Local Authority Productivity plan 2024

Improving service performance and reducing wasteful expenditure

Transformation and Performance

July 2024

Version	Author	Date	Changes made
1.1			

Contents

1 Introduction

1.1 Background

New Forest District Council is one of the largest non-unitary district authorities. The district is home to 175,785 residents (2021 census data) and covers an area of 290 square miles. The council has an annual budget of £22.4m and employs 715 staff (FTE), largely providing services in house. The council has retained its housing stock and supports over 5200 tenants living in these homes. The Solent Freeport is a sign of a prosperous future for the area bringing a potential share of 7,000 new jobs, significant retained business rates and 303 hectares of developable land.

In December 2023 as part of the Local Government Finance Settlement, the Department for Levelling Up, Housing and Communities (DLUHC) announced that all local councils would be asked to produce a Productivity Plan.

Recognising the vast amounts of work already done in this area by local authorities, the aim of this plan is to understand what is working well and what the Government could do to unlock future opportunities for the organisation.

1.2 The productivity plan

The plan provides a summary of the following key areas and outlines how the council

- has transformed the way that services are designed and delivered to make better use of resources

- plans to take advantage of technology and make better use of data to improve decision making, service design and use of resources

- plans to reduce wasteful spend within the organisation and systems

- and any barriers that are preventing progress that DLUHC could help to reduce or remove.

The plan describes activity already in place through existing policies as well as the key themes and strategic outcomes from the Transformation Programme.

1.3 Financial Context

New Forest District Council set a balanced budget for 2024 / 25 in February 2024 with a Council Tax increase of 2.99%, in line with government parameters. The net budget requirement for 2024 / 25 is £22.4m.

The council's Medium Term Financial Plan (MFTP) was updated as a part of that budget setting report, and actions are underway to address the forecast deficit, including contributions from the transformation programme.

The council benchmarks well against comparable authorities (CIPFA nearest neighbours) with net annual expenditure of £19.6m being significantly lower than the net comparator average of £28.6m.

Detailed benchmarking of the 2022 / 23 Revenue Outturn data is being used to further assess strategic alignment of spend and potential areas of opportunity.

1.3.1 Overall net expenditure

An overall spend recorded of £19.6M against a Net Comparator Average of £28.6M.
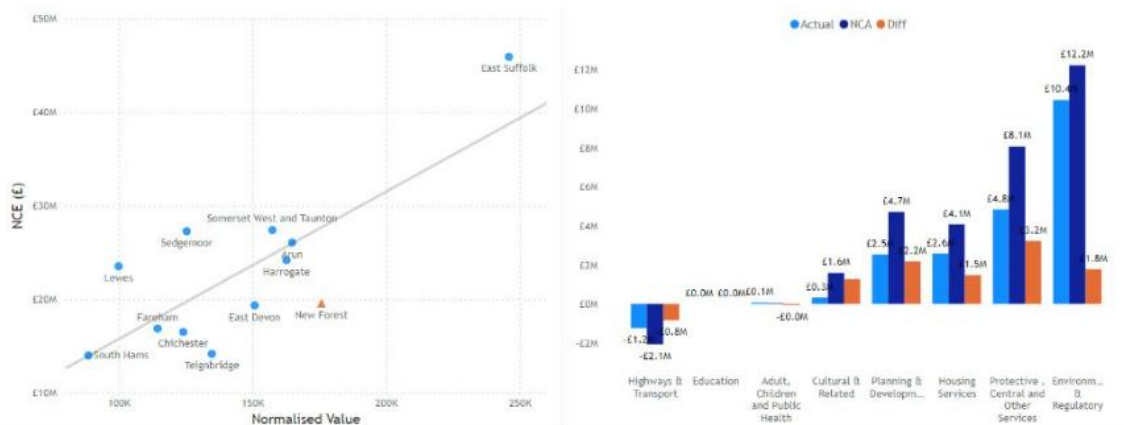
1.3.2 Discretionary net expenditure

Income and expenditure in Highways and Transport is driving the biggest normalised opportunity with discretionary spend above average in Adult, Children and Public Health.
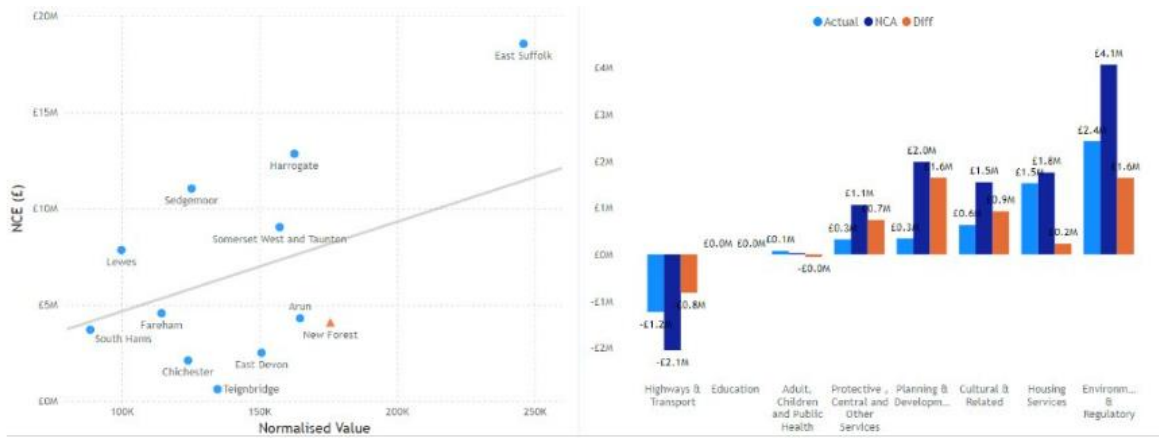
1.3.3 Statutory net expenditure

Largest areas of net expenditure are in Environmental and Regulatory, and Protective, Central and Other Services.
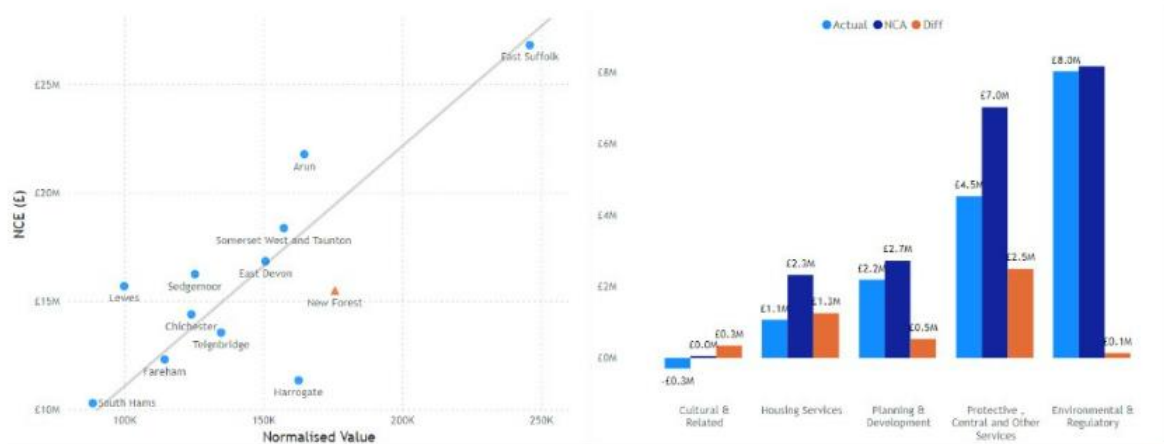
2 Transformation

How the council has transformed the way services are designed and delivered to make better use of resources.

2.1 Strategic planning framework

In April 2023 the Corporate Plan 2024 – 2028 was approved, this single most important strategy shapes the way the council works and defines its ambitions. In doing so it brings together strategic and service objectives, helping the organisation to work towards the same vision, values, and priorities.

The council is realistic about the challenges ahead, including advancing technology, potential significant future skills and budget gaps, attracting and retaining staff as well as climate and environmental considerations. In response approval has been granted for the adoption of a new Transformation Strategy and 'Future New Forest' transformation programme, these documents underpin the Corporate Plan and provide a framework to respond to future challenges. They set out how the council will be transformed to meet customer needs, protect finances, and embed sustainability moving forward.

The vision for 'Future New Forest' is: "Investing in our people and services to meet customer needs, protecting the council's financial position, and embedding sustainability through our Future New Forest transformation programme."

Key priorities and performance indicators of 'Future New Forest' underpin the new Corporate Plan and will reshape the way the organisation operates.

'Future New Forest' also plays a key role in the delivery of the MFTP 2023 to 2027, which established cumulative savings targets of £1.25 million for the general fund and £500k for the housing revenue account arising from the programme.

The adoption of 'Future New Forest' has necessitated recruitment of an in-house team of specialist officers to manage, support and deliver the transformation programme.

2.2 Future New Forest strategic outcomes

Strategic outcome	How will investment support delivery of this outcome?
Putting our customers at the heart of what we do	• By investing in technology such as customer relationship management we will be able to keep customers informed on progress and instil confidence in service delivery. • By investing in our data tools and skills we will be able to understand our customers better and meet the needs of our diverse communities. • By increasing the number of services available online, whilst maintaining telephone and face-to-face contact for those who need it most, we provide customers options to access services at the time which best suits them.
Being an employer of choice	• By redesigning inefficient processes and investing in technologies to automate steps where appropriate, we will create capacity to respond to rising demand without overburdening staff. • Investing in new tools and technologies will also mean investing in skills development and training to use them.
Being financially responsible	• By redesigning inefficient processes and investing in technologies to automate steps where appropriate, we will create opportunities to reduce costs. • By remodelling parts of the organisation, we will create opportunities to reduce costs and build resilience.
Designing modern and innovative services	• By replacing outdated, poorly performing systems we will enable the design of modern, digital services. • By standardising and applying common design patterns and digital capabilities across the council we will design more consistent and usable services.

Officers are currently in the process of developing a transformation business case which outlines potential costs, savings, and timelines for a number of potential organisational delivery models on an invest to save basis.

2.3 Monitoring and governance

The adoption of the Corporate Plan gave an opportunity to look at our approach to performance management and service planning which in turn will support productivity improvements and efficiency savings.

A Performance Management Framework (PMF) has been developed that takes the commitments outlined in the Corporate Plan, works with the 'Future New Forest' Transformation Programme, and builds continuous improvement opportunities and learning throughout. The PMF cuts through all service areas from strategic Corporate Plan commitments, service planning, team or individual plans and also reflects statutory duties and regulatory frameworks.

	Responsible		Accountable
Strategic	• Council members • Cabinet members • Chief executive • Strategic directors	• The Corporate Plan • Future New Forest Transformation Programme • High level strategy documents • Corporate dashboard	• Published in public domain • Council members • Cabinet members
Operational	• Strategic directors • Assistant directors • Service managers	• Medium term financial plan • Service strategies • Service plans • Statutory and regulatory reporting • Operating policies • Risk management • Service dashboards	• Cabinet members • Overview and Scrutiny Panel members • Strategic directors • Assistant directors
Front Line	• Service managers • Team managers • All employees	• Team plans • Appraisals • Individual performance plans • One to one documents • Team dashboards • Individual objectives	• Assistant directors • Service managers • Team managers

A set of clear, strategic, and focused KPIs have been developed and agreed and will be owned and monitored within the relevant service areas.

The framework will drive improvements and productivity at every level of the organisation and will help shape the work we do.

A key element of the PMF is the monitoring of individual objectives and individual performance plans which enable staff at all levels to be productive and understand their responsibility towards the delivery of strategic objectives. Staff benefit from regular 121s and PDI appraisals with clear, suitable, and agreed objectives and measures.

Staff will have a clear expectation that they must work towards these objectives and regular monitoring will enable managers to intervene and offer support if there are factors impacting an individual's productivity and performance.

2.4 Work so far

Some work has already been completed or is currently underway towards evolving and transforming the authority.

2.4.1 Leadership review

Commenced in May 2022 the organisation has undergone a significant leadership review affecting tier 2 and 3 management roles. This was launched to ensure the leadership and management arrangements were best set up to provide strategic direction, organisational leadership, and oversight of delivery throughout the organisation. The leadership team moved from four Executive Heads to three Strategic Directors supported by Assistant Directors to provide expertise and resource in key areas of the authority. This approach was adopted to bring leadership together, boost capacity and skills in key areas and encourage flexible thinking and working across tiers, services, and directorates.

2.4.2 Hybrid working

Necessitated by the pandemic the council has shifted to a hybrid working approach and adopted a hybrid working policy – Worksmart. Worksmart promotes flexibility working for all staff, and managers are encouraged to agree with an employee working partly from home where appropriate. Staff have been provided with equipment, are not subject to fixed hours and are free to perform their work at hours to suit them subject to the needs of the business.

2.4.3 Accommodation review

A review of the use of office space has begun with some areas being underused due to staff benefitting from working from home or from alternative locations. The aim is to support new ways of working and create a busier and more vibrant office environment that aids productivity, encourages collaboration, facilitating space for working and one-to-one and team interactions. Assets and accommodation is a key element of the transformation programme and a strategic review of all council owned assets is being undertaken to ensure their use, including commercial opportunities, is maximised.

2.4.4 Leisure partnership

The most significant change in recent years is the transfer of operational responsibility for five council owned leisure centres located across the district, to a third-party operator Freedom Leisure. This partnership commenced in July 2021, and the decision was taken to protect service delivery and enable investment opportunities. All five sites have benefitted from capital investment by Freedom Leisure totalling over £3.8m and 297 staff were transferred under TUPE. The outsourcing of these operations is delivering significant cashable savings and is also covering increased maintenance costs due of the age of the centres. Regular monitoring of performance as outlined in the management contract is overseen by the Contract Partnership Board.

2.4.5 Hardley Depot

£7.8 million of funding has been allocated to develop an operational services depot at Hardley Industrial Estate. The scheme will serve as an operational centre for the east of the district and will comprise of storage, fuelling, fleet washing facilities, maintenance workshop and office units. The development follows a consultant led review of depot provision in 2021 which identified that an existing site was approaching end of life and no longer fit for purpose. The new provision will be an important part of the modernisation of operational services and will also provide adequately for future expanded service provision. The existing site will be used for additional housing contributing to this strategic priority.

2.5 Looking ahead

Through activity analysis across the organisation, the transformation programme has identified significant savings opportunities if the way customers contact the council is reviewed and an alternative delivery model adopted.

Currently phone and email are the main channels used by customers, using multiple published email addresses and telephone numbers, most e-forms used by the council website generate emails and information is inconsistent, and requires manual entry to process. Services work indpendently of each other and risk inconsistent service levels, lack resilience and risk human error when processing requests.

Additionally opportunities have been identified to redesign business processes to save time and release capacity.

The review of assets and accommodation, investment in the skills and development of our workforce and strategic spend alignment will also contribute to the transformation programme's targeted savings of £1.75m over the next three years.

3 Technology and data

How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources

3.1 Work so far

3.1.1 Strategic commitments

Data driven decision making is part of our core ICT strategy and this is reflected in commitments made in both the Corporate Plan and 'Future New Forest'.

One of the new corporate values adopted through the Corporate Plan is to be a learning organisation, sharing and building upon successes and intervening and reacting to improve areas of underperformance. The plan also committed to the increased and proactive use of data, insight, and technology to ensure that our approaches, processes, and use of resources modernise the way we work.

Future New Forest promises to develop and provide services using data and insight to ensure that we understand our customers and meet the needs of our diverse communities.

3.1.2 Digital by design

The 'Digital Data Platform' project is planned as part of the transformation of the organisation. This project will look to introduce a new data strategy and a technical platform that facilitates the visualisation and analysis of data for internal staff and residents via dashboards and reports using Microsoft Power BI. The strategy will aim to capture the lifecycle of data and governance to include quality management.

Significant work has already taken place including the use of M365 functionality across services, the migration of our servers to Microsoft Azure, development of the Newforest.gov website and new SharePoint intranet, the launch of a new learning management system and phase 1 of the waste operations system to deliver digital garden waste services.

Work in this area aims to maximise the use of new technology, automate manual processes, and keep software up to date with technology releases.

3.1.3 Data validation

Housing services are undertaking a significant data validation exercise. This involves contacting all council housed tenants (5,200 individuals) and asking them to review and update the personal and household details held on the housing system. This has been undertaken to refresh the existing data and enable officers to learn about tenants, including those that do not often contact us, this knowledge will also inform and shape future services.

3.1.4 Data sharing

Data is shared with other organisations where necessary and only where GDPR rules are met, and a data protection impact assessment and information sharing agreement is in place. Data sharing agreements are published on the newforest.gov.uk website.

The roll out of new M365 tools across the organisation and the increased use of this technology such as SharePoint and Teams continues to increase collaboration with other organisations in a secure way.

3.1.5 Customer strategy

Officers have worked to develop a customer strategy which applies data use principles to improve and design services.

Outcomes	Principles	Our Promise
Understand	We will put the customer at the heart of what we do	We will listen and learn
Experience	We will provide customers with a consistent experience through all interactions with us	We will be clear with you
Access	We will utilise technology to meet customer needs whilst maintaining existing channels	We will be open, honest and respectful
Trust	We will use data to shape and improve service delivery	We will always take responsibility

· Corporate Standards ·

Future New Forest
Transforming tomorrow, together

3.2 Barriers and legacy issues

Historically systems have been chosen based on individual service needs without regard to any strategic drivers or factors.

Steps are being taken to shift towards a more strategic approach, but the legacy of service-driven development does pose a number of challenges including inconsistent digital services, duplicated spend, inconsistent customer experience, repeated effort, outdated systems and limited resources to support replacement implementation. A number of existing council systems do not have the capability to integrate with other systems and transfer data in real time, in some areas there is a heavy reliance on manual data entry, transferring flat files and email.

Not all systems currently in use facilitate data warehousing in an effective way. Power BI is now in use in some services with a view to corporate wide adoption however, many services currently only use reporting via word, excel or PDF which lack consistency and provide limited data.

3.3 Looking ahead

The council's past technology choices have been service-led without a strong strategic framework to exploit efficiencies. This approach will shift under the transformation programme with planned investment in more enterprise led digital capabilities that can be applied across a range of services to create standardised digital services and processes and joined up views of data.

The council is invested in and currently in the process of rolling out the M365 technology package. Significant work has been undertaken in this area and continues to be a priority area of focus for the authority in line with Corporate Plan and Future New Forest objectives.

We continue to explore the use of Power Automate for automated workflows and new data warehouse for the consolidation of key datasets.

As data maturity increases, further analysis will be enabled and the use of AI to predict trends is a potential improvement in the future.

4 Reducing wasteful spend

How we plan to reduce wasteful spend within the organisation and our systems.

4.1 Identifying waste

The transformation programme looks to improve service delivery to our customers and residents by improving our digital capabilities and processes, attracting and retaining the right skills in our workforce and maximising the use of our assets through identifying and removing waste and ensuring resources are aligned to strategic priorities. The council has a long history of prudent financial management and the commitment to proactively doing things differently will support this continued financial sustainability.

4.1.1 Invest to save

Invest to save proposals made as part of the Transformation business case are being considered which aim to unlock opportunities for improved technology and increased efficiencies.

4.2 Specified expenditure

4.2.1 Equality, diversity, and inclusion

The council balances its commitments to equality, diversity and inclusion with the appropriate resources for this important aspect of public services. We have an internal EDI group which meets every other month. This is a voluntary group, facilitated by HR, with 18 members.

The time spent on EDI activities is not logged as timesheets are no longer completed. Minutes of discussion are published internally on the intranet.

We also have an equalities eLearning module that all staff should complete every 2 years which takes approx. 30 mins.

4.2.2 Agency and consultant staff

As an authority the council is not overly reliant on external support but will utilise external consultancy where the in-house skillset and capacity needs supplementing.

The transformation programme and business case has been developed with support from Ignite Consultancy Ltd., providing consultancy, independent assessment, and identification of opportunities. Recruitment of a team of officers has now begun but this process was delayed due to difficulties attracting the right individuals for these roles, Ignite have supported to fill these gaps.

0.9% of total pay spend totalling £297k was paid to consultancy provision across the organisation and 2.5% of total pay spend totalling £835k was attributed to employed agency staff providing expertise in a difficult recruitment market.

4.2.3 Trade union facility time

Facility time is paid time-off during working hours for representatives to carry out trade union duties.
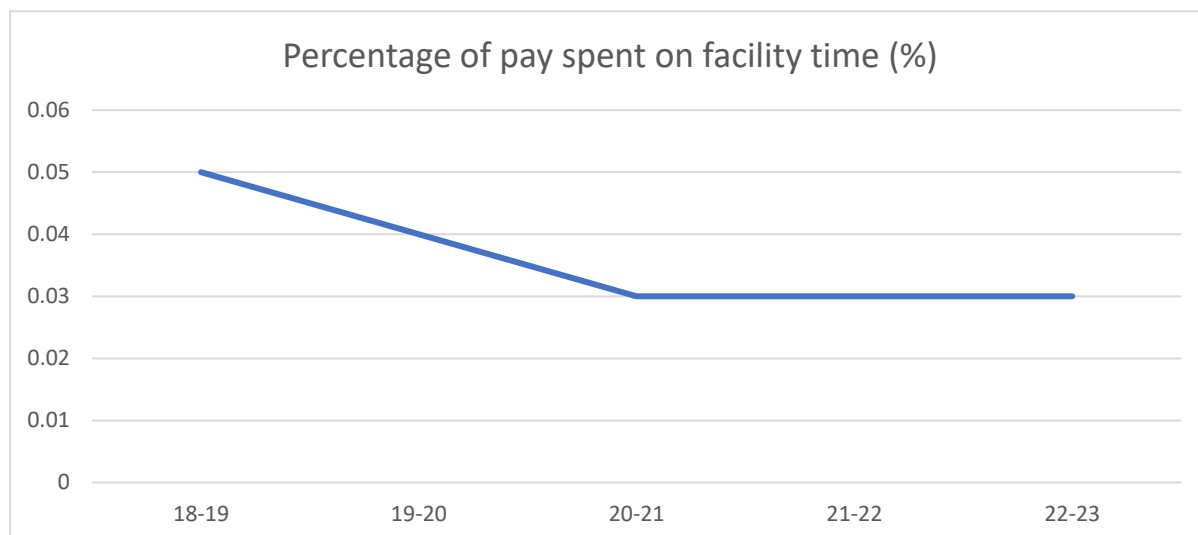
Over time trade union facility pay spend as a percentage of total pay bill has fallen from 0.05% to 0.03%.

4.2.4 Shared office functions

The council supports The New Forest National Park Authority with the following functions: HR, Payroll, Health and Safety advice. No other arrangements exist with other authorities. This is a long-term arrangement and is reviewed and renewed annually which is beneficial for both authorities. Specialist archaeology services are also shared between the two authorities.

The council also commissions internal audit and treasury management services from Hampshire County Council.

4.3 Monitoring and governance

Any spending is subject to a rigorous governance procedure, with a number of functions overseeing spend and financial monitoring.

An annual proactive review of the MTFP provides regular opportunity to look at budget progress and outline spending with quarterly financial monitoring reports considered by Cabinet.

The Capital and Change Delivery Board (CCB) is set up to oversee and ensure good governance and effective delivery of capital projects, on time and to budget.

Regular procurement and spend analysis is undertaken and reported on to identify opportunities to improve value for money.

The Resources and Transformation panel is a cross party group of members responsible for the overview and scrutiny of a number of council services including finance, revenue, and transformation. Discussion and approval of reported items at this panel inform Cabinet decision making and oversight.

4.3.1 Key Performance Indicators

Detailed Key Performance Indicators (KPIs) support the delivery of the Corporate Plan with a specific subset around the transformation strategy, aligned with the four transformation themes.

4.3.2 Transformation KPIs

Customer and digital services

- Customer experience (% rating Good or above)
- Residents satisfaction with council services (% satisfied)
- Number of fully digital services (definition and baseline to be confirmed)
- Customers choosing digital channels (% requests received via digital channels)

People and capabilities

- Long term vacancies (% vacancies filled first time)
- Staff agree they have the skills and tools to do their jobs (% agreement)
- Staff who would recommend NFDC as a place to work (% net promoter score)

Assets and accommodation

- Lower net cost of operational and community assets (£k reduction against baseline tbc)
- Reduced emissions from operational council assets (% reduction against baseline)
- Staff satisfaction with workplace (% satisfied)

Finances and delivery

- MTFP savings realised (% of transformation target)
- New service and financial planning process implemented (definition to be confirmed but to include specification of data required)
- Managers agree they are empowered to manage resources to deliver their target outcomes (% agreement)

Future New Forest
Transforming tomorrow, together

5 Barriers

5.1 Barriers to productivity

5.1.1 Financial settlement

The council finds the current annual financial settlement arrangement to impact and limit productivity, causing a lack of security and stability. This arrangement forces local authorities to work reactively and limits the ability to take a longer-term view on strategies and initiatives service delivery could benefit from. The current approach means the council operates reactively awaiting an often untimely and delayed, annual settlement.

A more beneficial approach would be to adopt a multi-year financial settlement cycle, whilst maintaining an annual accountability exercise to ensure that spend is monitored on a more regular basis, to provide assurance to government. This would allow for more proactive thinking and development over a medium-term timeframe, providing certainty and stability to authorities.

5.1.2 Changes

The constantly changing regulatory and legislative picture also affects the productivity of the organisation. The resources required to effectively, understand, develop, and onboard changes borne from central government mandates can be significant.

Resource is not always available or will cause an ongoing impact to other service delivery. Recruitment of staff, or procurement of goods / services to efficiently manage new burdens takes time and often government set timelines limit this. Examples of this are the National Planning Policy Framework, Waste legislation, changes in business rate reliefs and the elections act.

5.1.3 Funding and bidding

The bidding process and juggling many available funding streams often with limiting and short timescales, is also impactful on productivity.

It often seems that determination of funding is on a first come first served basis, favouring larger organisations, which gives no guarantee that the best projects are the ones being approved but rather which ever were submitted first and limiting opportunity available to smaller councils. This creates a culture of haste over quality and can impact the success of a project.