

# Spelthorne Borough Council's Productivity Plan submitted to MHCLG 18 July 2024

## Introduction

Spelthorne Borough Council has consistently driven greater productivity within the authority whilst ensuring we deliver high quality services, including community based discretionary services. Ongoing financial management is critical to us to ensure we can deliver good quality public services focusing on our residents and business needs. The volume of work achieved and our future plans, which are set out in Corporate Plan 2024-28 (and associated Action Plan), form the basis for answering many of the questions outlined in the letter from the Minister.

## 1. HOW SPELTHORNE HAS TRANSFORMED THE WAY WE HAVE DESIGNED AND DELIVERED SERVICES

**Service design and delivery:** Spelthorne has continually sought to transform and improve the way we deliver services, using efficient operating models to maximise productivity and make better use of resources. This has included:

- A **'Root and Branch' review**, to identify areas of organisational strength and weakness, uncover inefficiencies, and recommend improvements. This delivered 307 improvements which equated to about £140,000 in staff time savings. Following this, an ongoing **Continuous Improvement Programme (CIP)** was implemented, developing the organisational culture to drive improvements, foster innovation, and facilitate the adoption of new ways of working. To date this programme has made further cumulative savings of £310,000, both cashable and non-cashable.
- **Reducing space:** We reduced our operational footprint in our Knowle Green Civic Offices by 42%, releasing part of the building for delivery of 25 affordable rental homes for those that were most in need on our housing register.
- Our **Digital transformation strategy** forms a key element of our Corporate Plan and will be rolled out over the next 2-years with one of our key objectives to match the needs of our citizens across multichannel communications. In just 8 months we have seen 6,500 sign-ups to a new portal which allows customers to access Council information personal to them at any time, a figure we are looking to increase by 15% annually. The implementation of our civic engagement platform has enabled us to save £69,869 of annual software licences. We also continually look for opportunities where existing software systems can be used/adapted to replace bespoke software licences, e.g. using Office 365 automation tools and apps, to make ongoing software savings of £7,000 p.a.

### Continual review of service and staffing structures:

- In 2023, the Council commissioned South-East Employers to undertake an independent **Corporate Establishment Review** which concluded Spelthorne was 'fit for purpose', with no areas that would benefit from further realignment within the senior management structure, demonstrable management control over vacancy administration and a focus on achieving efficiencies in costs and management of resources.
- We continue to adapt service structures where appropriate, e.g. a recent review of our Customer Services team improved delivery on customer service and council tax functions, using links to our digital transformation programme to deliver ongoing savings of £50,000 p.a through reduced FTEs recruited.

### Procurement/review of contracts:

- The Council has a procurement savings target of £175,000 built into our budget for the next 4 years. Recent examples of procurement savings include:
  - £33,856 over 5 years for a recently tendered cleaning contract.
  - An in-year saving of £25,000 with ongoing savings of £9,000 p.a following a review of a contract with Royal Mail.
  - Purchasing utilities through LASER (Kent County Council), which results in reduced energy costs.

**Income generation:**

The Council has:

- Been generating around £50m p.a. of income from the Council's commercial investments, £10m p.a (net) of which is used to support service delivery across the borough, including a range of discretionary services, e.g. community centres, Meals on Wheels.
- Expanded income generation from other areas, e.g. increased garden waste service income by £400,000 through more efficient in-service management since its set up.
- Successfully obtained over £11m of grants for projects in various services.
- Generated £300,000 of income over the last 4 years through Planning Performance Agreements with developers, which also ensured quality planning submissions and timely decision making.
- Formed a commercial waste company (SDS LTD) which is successfully delivering services to our business customers and creating an income stream for the Council.

**Sharing functions with other Councils and other collaboration opportunities:**

- One of the key actions in our corporate plan is to continually explore opportunities for collaborative working with other Councils plus public and private sector partners. Examples of some of our current/developing partnerships include:
- Partnerships with Mole Valley District Council to:
  - Create a joint Finance team, built on a common financial platform, driving automation, strengthening resilience, improving recruitment and retention, and delivering cashable savings. A Joint Finance Manager is already in place, with an April 2025 target date for full partnership.
  - Run our community alarm network, delivering improved resilience of a critical service for vulnerable residents.
- A partnership with the London Borough of Sutton to deliver all our insurance functions – providing greater resilience, plus a saving of £60,000 p.a (£300,000 over the life of the contract to March 2028).
- Collaboration with health partners and Social Services has provided a co-ordinated hospital discharge approach for over 3,000 residents including signposting to Council services, and step-down properties for those not ready to return home on leaving hospital. We will continue to seek additional funding to increase the number of step-down units going forward, as outlined in our Corporate Plan.
- Joining the Southern Internal Audit Partnership from 1 April 2024, giving us access to a large pool of internal audit expertise and greater service resilience.
- Using specialist fraud expertise provided by Reigate and Banstead Borough Council.
- We are leading on working with Surrey County Council on place shaping opportunities for some of our main town centres (e.g. library/museum/community hub) and will continue to explore affordable housing on publicly owned assets via the One Public Estate programme.
- We are developing a design code, in line with the national model design code and the Office for Place, which will assist in ensuring appropriate designs for residential and business properties are brought forward to planning in the future and abiding by the code will ensure development is locally sustainable and acceptable. We are consulting with residents and businesses to ensure their input is considered.
- We are sharing external training costs via Surrey Learn.
- We have harnessed the power of a diverse voluntary sector in supporting community initiatives e.g. Spelthorne Litter Pickers, Incredible Edibles.
- We will deliver our Corporate Plan objective of launching a Citizens Panel to help shape the Council's decisions on services and policy.

**Use of capital spending to transform services/unlock opportunities:**

- In response to the escalating costs of housing families in temporary accommodation (around £20,000 per year per household) the Council has successfully applied for Local Authority Housing Fund support of £10million. 60 properties are being purchased which our wholly owned housing company, Knowle Green Estates Ltd., will then manage. This will help to reduce our temporary accommodation costs.

- We have used capital to invest in new systems at less cost e.g. our Academy system, which will save the Council once fully implemented £40,000 p.a.
- We have used a capital loan to our commercial waste company (SDS Ltd) for buying bins and a vehicle to give the company a better start in the marketplace.
- We have invested in electric neighbourhood services vehicles (including pool cars and bicycles) and solar panels on municipal buildings to help reduce our carbon footprint.

#### **Preventative approaches taken:**

##### **A. Managing risk:**

- We use health checks to provide a preventative approach to minimise risk. We actively manage and record operational staff actions and assets to help minimise the risk of danger, harm and cost.
- We mitigate risk via a detailed Corporate Risk Register (reported to our Audit/Corporate Policy & Resources Committees), linked to individual service/team risk registers.
- We undertake due diligence through detailed procurement exercises in implementing new applications and new systems.
- We have built up earmarked sinking funds (latest balance £35m) to act as a safety net to protect the Revenue Budget and council taxpayers when there are dips in our investment rental income stream.

##### **B. Demand management:**

- Our teams work together to deliver earlier interventions upstream, taking a preventative approach where possible to minimise the need for future enforcement and legal/court costs, e.g. our Family Support Team working with families, and our Economic Development Team working with businesses alongside environmental health and planning.
- We use data to work with partners to reduce the demand on services such as police and social care, to deliver outcomes that are measurable in terms of prevention and ensuring the most appropriate agency takes the lead to minimise duplication of effort.
- We use effective communications to keep customers informed of service updates/changes, e.g. any changes to bank holiday services.
- We effectively manage the Council's commercial property assets to maximise payment of rents by tenants - always achieving rent collection rates of more than 99%.
- We increasingly intervene earlier in debt management to avoid default on payments, preventing unnecessary legal costs, and reducing stress for the customer/residential tenants.
- We continue, despite the cost of living increases, to achieve good collection rates for Council tax and business rates (Council tax - 97.5% in 23/24 compared to 22/23 which was 97.6%; Business rates – 99.07% in 23/24 compared to 22/23 which was 96.8%).

#### **Measuring performance/productivity:**

- Our Continuous Performance Management (CPM) system is used for managing performance – with clear targets given to staff which align to our Corporate Plan and key performance indicators.
- An Action Tracker is used to monitor progress with key actions under our Corporate Plan, which is the driver for delivery over the next 4 years. There are measurable KPIs aligned with the Corporate Plan and within the service plans.
- Through monitoring customer feedback, including 'report it' e-forms, we gain insights into customer requirements, which are used to further improve services.
- Complaints about services are monitored, with a low level of complaints upheld by the Ombudsman (none in 2022/23 and only 1 per year in preceding two years).
- We regularly undertake communications with residents to gain their feedback, including via consultations e.g. supplementary planning guidance, public space protection orders, residents' survey.

## **Future Transformation Plans:**

### **Service design and delivery:**

Over the next 2 years we plan to:

- Further progress our Digital Transformation Strategy to achieve savings of £1m p.a. by 2028/29, through automation and system improvements, as detailed in our Corporate Plan.
- In line with our corporate plan install five new inclusive play areas in parks across the Borough
- Reduce reliance on external agents for property activities, bringing key functions in-house where feasible, i.e. rent collection and service charges.
- Complete construction of the UK's first Passivhaus Leisure centre with a full range of wet and dry facilities, significantly reducing energy costs and emissions.
- Introduce more electric charging points in our car parks to generate income and a solar canopy on one of our leisure centre car parks to further reduce utility costs.
- Utilise the Granicus suite of applications to save £20,000 p.a. by replacing our existing Health & Safety system, whilst simultaneously improving functionality and processes.
- Continue to use data from 'report-it' forms and customer feedback to adapt service delivery.
- Seek further opportunities to procure via collective/partnership framework/contracts.
- Continue to update other vehicles and equipment to electric including leaf blowers and small vans.

### **Future collaboration opportunities currently being explored include:**

- Exploring collaboration on building control and back-office functions for off-street parking.
- Continuing to explore other options for savings and service resilience through collaborative working. with Surrey Councils and other partners to ensure we can continue to deliver sustainable, cost-effective services.
- Discussions with Surrey County Council to potentially deliver a skills academy within the borough and working jointly on inward investment opportunities (Business Surrey).

### **Future use of KPIs:**

- Our key driver for Council activities over the next four years is the Council's Corporate Plan. Its implementation will be monitored via a corporate action tracker together with appropriate KPIs and regular updates on progress presented to Committee.
- We publish an Annual Report each year covering performance against key KPIs and benchmark a number with other Surrey authorities on a quarterly basis (e.g. planning timelines, sickness rates, recycling rates, housing benefit processing times).

### **Service area with greatest potential for savings:**

- Although there are opportunities for a range of service specific savings, it is the continued digital transformation of services across the Council which presents the biggest potential saving for local authorities, particularly if coupled with development and implementation of Artificial Intelligence systems, although we must ensure that we continue to cater for customers who will not be able to access services in that way.

### **Locally led reforms that could help deliver high quality services/improve sustainability & resilience:**

- Where possible, the principle of subsidiarity should be applied to ensure the most effective delivery of services that meet local needs, including the allocation of funding streams directly to the authority providing the service, rather than grants having to be passported through upper tier authorities.
- There is a need to ensure collaboration to maximise effectiveness when it comes to disposal/repurposing of assets in the public estate.
- Collaboration on net zero measures under Surrey County Council's Greener Futures Partnership could ensure more efficient delivery and funding appropriately targeted to meet climate change objectives.

## **2. USE OF TECHNOLOGY AND MAKING BETTER USE OF DATA TO IMPROVE DECISION MAKING, SERVICE DESIGN AND USE OF RESOURCES**

### **Using technology and data to reduce costs:**

- Electronic Committee and Council reports have been embraced by our Councillors and officers, using tablets for meetings and information, greatly reducing paper usage and delivering significant cost savings.
- Our end goal is to go paperless with eventually 93% of our outgoing correspondence being through e-billing and notification methods, and frontline officers using electronic systems for communication, correspondence and record keeping. Primary avenues will be through the automation of revenues, removal of software licences, hybrid mail services and e-Billing.
- We are digitising cemetery records, which will over time allow customers to self-serve 24/7, saving officer time and potentially generating future income from online searches.
- Our services (e.g. Planning) use digital functionality to deal with applications and enforcement issues, ensuring efficient and effective service delivery.
- We have secured £100,000 of government funding for full digitalisation of planning development management including trees TPOs and enforcement.
- We are using a 3-year programme to maximise benefits of a new financial platform, mapping grant returns, making processes more efficient, with dashboard reporting.
- A key Corporate Plan action is to increase the uptake of the Customer Portal to 70% of eligible residents by the end of 2026.
- Through our use of the waste re-routing programme (Bartec) we provide customers with the opportunity to self-serve 24/7 via the customer portal, reducing officer time answering calls/dealing with queries.
- We were one of first local authorities to use tablets at polling stations for elections.

### **Sharing data with other organisations/ improving data quality and use:**

- We share data through Surrey-i and Surrey Policy Officers Group, with quarterly meetings to share insights, discuss cross-service policy, data collection and benchmarking issues and identify areas for improvement.
- Data sharing with other agencies around vulnerable residents has been essential during fire/flood emergencies.
- Our upcoming transformation work in 2024/25+ and key service areas will monitor outcomes for residents, including via customer satisfaction measures. Outcomes will be communicated to residents.

### **The effect of legacy systems on technology/data improvements:**

- There are increasing costs for technical improvements e.g. increased licence costs where these are tied into systems with no alternative such as Microsoft.
- Change of IT systems from one supplier to another can be very costly, e.g. from an outdated customer relationship management system to a new system which is more efficient and has reduced revenue costs.
- Digital skills gaps mean that it can take longer to implement new technology within services.

### **Opportunities for new technology (e.g. predictive analytics/AI) to improve workflows and systems:**

- Opportunities for effective data use have increased through using AI webchat and Microsoft 365 applications e.g. Co-pilot, Power PBI thus enabling us to deliver more efficient services in a timely manner.
- With Microsoft 365 modules and other systems, e.g. Granicus, there are increased opportunities for collaboration within and between systems enabling sharing of information including with outside organisations, thus increasing opportunities for collaboration.
- Increasing use of AI does raise potential data protection issues so to minimise impact we are developing an AI policy to manage its effective use.

### **3. REDUCING WASTEFUL SPEND**

#### **Identifying, reducing, monitoring waste:**

- The Council has an ongoing continuous improvement and transformation programme across all services to deliver cashable and non-cashable savings.
- We will be applying zero based budgeting principles to our 2025-26 budget process.
- A move to third party printing has already saved £10,000 per annum in printing costs and we will continue to reduce paper use/costs.

#### **Use of invest to save:**

- We have invested in a number of technical systems, e.g. Granicus, to improve efficiency, reducing the cost of legacy systems and maximising use of resources.
- This has been supported by investment in an internal project team to ensure delivery on savings identified.
- To create a tree nursery which can grow on species and provide trees which meet climate adaptation needs in an urban environment whilst growing our own from whips reduces costs over time.

#### **EDI (Equality, Diversity, and Inclusion) training/time/assessing effectiveness:**

- Spelthorne has limited spend on this, sufficient to meet our legal obligations. We have no dedicated EDI staff, but ensure staff undertake annual EDI training online and adhere to legislative requirements.

#### **% of total staff budget spent on (a) agency and (b) consultants:**

- Our main consultancy and agency spend has been in areas where it is difficult to recruit skilled staff, especially in certain professions e.g. legal, assets, environmental health, and procurement. In 2023/24, our agency and consultant staff costs were £1,586,031, which equates to 8.2% of Spelthorne's total salary bill.
- We are creating apprentice posts to grow our own talent – e.g. 2 such posts in our Finance Team and Customer Services and one within our Community Safety Team.
- As the focus of our investment portfolio has moved from acquisition to proactive asset management (keeping tenant churn to a minimum and income maximised) we have increased in-house capacity to build strong relationships with our tenants via direct interaction and responsibility for day-to-day management, reducing reliance on external consultants/interims, which is also more cost effective.

#### **Governance structures used to ensure accountability of spend:**

- We have governance structures in place for accountability of spend via our Management Team and Committee governance system. There are clear levels of spend for different organisational tiers with the relevant committee signing off all larger spend, and full Council for sums above £1m, as well as being able to review spend through quarterly financial monitoring reports.
- Our Member Financial Reporting Group is focused on helping to make financial reports clearer and easier to understand for councillors.
- We have ensured we are accounting for spend and income on our commercial property with regular reports to Committee but also a major JLL review of our commercial portfolio confirmed the efficiency and effectiveness of our management model (e.g. void rates less than half the industry average for the south-east market).

#### **Assessment and experience of working with devolution deal:**

- The Devolution Deal for Surrey has only been in place from April 2024, so it is still bedding in.
- There is a need for effective and honest communications between County and Districts and Boroughs throughout the process of implementing the new County Deal.

#### **Trade Union facility time:**

- Trade Union facility time spent is calculated as a percentage of the total pay bill spent on facility time, which equates to 0.05% of total pay in SBC.

#### 4. BARRIERS PREVENTING PROGRESS THAT GOVERNMENT CAN HELP TO REDUCE OR REMOVE

- The issues related to the sector's external audit arrangements has resulted in a national backlog of external audits not being completed, thus undermining stakeholder/public assurance. The timing of the General Election has potentially further delayed the resolution of this ongoing issue.
- There is a significant shortage of key professional officers in the market, such as Building Control, Environmental Health and Planning Officers, plus legal and ICT professionals. Salaries for some of these posts are increasing significantly, with Councils in competition for the limited numbers of qualified staff. The cost of agency staff to cover vacant posts is also increasing. The Government need to support and promote the training of a range of professional staff for the public sector to help reduce risk of loss of staff.
- The Government need to give Councils adequate time to successfully implement new legislative changes affecting services and those rolling out these changes need to listen more to staff in the profession e.g. the new building control regime required staff to become re-qualified in an unacceptably short time frame.
- The Government should link up with key suppliers early enough before legislation is in place so stakeholders can develop systems appropriately, e.g. Uniform, National Non-Domestic Rates and Capita, to ensure timely delivery in changes to Government requirements. It would assist efficient delivery if key statutory stakeholders (e.g. Environment Agency and National Highways) had sufficient resources so they can respond quickly and effectively on Local Plan consultations and planning applications.
- Waste collection authorities would appreciate it if the 'new burdens' funding from the Government's Resources and Waste Strategy approach is directed at the waste collection authorities and not the disposal authorities. It is the waste collection authorities who suffer from a government 'burden' with cost implications as they collect the waste whilst the County is only responsible for disposal.
- We have also been hampered by the tendency of Whitehall to design and decide policy that affects councils without engaging the sector as fully and as early as it could. This has resulted in initiatives and funds that are more complicated than necessary and that are difficult and, in some cases costly, for councils to implement. We strongly support much closer policy co-design between central government and local councils.
- We would also benefit from much greater flexibility for councils to decide how to raise and spend money locally. Central prescription and ringfencing constrain our ability to allocate our resources effectively. There is no medium-term certainty of funding streams, currently compounded by the General Election.
- We incur unnecessary spending and waste valuable officer time complying with rules, requirements, restrictions, and processes imposed by central government and regulators. These include:
  - The number of specific, formula-based revenue grants and their separate reporting requirements – it would be much simpler and more efficient to roll all specific grants into a single provision in the Local Government Finance Settlement.
  - The wide range of separate one-off revenue and capital grant pots with onerous, costly and counter-productive bidding processes.
  - Complicated, inconsistent, and misaligned processes for submitting data returns to central government.
  - Lack of join-up between central government departments on issues including housing, homelessness prevention and asylum dispersal leading to for example Afghan refugees with minimal notice, closure of a bridging hotel resulting in Spelthorne having to find accommodation for 26 large families at a cost to the authority.
  - Numerous statutory requirements to place notices in newspapers or issue written copies of routine notices.
  - Excessive amount of information that is required in annual accounts or has to be published under the transparency code.
  - Statutory overrides, such as the requirement to value assets for accounts every year.
  - Regulatory bodies seeking 'to the letter' compliance with their statutory codes.