-33.3
Manufacturing	-25.4	-32.0	-32.4
Electricity, Gas & Water	-35.5	-33.3	-33.3
Construction	3.8	-0.9	-6.7
Distribution, Hotels etc	8.7	10.5	11.5
Fin, Bus. & Other Mkt. Services	36.5	44.9	68.5
Non-Market Services	17.4	16.2	22.9

Source: Cambridge Econometrics, 2010

Projected change in productivity in MK, SE and UK, year on year between 2010 and 2030 is encouraging, particularly in the next five years. Productivity increase in MK was forecast at 3.3% in 2010 compared to 3% in the SE and UK. Productivity in MK was forecast to remain higher than in the SE and UK at least until 2015. Also, on current performance, productivity in MK is forecast to be higher in MK than in the SE and UK between 2010 and 2030 as shown in Figure 9.3.

Fig 9.3: Projected percentage change in productivity: MK, South East & England 2010-2030



Source: Cambridge Econometrics, 2010

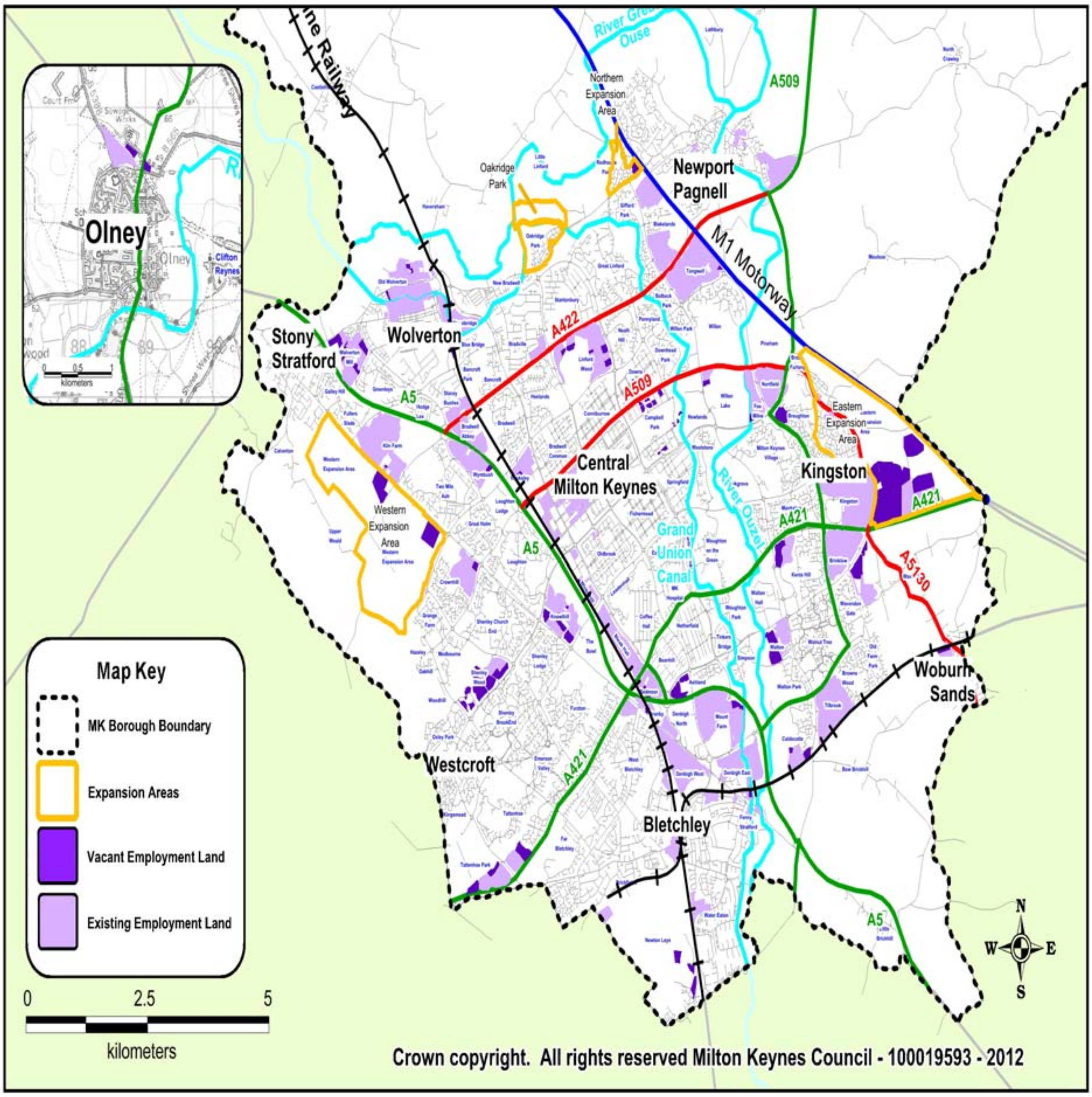
Even though the forecasts from Cambridge Econometrics are getting dated the 2012 Experian (International Financial Analysts) figures showed Milton Keynes heading a top ten of 'prosperous' towns and cities, in terms of growth in jobs, and in the manufacturing, financial and business services, and retail sectors. Experian forecasts showed that employment would rise by 1.9% each year from 2013-2017, together with an annual increase in output/production of 3%. Other research consultancies such as Centre for Cities and Local Futures also pointed at Milton Keynes having great prospects for growth and attracting new investment.

9.2 Employment Land

Milton Keynes is one of the few areas in the country which still has considerable employment land available. Map 9.1 shows all employment land allocations in Milton Keynes in terms of existing employment land, existing vacant employment land and employment land in the expansion areas.

However, the map does not include additional allocation of land following the Core Strategy Examination in 2012. Map 9.2 shows all the employment land in Milton Keynes and the designated uses for that land and Table 9.2 shows the land class type and uses. In the Milton Keynes Core Strategy, care was taken to ensure that the needs for a variety of sites to meet different requirements for a wide range of employment uses were accounted for. The only new employment land allocation in the Core Strategy is the Strategic Land Allocation (SLA) of land between Magna Park and the M1 motorway north of the A421 Milton Keynes Council in partnership with Milton Keynes Development Partnership and Invest Milton Keynes work to ensure that a range of development sites are readily available to enable new employment opportunities to be brought forward in CMK and other appropriate locations. The matching of the demand and supply of sites is critical as there are other areas which compete with MK for the same investment such as Reading, Swindon and Peterborough.

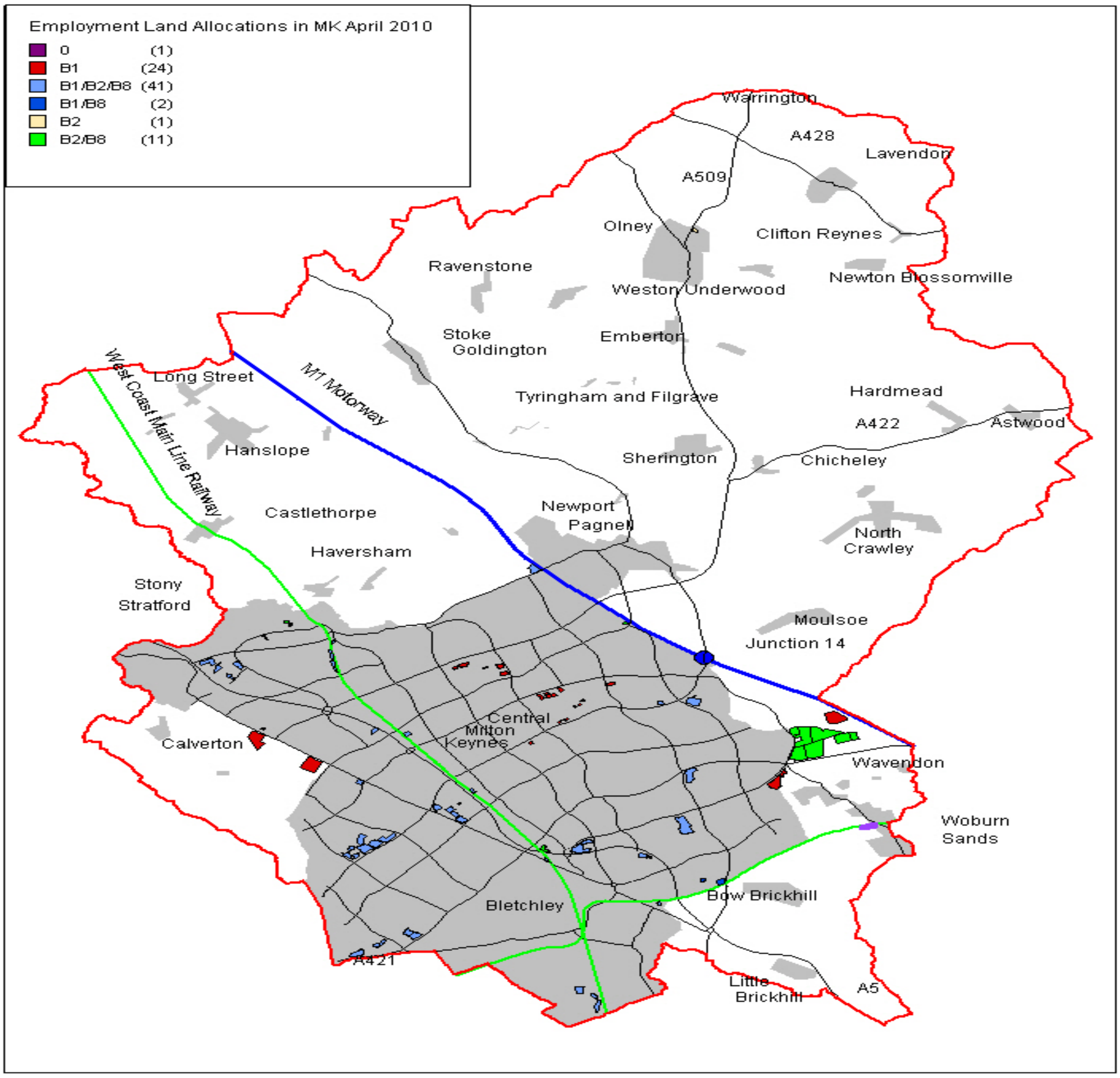
Map 9.1: Employment land allocations, MK, 2012



Source: MKi

Table 2: Expanded key to Map 2 Use Class and Class Description	
Use Class	**Class Description**
B1(a)	Office
B1(b)	Research and Development
B1(c)	Light Industry
B2	General Industry
B8	Storage and Distribution (Warehouses)
A1	Shops
A2	Financial & Professional Services (Bank, Building Society, Estate Agents)
A3	Restaurants & Cafes
C1	Hotels
Source: MKC	

Map 9.2: Employment Land by Type of Usage, MK April 2010



Source: MK Observatory

9.3 Other Key Developments

There are other key developments in and around Milton Keynes which will impact on the local economy in the next five to ten years.

9.3.1 The Local Investment Plan

The Local Investment Plan is a consolidated infrastructure delivery schedule for the Core Strategy and other important strategies in Milton Keynes. It is an important tool to support decision-making of the Council and partners in relation to investment in infrastructure to support or facilitate new homes, new jobs or population growth to promote economic prosperity.

Around 300 projects are included in the Delivery Plans of the Local Investment Plan. The majority of projects are led by the Council but a significant number of projects included are led by public and voluntary sector partners. The capital costs of these projects totals around £1,000m with a little under half this sum identified to spend during 2012/13 to 2016/17.

A revised Local Investment Plan is due to be presented to Milton Keynes Council Cabinet in the summer of 2013. The Local Investment Plan will present the framework of funding available set against the rationale for support for the delivery of the most essential projects.

9.3.2 Low Carbon Economy

The low carbon living programme is likely to provide immense opportunities for energy saving, new forms of energy and a source of new jobs in the local economy.

9.3.3 City Deals

Milton Keynes was confirmed in March 2013 as one of the front runners in the Government's City Deals programme that will see powers devolved to local areas in exchange for innovative approaches to boosting the local economy. In the summer of 2012, eight of England's largest cities confirmed deals with the Government to boost local growth. Now Milton Keynes is one of 20 more cities in the second wave city deals. Milton Keynes and 8 of the other local authorities within the SEMLEP area worked together with the private sector in formulating the City Deal bid.

The deal proposal is based on delivering the new homes and associated jobs outlined in Core Strategies and Development Plans. In particular, there is a desire to be able to retain locally more of the financial benefit from building homes and creating more jobs so as to ensure Milton Keynes remains a high quality place for residents, investors and workers.

The next stage will involve developing more proposals with government departments during the spring, 2013. These will then be the subject of negotiations with a panel of government ministers during the summer, 2013.

Milton Keynes is already on track to take more control of its local growth agenda, having recently acquired the land assets from the Homes and Communities Agency. It also took control of the vitally important Milton Keynes Tariff, a requirement of developers to pay a sum of money each time they build, which goes towards identified strategic infrastructure improvements.

9.3.4 Smart Cities

In smart cities "smart technologies" are creating more efficient systems and better informed citizens. Leading cities have started to push this concept further. They are exploring how smart cities can add value within a strategic framework. This will mean moving from departmental solutions to a city wide approach, creating economies of scale and scope that will result in:

• Economic development and the creation of jobs
• Promoting resource efficiency and mitigating climate change
• Providing a greater place to live and work
• Running cities more efficiently
• Supporting communities.

The challenges of population growth, demographic change, urbanisation, climate change, and resource depletion mean that cities need to adapt to survive and thrive over the coming decades. There is an increasing interest in the role that information and communications technologies could play in creating the cities of the future, including through providing better visibility of the performance of city systems. In Milton Keynes the Council is leading on the Smart Cities agenda working closely with University Campus Milton Keynes, the Open University and private sector collaborators.

9.3.5 Rugby World Cup 2015

Milton Keynes is currently involved in the bidding process to be selected as one of the cities to host rugby matches during the England 2015 Rugby World Cup. A potential 90,000 visitors to the city and a TV audience for the competition of 4 billion would boost the profile of Milton Keynes alongside other established venues such as Twickenham and Wembley in what is fast becoming one of the largest international sporting events.

9.4 Conclusions

The future growth prospects for the MK economy are good but forecasts are not certainties. Forecasts call for action from a host of players in the local economy to make things happen.

Milton Keynes is one of the few areas in the country which still has considerable employment land available. In Maps 9.1 and 9.2 all employment land allocations in Milton Keynes and the designated uses for that land are shown. The MK Core Strategy has been thorough in ensuring that the needs for a variety of sites to meet different requirements of a wide range of employment uses are catered for. Milton Keynes Council in partnership with Milton Keynes Partnership and Invest Milton Keynes work to ensure that a range of development sites are readily available to enable new employment opportunities to be brought forward in CMK and other appropriate locations. The matching of the demand and supply of sites is critical as there are other areas which compete with MK for the same investment such as Reading, Swindon and Peterborough.

In terms of future growth prospects, the low carbon economy work is likely to provide immense opportunities for energy saving, new forms of energy and a source of new jobs in the local economy. The City Deals and Smart City work will open up more opportunities economic growth. These are opportunities which Milton Keynes should seize.

The next chapter concludes the Local Economic Assessment Refresh.

Chapter 10 Conclusions

The Local Economic Assessment Refresh in 2013 investigated and analysed the MK economy in terms of its position and competitiveness both locally and nationally. At the start of each Chapter the key findings have been set out providing bulleted summaries. The 2011 Local Economic Assessment raised issues and key findings highlighted six priority areas which will shape and positively impact on both the present and future development and competitiveness of MK. The refreshed assessment re-enforces the six priorities. They are:

1. *Diverse and competitive knowledge based economy*

Chapter 3 showed that the majority of businesses in MK are micro/small employing 1-49 people which accounted for 95.4% of all businesses in 2012. 4% of businesses in MK employed 50-199 employees. Although large businesses make a small proportion of all businesses in MK at 0.6% in 2012 they employ over one-third of all employees in Milton Keynes.

MK also has a strong diversified economy, which means that its economy is not dependent on one sector for employment. As discussed in Chapter 4 knowledge based industries are central to the modern economic competitiveness and performance of an area. MK has a strong knowledge based position in terms of employment and business units focused in various sectors compared to some of its competitors and other UK Cities.

For future growth and competitive advantage it is vital that MK maintains a healthy business population and has the capacity to attract knowledge based industries.

2. *Economic regeneration*

As a result of the recession and the onset of increased unemployment, MK faces challenges to stimulate and grow its economy. The lowest level of unemployment in MK was in November 2000 at 1.2%. During the height of the recession in MK, unemployment rose to 4.7% (August and September 2009 and January 2010). However, unemployment has been falling. It fell to 3.1 in December 2012 but started rising reaching 3.6% in February 2013. Some Wards in MK are impacted severely by unemployment. There is a need for economic regeneration in order to reduce unemployment further and also address related deprivation issues in parts of MK.

Achieving sustainable economic development and regeneration in MK will involve a concerted effort in assessing and ensuring that there is balance and linkages between population growth, jobs, housing, transport, natural and historic environment, types of energy used, water and other related resources. Targeting NEETs and areas of deprivation will ensure that there is balanced growth in MK and the rich-poor gap does not become more pronounced. Chapter 6 identified the top 9 wards in MK where unemployment and benefit claims were more dominant giving a clear indication where regeneration needs to take place.

3. *Skills and learning*

The drive to develop a skilled workforce and a learning culture in MK will have to start in schools during early years. The future competitiveness of MK can be predicted through what happens in schools as these are the places where future business leaders are nurtured. Developing a diverse and competitive knowledge based economy will contribute to economic regeneration as attracting high skill jobs will in turn provide increased salaries for residents.

Over the past three years there have been consistent and significant increases in the educational attainment of MK residents. In order to attract business investment and knowledge based industries MK needs to continue to grow its knowledge base so that employer skill requirements are met. Evidence for this came from the skills and learning analysis contained in Chapters 3 and 5.

4. Business support

The recession brought with it challenging times for businesses. MK prides itself on being a premier location for investment and as a result has grown vastly in a short period. In order to maintain this level of success and attract new investment, but also retain current businesses, a clear priority for business support has emerged. The need for business engagement highlighted in the Business Needs Survey 2010 has not changed. Both SMEs and large businesses called for a need for future communication with the Council on information and advice for businesses, views on the local economy and apprenticeships.

5. Marketing MK

The strategic location of MK gives rise to significant potential both in terms of business investment and tourism. A SWOT analysis in chapter 8 highlights the strengths and opportunities that MK can develop in terms of marketing its position. Chapter 9 highlighted the considerable employment and housing land supply available for development, while chapters 2, 3 and 7 investigated various aspects affecting tourism.

MK is unique – where a modern city combines with an attractive rural landscape, where the city area consists of historic towns and villages, where over 20% is parks and open space. Open spaces provide not only attractions to tourists but also foster a healthy lifestyle for residents. Chapter 7 discussed the numerous parks and open spaces throughout MK.

MK has shown itself to be pioneering in the way it is promoting a modal shift towards sustainable transport modes embracing Low Carbon Living. Many of the current carbon reduction activities are pioneering using the most advanced practices in an effort to minimise MK's environmental footprint while at the same time taking advantage of the economic opportunities afforded by low carbon technologies.

Central MK has developed as a regional centre with a focus on retail, commercial and cultural activities. Housing development within the city illustrating how much of an assert CMK is. In 2012 the cumulative footfall for thecentre:mk, Midsummer Place and Xscape was 47,202,926. Also MK's national profile will increase through economic success and activities such as the England 2015 Rugby World Cup, The International Festival and the low carbon agenda.

6. Enabling infrastructure

Enabling infrastructure is a proactive approach to maintain, improve and create appropriate infrastructure and to promote innovation in MK. A strong infrastructure base needs to be developed that meets both business and residential needs, while preserving the environment. These needs must be met not only in the present but also for future generations, so that MK will remain a premier location for investment.

Strong transport networks, housing, next generation broadband, tackling climate change issues and developing the city's heritage will provide MK with a strong competitive advantage that will rival any other location in the UK. Currently MK has shown initiative to embrace in the low carbon agenda, which is likely to provide immense opportunities for energy saving, new forms of energy and a source of new jobs in the local economy.

In order to facilitate business and employees relocating to MK there is a growing need to maintain and supply quality housing. Projections on the population and dwelling requirements in MK to 2018 show an annual average increase of around 1% per annum. It is critical to ensure that housing completions are responding to population and economic growth trends to avoid the creation of bottlenecks, which could stifle the growth of the city and the Borough as a whole.

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Acknowledgements

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Milton Keynes: Local Economic Assessment Refresh, March 2013

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