

This Plan is prepared in response to the letter from the Department of Levelling Up, Housing and Communities dated 16 April 2024, which set out four themes and a number of questions in relation to those themes.

The Plan was endorsed by Cabinet at its meeting on 9 July 2024.

### **1. How you have transformed the way you design and deliver services to make better use of resources?**

#### **Staffing**

We have had to transform the Council significantly in response to cuts in our funding. The government has reduced funding to our district by around £5.5 million in real terms since 2010, whilst our population has increased by 4.8% between 2011 and 2021. As a consequence we have had to reduce staffing numbers to balance the books, to give an example our Leadership Team has halved in size since 2010. Most recently, in 2018, we removed a layer of the senior management structure to reduce costs. However, combined with recruitment difficulties which is heavily influenced by funding (and therefore salaries) not tracking inflation, this has put significant pressure on Service Managers and Directors. This puts us in a difficult position, necessitating tough decisions that will impact people across North Herts already grappling with the cost of living. Despite these challenges, we are committed to delivering essential services to our residents.

In response to the challenges to recruiting staff we have revamped our approach to recruitment, which continues to evolve. Advertising and promotion of roles has been overhauled, with greater levels of engagement with job adverts as a result. Processes have been streamlined and decision making is faster, helping us to compete with other employers. We have had to consider alternative staffing models to attract and retain staff in hard to recruit areas for example a 'grow our own' approach in legal, planning and environmental health due to the shortage in the talent pool that we are able to recruit from (which is limited by the salaries we are able to afford to offer). We have an ongoing apprentice programme that started many years ago, which supports service delivery and helps grow talent for the future, with at least 8 apprentices employed at any one time. We are also participating in the LGA National Graduate Diploma Scheme for the first time this year.

#### **Capital investments**

We have invested in our leisure centres to improve the customer experience, improve resident fitness and generate income. Following the award of a Public Sector Decarbonisation Scheme grant we are seeking to progress with the decarbonisation of our leisure centres. We have invested in our Council offices, purchasing the building and renovating it, to save the annual rental cost and to rationalise other office buildings which have been sold or converted to residential for a financial return. Through use of flexible and agile working, including home working, we have freed up office space to rent out a floor of the building to generate income. We have purchased the shopping centre in one of our towns, which has provided income to the Council in the short term whilst we pursue a regeneration of the area.

#### **Shared services**

We work with local authority partners in a number of different ways. A Shared Internal Audit Service and Shared Anti-Fraud Service; shared services for insurance, CCTV and disabled facilities grants; a joint waste collection contract with a neighbouring Council; a shared Building Control service including a Local Authority

Trading Company, which has enhanced the offer to the building sector and created an award winning graduate scheme. Previously all of these services were delivered in-house ourselves and partnering with other authorities has saved money, improved resilience and modernised services.

### **Service delivery**

We have looked at how we deliver services. For example changes to our outsourced green space maintenance contract that deliver savings as well as a number of environmental benefits including increased biodiversity, reduced vehicle travel and lower water consumption. We have also been considering (as part of an ongoing procurement of a new waste collection contract) whether to implement three weekly residual waste collections to improve levels of recycling, reduce vehicle mileage and deliver financial savings. This will be considered in the light of the most recent government statutory guidance.

### **Technology**

We have consistently looked at ways to utilise new and emerging technology. Examples include an automated telephony solution, put in place for certain call types, answers 100% of calls and handles on average 50-60% of calls on a daily basis. We outsourced our digital outbound mail to reduce costs and speed up delivery, facilitating the ongoing home working arrangement and reducing printing with both financial and environmental benefits. We have introduced more proactive automated services such as text alerts to remind customers to make payments. A chatbot and live chat are in place to assist customers visiting the website who need help and may want a more modern way of speaking with the council rather than traditional channels. More and more online forms are being made available, replacing PDF's / post, speeding up transactions for both staff and customers.

Our new digital platform will allow us to join up services and refine the quality of data we are receiving, allowing us to make better decisions. Service review and re-design as part of the digital programme will identify streamlining opportunities and where appropriate automation to reduce manual processing. One of the main challenges is the integration of new technologies with existing legacy systems, which are often incompatible with newer, more advanced solutions. This necessitates either significant upgrades or complete replacements of older systems and also impacts upon our ability to use all of the data we hold.

We operate Herts Careline, an award-winning community alarm and telecare service. We have worked with the County Council to extend our telephone alarm service to support care services, enabling financial efficiencies and providing care support. Recently the installation service was brought in-house to improve customer service and generate savings. Additionally by investing in technicians we have enabled the recycling of equipment to reduce waste and generate savings on new purchases. With ongoing advancements in telecare technology, there is a clear plan to incorporate more IoT (Internet of Things) devices and AI-based monitoring systems to predict and prevent critical incidents before they occur. These transformations are expected to significantly increase service efficiency and user safety. The success of this service can be gauged by the reduction in emergency callouts, improved user satisfaction, and the ability of users to maintain independence safely. The impact is further reaching and has a reduces pressure on the NHS and health services.

The above shows we are open-minded on operating models. We have in-house operations, outsourced contracts, shared services and trading companies. Our approach is to find the best operating model for a particular service, to deliver value for money and quality services for residents.

### **How do we measure productivity?**

It is very difficult to measure productivity in Local Government, as many of our services are qualitative rather than quantitative in nature. Any specific service measures tend to have limitations in their scope and/or are

liable to be influenced by external factors. It is important that any measures are reported in a timely basis with clarity over what story they tell. Nonetheless the council has a set of Key Performance Indicators (KPIs) that reflect different service areas. Through quarterly performance reporting, KPIs demonstrate productivity. Alongside the performance indicators there are service delivery plans aligned to the overall Council Plan. We have developed a prioritisation tool to ensure that projects, policies and strategies are aligned to our Council Plan priorities and the resources we have available. This ensures that there is a golden thread that runs through the organisation, so that all services are outcomes focused. Where appropriate the council uses benchmarking to recognise good practice across the sector. Insights from sector peers, accessed through various networks, ensure we continue to horizon scan for ways to improve.

We are developing a revised range of indicators for 2024/25 onwards which will focus on:

- customer services
- resident feedback
- staff wellbeing, recruitment and retention
- environmental sustainability
- financial sustainability

## **2. How do we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources?**

### **Digital transformation**

We have invested in a new low-code software solution, which will become our core system. This will enable us to build our own software applications, that can work on their own or join up with others. One of our key areas of focus is to reduce the number of software systems we have across the council in turn reducing our external costs on licensing and maintenance and all the difficulties that come with having several hundred different applications that often do not talk to each other. As we can build more within the one platform, we will also focus on joining up systems and data up through integration. Another key area will be to use the inbuilt robotic process automation and artificial intelligence tools to build on the work done previously to automate more processes. As part of this project, we are taking the opportunity to review the customer processes and working with services to see where we can redesign processes to make them easier and more streamlined for everyone involved. We start this by looking at how we work and considering if there is now a better way using the new technology available. We all need to think about our processes and systems and whether there is anything at all (big or small) that would make things easier.

We have established a dedicated team to deliver the transformation, informed by a Digital Strategy that contains key design principles and is overseen by a member and officer working group. The outcomes we are expecting include:-

- Enhanced productivity by removing manual and duplicate processes and increase automation.
- Better customer insight through joined up data to help us design our services around our customers' needs in line with our People First priority.
- Reduce the number of systems we use through a common platform used by many staff, for many purposes.
- Repetitive and manual tasks will be removed or automated freeing up staff time to focus on what's more important.

- We will gain more time and have access to greater digital tools by adopting some of the new Microsoft apps available to us such as Microsoft power apps suite, Microsoft co-pilot, Microsoft Designer, and moving to windows 11.

## **Data**

We are aiming for a 'store it once, use it many' approach to data, with one single data source shared across all systems, as opposed to data being siloed in legacy software systems that do not talk to each other. The digital transformation programme will improve data quality, remove duplication and inconsistency.

There is an ongoing effort to increase the frequency and efficiency of data sharing between the council, healthcare providers, and upper tier services (i.e. social care). Improved data sharing could create a more cohesive ecosystem of care, enhancing service delivery and preventive measures. An example is the issue of mould and damp, which involves Registered Providers, private landlords, the Council's Environmental Health function and the NHS (respiratory disease and asthma patients).

Predicative analytics and AI are useful for data retention, data validation and reduction of duplications. Automated tools can be used to maintain data consistency across multiple systems. Workflow and predictive analysis could be utilised in data collection and validation, in some instances AI could be used to make decisions or alter dataflow. As our software infrastructure changes through the digital transformation programme there will be better opportunities to use data to inform approaches. For our Careline service the potential use of AI and predictive analytics is potentially significant, including anticipating users' needs and automating routine tasks, which can enhance productivity and service quality. Such technologies are not only transformative in terms of operational efficiency but also in creating more adaptive and proactive care environments.

## **3. Your plans to reduce wasteful spend within your organisation and systems.**

### **Our approach**

Whilst it is true that no organisation is ever 100% efficient, that is generally different to wasted or gold-plated spend. We choose to spend on services that our residents value, such as leisure and green spaces, in addition to the statutory services we are required to deliver. Unfortunately, due to our funding not keeping track with inflation or demand pressures, it means that we will need to consider how much we can afford to do of these in the future. The ways in which we try to make ourselves more efficient include corporate peer support and challenge through the Local Government Association; a Shared Internal Audit Service with other Hertfordshire authorities, with access to experience from those other Councils; networking with other Councils, members and officers; challenging our processes through our digital transformation work, utilising a new low code system for core activities and the capabilities of a new finance system and how we increase automation.

We have a robust budget challenge and setting process, involving all members and officers. In 2024/25 we are linking this to a budget engagement exercise with our community. Where we add savings ideas in to our budget, we track the delivery of those savings in quarterly reports to Audit Committee and Cabinet. We ensure accountability of spend by ensuring all budgets have a nominated Budget Manager who is accountable for spend against that budget and explaining any variances.

### **Equality and Diversity**

Given the recruitment challenges across the sector (and because it is the right thing to do) we are proactive in supporting our staff to help improve their wellbeing. Part of that is ensuring that we are an inclusive and

diverse organisation. As part of that we do spend some money on EDI training, as well as encouraging staff to form an Inclusion Group. As a Leadership Team we work with that Group to implement their proposals. This work has benefits for staff productivity, recruitment and retention.

### **Use of consultants/agencies**

We use consultants where we need short-term skills and knowledge, where it would be inefficient or not possible to recruit someone. That expertise comes at a premium, but helps to ensure delivery and manage risk. We would ideally like to have minimal agency spend, but it is necessary to provide capacity in areas where we have key hard-to-fill posts. Again there is inevitably a cost premium associated with that.

### **Wasted costs**

As a recent example of wasteful spending, we highlight the call in process for planning applications. Our Planning Control Committee granted permission for Wymondley Solar Farm. This application was called in by the Secretary of State and was subject to a public inquiry, during which the Council had to spend public funds defending its position. The outcome was the Planning Inspector recommended refusal, only for the Secretary of State to decide to grant the application (thereby agreeing with the Council's original decision which had been called in). The Council's costs for the public inquiry was around £78,000, plus officer time, which cannot be reclaimed.

## **4. The barriers preventing progress that the Government can help reduce or remove.**

### **Financial certainty and adequate funding**

Arguably the biggest single barrier is the financial challenges facing the Council (and the rest of the sector). This starts with the significant cuts made to our funding since 2010, but also includes a lack of funding certainty. We are required to produce a medium term financial strategy, yet only receive single year funding settlements, often very late in our budget adoption cycle. This makes long term planning incredibly difficult. Processes for accessing funding are also an issue. An increasingly competitive process when bidding for funding is both a wasteful use of officer time and gives uncertainty for service and project planning (it is also arguably not a good use of civil servant time either, working through all of the various bids). This is inefficient, inconsistent and leads to stop-start interventions, prevents proper resourcing for roles and forces reliance on contractors to deliver outcome often at greater cost. Government needs to consistently fund Local Authorities to deliver what is needed long-term to allow us to be better enabled to efficiently deliver objectives. Short spend deadlines for long term programmes (e.g. housing initiatives) often make initiatives impossible to achieve. Even the UK Shared Prosperity Fund which was an allocation of funding, rather than a competitive bidding process, required a significant document completed in order to access the funding – we resourced this through a consultant that cost £10k.

### **Cost pressures**

In addition to the significant reduction in real terms spending power there is the additional pressures caused by spiking inflation, high energy costs and increases to the National Living Wage. Demand for services continue to rise, including the statutory services that our communities rely on. The financial context affects the organisation's resource and capacity to deliver statutory services but also prevents us being able to offer the discretionary services that would make the biggest difference to our community.

### **Flexibilities**

Whilst the recent increase in planning fees was welcome, it was not enough, both in terms of limiting the amount and restrictions on the use of income generated. We calculate that fees received only cover approximately 75% cost of running the planning control service. Potentially that % is even lower if you included the costs of other parts of the planning department, for example the strategic planning team (ie the one that does local plan, supplementary planning documents etc). It does not seem right that local tax payers are subsidising a process that others will benefit financially from (either developers seeking a profit, or home owners increasing the value of their properties). Allowing fees to be locally set on a cost recovery basis would increase our ability to invest in the service and recruit and retain staff.

As a more general point, the Local Government Act 2003 creates an issue of not being able to make a surplus on various discretionary fees over a 3 year period. It is overly bureaucratic and whilst we do not necessarily advocate to be allowed carte blanche to charge what we want, there needs to be greater flexibility within a percentage margin – say 5-10%.

### **Relationship with central government**

Turning to other matters, new legislation or requirements that are implemented without proper consultation with, or proper consideration of impacts on, the sector are a significant barrier (as are requests for data/information which are either unclear or have not been thought through). The recent (unfunded) requirement to inspect all funeral homes with no consideration of the capacity of Councils to carry out the task is an example where a more collaborative approach between centre and local authorities is required. Equally damaging is legislation that is continually delayed thereby making service planning incredibly difficult – the waste reforms and extended producer responsibility being a current example. In relation to food waste, councils who failed to deliver are now being awarded significant capital and revenue sums to introduce weekly food waste collection. The councils, like ours, who did the “right thing” some years ago will receive zero funding. Against such a backdrop of financially rewarding failure, it is unclear how to make decisions in the medium term – go for efficiency/productivity as early as possible, or wait for the government to instruct it along with the funds to do so.

### **Barriers across the public sector**

We recognise that in order to deliver effectively for the communities we serve all public sector organisations need to be able to work together. Therefore an inability to openly share data and information with other public sector organisations is a considerable barrier, as are inconsistent geographical boundaries – our district is covered by two Integrated Care Boards, meaning we have to engage with many more partners, which takes more time and produces inconsistent outcomes for the residents in the district. We recognise the importance of the public health prevention work that we undertake (leisure, active communities, green spaces, healthy hubs etc), however if we are successful in improving the health of the local population the financial benefits are realised elsewhere in the system (ie in the NHS) – this is a barrier to ongoing investment in prevention activities, particularly given funding pressures.

The Council notes the Government’s expectation that this Productivity Plan will be monitored and progress against it reported. In order to ensure the most productive use of Council time, reporting on the various elements within the Plan will be to the usual committees and project boards using existing reporting mechanisms.