

## **Productivity Plan Response**

Thank you for your letter dated 16 April 2024 providing more clarity around the productivity plans that were announced as part of the Local Government Finance Settlement 2023/24.

We are sure that many Councils will express their disappointment in the previous government announcing this requirement, as ensuring productivity and best value for our communities is something that is deeply engrained in the ethos of Local Government. All councils will have Medium Term Financial Strategies, Business Plans and other strategies in place for ensuring best value and efficiency, which will already contain most of the information you are requesting.

We as a council have a strong record of delivery. As set out in our [medium-term financial strategy](#) we have delivered over £22m of savings since 2010, and forecast that we have a further £5.7m to deliver over the next three years even after a planned use of our general reserves over that period of around £1.7m. We have moral and legal obligations to ensure that we deliver balanced budgets which are sustainable and we are committed to putting [Communities at our Heart](#). Key to this is ensuring we run an effective council that delivers best value for our communities.

While our costs have continued to rise with inflation, our funding from the previous government has not kept pace. Since 2010 we council have seen a 61% reduction in its funding in real terms, equating to £7.24m of funding. To put this into context, our net cost of services for 2024/25 £14.6m. This alone should be a strong indicator that we have worked extremely hard and had to make some very difficult decisions in order to maintain financial sustainability. Our own ability to fund services was also restricted by the previous government with the implementation of council tax freezes and referendum caps since 2010, meaning this income stream has also not kept pace with inflation, adding further pressures of £2.49m per annum in real terms.

Whilst our income and funding has not kept pace with inflation, our costs have continued to rise, compounded by new and increasing burdens that are placed on the council, including on services such as homelessness and temporary accommodation.

We [wrote to the previous government](#) in advance of the 2023 autumn statement and budget settlement for 2024/25, to outline some of the pressures and challenges facing Local Government and it was disappointing that we did not receive a response to this letter. The simple fact Councils have been asked to produce these plans, when the sector has been very open and transparent with government departments about the challenges we face, demonstrates a lack of understanding and willingness to listen from the previous government.

Local Government is full of passionate elected officials and officers with a significant wealth of professional and technical expertise and experience, with many good ideas on how to drive change and improvement for our communities. Fundamentally, the biggest barrier to innovation and change, are the resources available to deliver it, both in terms of financial resources, and capacity of our staff due to the slimming down of local government to a point where it has become extremely challenging to deliver core services let alone to invest in service change.

In the following sections, we outline our responses to the four themes outlined in the letter from the previous Minister for Local Government, and we hope that we will have the opportunity to work much more closely with the new government for the benefit of our communities.

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

The Council has an excellent track record of delivering efficiencies and ensuring best value for our residents, businesses and tenants. This is despite the cuts to our funding which have been amplified by council tax referendum limits, council tax freezes, rent caps and rent freezes since 2010, which have put all put a substantial strain on our financial and human resources.

In 2019 we launched our Modernisation Programme and our [Digital Strategy](#). These sought to review the services we were delivering, modernise processes and procedures and lay the groundwork for our approach to IT and Digital to enable continual change and service improvements into the future. We delivered a wide range of improvements under these programmes, including:

- Constitution review: This involved streamlining our processes and enabling faster decision making, a historical barrier to change. This included the introduction of [Executive Member Decisions](#), a review of our Contract Procedure Rules and Committee Rules.
- Roll out of office 365 and Teams: The Council was in the final stages of testing this just prior to the pandemic, enabling us to move to home and hybrid working quickly and ensure business as usual activities continued alongside our response to the pandemic.
- Introduction of self-service form employees: Digital payslips, leave booking and approval, expenses claims and P60s have all been implemented to reduce back office resource requirements.
- Revenue and Benefits process improvements and self-service: a review of the service was undertaken prior to contract renewal and changes made, to ensure that further savings could be delivered from the re-procurement of the services.
- Budget reset: We undertook a programme of budget resets, generating savings of around £600k, aimed at ensuring budgets were set to core requirements and eliminating opportunities for wasteful spend.
- Web Geographical Information Systems (GIS): We [selected and implemented a new cloud based GIS](#), providing residents with better access to geographical based information and enhancing data available to officers for decision making.
- Undertaking an options appraisal for ICT: This service had been outsourced for many years and this was undertaken to determine the longer term direction for the service which would meet our digital ambitions.
- The selection and purchase of a new [customer experience platform](#) and web-forms provider, enabling the basis for digital change and channel-shift in the next strategy period. This tool is used both for improved internal processes which support service delivery and as a mechanism for increasing levels of self-service among residents.
- Setting our [service redesign principles](#): These were set so there was a clear and consistent way to how we set the objectives and approach for the review of services. A number of service reviews were undertaken using these, which all drove savings including: Communications; Payroll and HR; Governance Services; Agile Working; and, Community Facilities.
- Invest to save: A number of reviews resulted in investment in more staff, to drive down costs down or generate more income, all of which were successful. These included: Debt collection; Procurement; and Staff Learning and Development.

In 2022, at the end of these strategies, a new strategy was created, our [Transformation Strategy](#) which brings together Culture, Digital, Customer and Data as key themes under which continual

change and development can be grouped. So far under this strategy and programme we have delivered:

- Insourcing our ICT Services: This placed more control with the council over the strategic direction of ICT to ensure it is focussed on supporting services with change and improvement whilst also driving cost efficiencies.
- Insourcing customer services: This gave the council more flexibility in the way that customer services are run, enabling a more aligned approach to ICT and driving channel shift, improving cost efficiency.
- Re-procurement of Revenues and Benefits: Savings were released on [contract award](#) (through [Crown Commercial Services](#)) following improvements made previously. Further improvements are included within the contract which will improve resident access to services and drive cost efficiency.
- Partnering with third party for community buses: [Working closely with the third sector](#), we were able to partner with a charity to provide community bus provision at a reduced cost for the council, while also providing increased social benefits.
- Outsourcing out of hours calls: This enabled the council to move a high cost low volume service to specialist providers, driving down the cost of running the service.
- Moving our CMS: We moved this to the [same provider as our customer experience platform](#). This has provided the tools needed to enable simple, intuitive and consistent approach to self-service. It also ensured our website is accessible to all, and is [rated by sitemorse](#) as one of the most accessible council sites in the country.
- Development of digital forms and CXM: Following the implementation of the platform, we have developed around 40 case types, some with end to end integration and automation, such as the reporting of missed bins, significantly improving services for residents and reducing administration costs for the council. We have also recently introduced this for member casework, enabling councillors to manage their casework and ensure management oversight on response performance is in place.
- Development of management reporting: We integrated Microsoft Power BI with our CXM, enabling responsive management reporting, enabling our management team to focus quickly on areas for improvement. Through this we have driven down complaint handling time, ensuring residents receive faster resolution to issues and reducing the number of repeat contacts to the council.
- New approach to risk and performance management: We have replaced our previous systems and policies to reduce administration while improving management oversight and reporting.
- New senior management structure: In 2022 we undertook a fundamental restructure of our Senior Management Team, grouping services more efficiently and releasing savings to protect public facing services.
- Recruitment and retention: This remains an ongoing challenge for Local Government, but through an ongoing review, we have introduced a new applicant tracker system and new website, along with reviewing other aspects such as the design of our role profiles, the use of the national graduate scheme and our candidate assessment process. Together these continue to improve our success rate for recruitment having a positive impact on the workforce while containing recruitment costs.
- Consultation portal: We moved our planning consultation portal to the latest cloud based version, opening opportunities for other services such as parking to make use of the portal, with a view to moving all resident consultations to this single portal over time.
- Community awards: We combined a number of recognition and award events into a single event, our [One Welwyn Hatfield Community Awards](#). This enabled us to undertake a larger

more exciting event to recognise achievements in our communities, while driving down administration costs.

- Anti Fraud: We joined the Shared Anti-Fraud Service, operating as a shared arrangement with other Councils across Hertfordshire. This provides best value for taxpayers, drives down the risk of fraud, and ensures we have access to a larger and more resilient service.
- Community lottery: Through the creation of a [community lottery](#), the council has been able to reduce the cost to taxpayers of third sector support, and provide access to a wider pool of good causes to financial support.
- Asset rationalisation and debt reduction: We have reduced our overall office accommodation space, driving down our overheads through implementation of hybrid working.
- Income generation: We have taken opportunities for new income generation ideas, which also have a positive impact for the community. Examples include our [new crematorium](#) which is a superb community facility, and entering an environmental enforcement contract which will support changing poor behaviour whilst also providing an additional income stream to support the service.
- Service led reviews: We have undertaken a number of service based reviews under this programme. An example of this was our cultural facilities, in which the review has driven down costs while increasing income generation through diversification of services provided.

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

Our [Transformation Strategy](#) sets out how we intend to make use of technology and data to improve decision making, service design and use of resources. It also sets out our governance and reporting arrangements on this vast range of projects. In addition to the projects already completed above, below we set out some of the tools we will be using, and projects in our transformation pipeline.

### **Use of MS Power Platform**

#### *MS Power BI*

The council has developed a suite of report dashboards built using Microsoft's Power BI platform to supplement longer standing corporate reporting tools (Business Objects, SQL Reporting Services, etc.). The dashboards are designed to interrogate a range of regularly updated data sources and provide both operational and strategic indicators for our officers and members. The tool has allowed us to create rich reports in-house providing digestible and valuable data to support evidence-based decision making. We are constantly reviewing opportunities to extend use of this service.

#### *MS Power Apps*

The council has this year built an application using Microsoft Power Apps to report on services' performance, particularly in relation to KPIs scrutinised by council members. It replaces a legacy system with a streamlined tool with a user-friendly interface, undertaking calculations on the fly. The outputs generated by data entered by officers contributes to the Power BI dashboards cited above, enhancing the overall understanding of service performance. The use of Power Apps is additionally under active consideration to meet existing business needs, including facilitating mobile working. Further work is underway on how we can expand on this particular tool, and utilise it in new ways.

#### *MS Power Automate*

The Council uses Power Automate to deliver approval-based processes, expediting decision making while maintaining essential audit trails. An example of this is how we have already used power automate is on our recruitment process. Recruitment is approved digitally by the appropriate officers in a quick and simple process, with automated notifications being generated to Human Resources.

### **Use of O365**

WHBC use Microsoft Teams and SharePoint to encourage collaboration and iteration of project-based resources. We have rebuilt our intranet on sharepoint to provide easier access to information and forms for our staff, along with guides and how-to videos. We have also moved our employee and councillor newsletters onto automated emails using articles from our sites, and are exploring opportunities to do this for our community newsletters.

### **Engage Process Modeler**

We use Engage Process Modeler to support in-house Service Design work. This allows officers to map end-to-end processes so that existing and “to be” versions can be rapidly developed, socialised and then used to build business cases and solutions. The outputs provide a reference for implementation of the solution and for the continued efficiency of the services reviews.

### **Jadu Digital Platform**

Further work is planned with our CXM and CMS. We have already commenced on implementation of a number of application self service portals including our Assure Public-facing Portal for Licensing, Orchard for Housing, and are working in conjunction with partners, Liberata, on the development of the NEC Citizen Access portal due to go live in October. For all of these we will be developing single-sign on between the customer front and the application portals, creating a simplified and streamlined approach for customers and a single point of access to multiple services which will encourage greater levels of self-service.

### **Use of AI**

#### *ICA.AI Copilot Chatbot*

We are in the final stages of testing a chatbot for our website, which will put relevant information into the hands of our residents far more quickly than traditional contact methods, and provide access to our customer services team to raise service requests quickly and efficiently.

#### *Partnership Working*

We are working with other Hertfordshire councils on opportunities for the use of AI in the planning process. In particular this is focussed on AI tools which can assist with the planning application validation process and therefore speed up the validation turnaround.

#### *Number Plate Recognition*

We have commenced a project to make use of number plate recognition to assist our parking enforcement team identify breaches of traffic regulation orders, and assist with parking safety around schools at peak times.

## Local Plan

We are exploring options to use more digital tools in the delivery of the new Local Plan. We have already commissioned partners to produce a Place Portrait of the borough and this will be used to enable residents and other service providers to drill into the detail of the area, and to inform their responses to consultations on the next Local Plan. We will also be looking at opportunities for digital engagement more widely as we move to further stages of plan preparation.

### **Plans to reduce wasteful spend within the organisation and systems.**

This question seems to suggest that Local Government is full of wasteful spend, but after 14 years of facing reductions to our funding under the previous government, increased burdens, capped council tax and rent increases, along with reductions in income in some areas following the pandemic, this would be an unreasonable assumption to make. As outlined above, we have a strong track record of delivering savings, but after such an extended period of financial pressures, the pool of areas to drive down costs becomes smaller and smaller.

We note in the example areas for consideration, Equalities and Diversity is mentioned. The Council is proud of the way that it promotes Equality, Diversity and Inclusion, with the aim of being as fair, diverse and inclusive as possible for both residents and employees, to ensure our organisation reflects and supports the communities which it serves. Ensuring that the organisation meets its legal and moral obligations, creating a safe and welcoming space for all residents and employees, is something that we are proud of and continue to strive for. We do this without Equality and Diversity officers, but instead by providing our employees with training and the skills they need to undertake robust equalities impact assessments when changing services or policies. This ensures we meet our equality and diversity aims in the most cost efficient way.

Our [Transformation Strategy](#) sets out how we intend to drive change within our organisation, improve services and drive down costs. It also sets out our governance and reporting arrangements on this vast range of projects.

An example of a project underway is our static debt review. For this project we will be partnering with Broxbourne Borough Council, Hertfordshire County Council and our Revenues and Benefits service Provider Liberata Limited. This project will see a review undertaken of our static Council Tax debts with greater emphasis on the recovery of these older and more challenging to collect debts, enabling councils to release bad historical bad debt provisions back to the collection fund.

The Council has taken a proactive approach to using office space flexibly, ensuring the most efficient use of space, whilst also adapting to the advantages of hybrid-working, and the increased focus on collaboration when meeting with people in-person.

As well as serving the vast majority of the organisation's office-based space, our Welwyn Garden City offices house a number of related services, to ensure we are collectively delivering optimum value for money to the public. This has also been useful for knowledge-sharing and collaboration.

An area we are exploring linked to our assets, is reducing our level of debt which in turn will reduce the burden of borrowing costs on local taxpayers. For this we will be considering how we can utilise the release of assets to generate capital receipts for the council, and reduce our capital financing requirement.

Outlined below are some of the key controls and governance we have in place in relation to our budget. Further detail can be found in our [medium-term financial strategy](#) and our [Financial Regulations](#).

### **Budget Setting and Monitoring**

Spend within the organisation is governed robustly, with a governance thread running through from annual budget-setting and quarterly and monthly budget-monitoring, all the way down to financial and contractual controls governing day-to-day spend. There has been a number of initiatives to identify and combat wasteful spend, including; embarking on a continuous transformation programme to drive efficiency and utilise new ways of working, undertaking budget reset exercises, and regularly reviewing recruitment to ensure the right staff are in the right places. We introduced a standing budget task and finish member group to oversee and scrutinise budget proposals every year. We also ensure that consultants are only used for specialist project work and agency workers are limited to short term, ad hoc needs, with regular reviews in place.

### **Earmarked Reserves**

We have set aside funds to assist with invest to save and transformation projects. Governance procedures are in place for the use of these reserves, and any use must be approved on presentation of a robust business case, making use of the project management framework and tools we have developed to assist our managers with delivery of budgets on time and on budget.

### **Barriers preventing progress that the government can help to reduce or remove**

As we have outlined above, the fundamental barrier to progressing with change and improvement at greater pace, is funding.

Not only does the reduced level of funding received impact on our ability to deliver change, increased duties have meant our employees are more stretched, allowing less time for improvement projects.

The planned end of one-off grants and new homes bonus, alongside the previous governments planned business rates reset, present a substantial cliff-edge to the council. This cliff-edge, and the regular use of one-year settlements, make it impossible to put adequate plans in place to ensure medium-term financial sustainability. Our general fund reserves are depleting, and continued use of our reserves in this way is unsustainable. The lack of certainty presents large financial risks to the council, preventing us from taking decisions on releasing a greater level of reserves towards transformation and change activities.

There is an desperate need for certainty and clarity as we set our budgets, and a long-term plan that includes restoring local authority funding. Rather than cutting vital support to the most vulnerable and those who rely on us in our community, we urgently need adequate funding to meet the demand for services that the government has passed responsibility on to us for.

As set out in [our letter dated 15 November 2023](#), there are a range of measures in addition to providing councils with adequate funding for the services provided, that could be used to support councils to become more financially sustainable and reduced bureaucratic processes, in turn releasing capacity for change and improvement to be undertaken at greater pace. These include:

### **Grant funding**

We often have to invest a lot of time, effort and sometimes expense up front to submit grant funding applications without any guarantee of success at a time when staff and other resources are limited. A recent example is the USKPF which could have been greatly simplified by paying the grant allocation directly to authorities with clear grant conditions replacing the application and reducing the burdensome monitoring process.

### **Pressures on Temporary accommodation**

We welcomed the measures introduced in the autumn statement to increase the local housing allowance to be more comparative to the private rented sector, but there continues to be increased demand on housing and temporary accommodation, with a shortage of housing supply. Reviewing areas like the homelessness prevention grant, subsidy caps on temporary, right to buy retention (moving to 100% retention on an ongoing basis), could all have a positive impacts to the councils financial position, the pressures on staff, and on our communities.

### **Changes to legislation and new burdens**

We often having to adjust to regulatory changes (eg Social Housing Regulation Act and new Consumer Standards) without any additional resources which adds additional pressures to already limited resources. Even where new burdens funding is paid, it is often not enough to meet the rising demands. A good example of this is the Local Audit Funding, which aimed to provide authorities with sufficient funding to meet the demands from the Redmond Review including, very specifically, as set out in the consultation the expected rise in audit fees. As a Council we received around £24k, falling ell short of the 150% increase in audit fees seen. Ensuring that these new burdens are identified and adequately funded is essential to ensure we can continue to invest in change and transformation.

We believe the change in government offers a really good opportunity to rebuild the relationship between central and local government, and are hopeful for the opportunity to work more closely going forward to support our communities and ensure Local Government is sustainable in the long term.