Appendix 1

Productivity Plan – July 2024

Submission

Like many Councils across the country Melton Borough Council's financial sustainability is considered to be one of our most significant risks, which we have had to manage for a number of years. As such the Council has by necessity had a focus on productivity and efficiency for some time. The Council is ever mindful of the need to stretch limited resources as far as possible and ensure a high level of service and value for money in everything it delivers. The Council's approach to each of the themes the Government has outlined for inclusion in this productivity plan are as follows:

Theme 1 - Service design and transformation to make better use of resources.

What has the Council done to become more productive over recent years: As resources have reduced and service demand and costs increased the Council has continually looked at its operating arrangements. The first choice when looking at savings is, and continues to be, to reduce costs whilst maintaining services levels, through more efficient service delivery as opposed to service cuts. This has included such initiatives as:

- A streamlined management structure and restructuring of services to ensure complimentary services were co-managed.
- Introduction of a balanced [hybrid working model](#) in December 2021 to assist with recruitment and retention and enabling the next phase of asset rationalisation to now be considered.
- Launch of our new [website](#) in 2021 which included my account and greater opportunities for self service, which has seen the proportion of Council demand transacted digitally increase from 6% to around 50% of transactions.
- Melton is a sector leader on procurement and hosts [Welland Procurement](#) on behalf of a number of other public sector bodies which has led to efficiencies in the development of common policies, joint procurements and reduced overheads to the Council.
- Working with other councils to share services, accommodation and on cross county initiatives where this leads to cost efficiencies and providing resilience. This has also led to access to specialist expertise that otherwise would have had to be bought in separately. Examples include shared ICT services, internal audit, building control, and emergency planning.

What are our future plans: Over the next two years the key initiatives recognised in the Council's productivity programme are:

- **Service Review Programme**: A service review programme that is initially focussed on reviewing our Customer Journey for key services. The Council is also developing a pipeline of reviews to look at areas to ensure we are delivering in an efficient manner to deliver for our customers.
- **Demand Management and Prevention:** The Council is investing time and resources to improve performance and process in some of our high demand services. Examples include homelessness and the impacts on addressing the costs and availability of temporary accommodation.
- **System Leadership and Prevention:** Our work in developing the Community Support hub is an example of a multi-agency partnership approach which is focused on designing services around people and not organisations, and

reducing costs through more holistic, preventative services, rather than focussing purely on symptoms.

- **Asset Development Programme:** Our asset development programme looks to maximise the value of the Council's assets. An options appraisal is currently under development to redesign the Council's main office building to develop under-utilised space into a new GP surgery which would not only fulfil the local shortfall in this provision but also reduce the Council's overheads and generate much needed revenue.
- **Capital Development:** Through a successful Levelling Up Fund bid, the Council is developing its offer on its centrally located cattle market site. This will benefit the local area with increased footfall and generate additional revenue thereby reducing the net cost of the facility.

Theme 2 - Better use of Technology and data to improve decision making, service design and use of resources.

The Council has approved capital investment in IT, which is provided in partnership with a neighbouring authority, as part of its budget for 2024/25. This will enable improved stability in our core infrastructure. A review of the operating model will also be undertaken of the service to ensure there are the right skills and resources in place to support each partner. Once complete a refreshed ICT Strategy and roadmap that develops the Council's use of ICT for the future will be developed, replacing the previously Digital Strategy.

The Council has a long-standing Data Quality Strategy which will be reviewed and updated in 2024/25 to meet the latest legislative and operational requirements. This will be supported by a new Performance/Risk System to be implemented in 2024/25 to support the Council's aspiration to ensure data-driven decision-making by identifying areas of poor performance or low customer satisfaction.

The Council undertakes Benchmarking across its key performance indicators utilising the LG Inform Plus tool (and more recently Oflog data) to look at areas of focus to improve and identify good practice to learn from. The Housing Service joined Housemark in 2023/24 which will support the Council in understanding the financial costs and operational performance across our Housing Service.

Theme 3 - Reduction of wasteful spend.

The Council has a robust budget setting and monitoring process in place with considerable informal and formal scrutiny by both officers and members. Details of the Council's budget and Medium Term Financial strategy can be found in the [Council's narrative statement 2023/24.](#)

With regard to Equalities, Diversity and Inclusion we have a small annual budget of £5k to cover the cost of a shared Equality Lead with a neighbouring council which provides a resource of half a day per week. We use this small budget to deliver training to support officers to undertake equality related work and policy development to effectively engage and communicating effectively across all our communities.

The effectiveness of this approach is monitored through an annual report to Council to demonstrate how the Council continues to meet its Public Sector Equality Duty

and how it is performing against its equality objectives. Internally this approach is monitored through the number of grievances, complaints and absences from work for a related matter and disciplinary matters raised with HR. External recognition has also been provided for example through externally recognised standards such as the attainment of the Disability Confident Leader status and a website that is sector leading for accessibility.

The Council considers all the aforementioned activity to be of fundamental importance both to meeting its obligations in relation to the Equalities Act and in ensuring it is a welcoming, inclusive and diverse organisation, reflective of its community and desire to be an Employer of Choice.

The Council is very mindful of the high cost of agency and consultancy spend and indeed this was an area the [Council's Scrutiny Committee recently considered](). Due to the Council's scale, it is not always cost effective to directly employ certain expertise on a permanent basis or a specific capital project will be time limited, and, in these cases, consultants, or more accurately, external experts will be employed such as quantity surveyors, project managers and architects. The Council has also struggled in some areas with recruitment and has quite appropriately ensured key roles are covered by agency staff in these cases. Specific areas of difficulty have included legal, planning and project management where there are sectoral challenges in terms of available and sufficiently skilled resources. The Council has through specific actions in its workforce strategy undertaken considerable work in this area both individually and in partnership with other public sector bodies.

In 2023/24 the Council's spend on both its General Fund and Housing Revenue Account was 8% of its pay bill for agency and 1% for consultancy. This includes spend on supporting specific, often grant-funded capital projects. The proportion of the pay bill spent on trade union time is negligible at 0.02% in 2023/24.

Following a major fire at the Council's headquarters in 2008 the Council constructed a new purpose-built headquarters which opened in 2011 and included occupation by numerous public sector colleagues. This enabled cost efficiencies to be realised by all partners as well as joined-up service delivery to be provided to the public. However, the continual reductions in funding to the public sector saw organisations leave this arrangement following the introduction of hybrid working and their own need to secure financial savings. The building is now under occupied which is the key driver for the Asset Development Programme looking at rationalisation of our own property portfolio. This demonstrates the issue of financial sustainability across the public sector and its impact on partnership working.

It is important any future devolution frameworks recognise the value, contribution and impact of district councils automatically, so unproductive time is not spent fighting for a place at the table. A great example of where districts can deliver both in locality and at scale is through the UKSPF which, by being provided to districts, enabled tailored delivery on individual issues whilst also enabling collaborative approaches for cross cutting issues to be built at scale - e.g. Leicestershire's Business Support services.

We work with other organisations in partnership to deliver services/benefits to residents. Examples of this include:

- the Melton BID (Business Improvement District) where we take an active role with other businesses enhancing the vitality and vibrancy of Melton's town centre, raising its profile as a tourist and shopping destination and reducing business costs through business schemes.
- We also work with Leicester, Leicestershire and Rutland Integrated Care Board to deliver our Community Health and Wellbeing Plan for the Melton. This brings together a wide range of partners with the common purpose of improving the health and wellbeing of the local population.

Theme 4 - Barriers preventing progress that the Government can help reduce or remove.

The most significant central barrier to local productivity is single-year finance settlements. Without a clear indication about funding for multiple years, councils cannot effectively plan and deploy their resources.

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 our Council to decide how to raise and spend money locally. Central prescription and ringfencing constrain our ability to allocate our resources effectively. This problem is common across the public sector meaning partners are equally constrained and sometimes have to take short term gains to balance the books. An example is our Asset Development Programme where securing a new GP practice co-located with the DWP and Council offices in an under occupied building makes sense from a financial and customer service perspective. However, the cost of providing the necessary structural changes to the building such as separate lift access and the specialist fit out such a facility needs could be cost prohibitive unless grant funding is identified.

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.
- 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.

Investment in areas such as property and IT can be significant and the payback insufficient in the short term to justify the borrowing costs in a many cases. IT costs with a number of key market players dominating the industry can result in prohibitive costs to just keep up to date with the latest releases with the need to mitigate against cyber security risks adding to this burden. Greater certainty over the long term will help us plan to realise the benefits and commit to the levels of investment needed.

Recruitment and retention have proved a considerable issue in recent years. Whilst there have been initiatives from the LGA to recruit graduates into the public sector there is more that could be done nationally to improve this situation and make local government an attractive career prospect. As this is a long term gain it is difficult for a Council of our scale to invest heavily in this area.

Ongoing Monitoring and Assessment

The Council's performance and risk management framework contains a suite of performance indicators both quantitative and qualitative to measure and report on performance. Complaint information is also considered alongside this data. A number of these indicators are also financially based. Performance is reported formally to members on a quarterly basis and provide a basket of information that can assist with assessing productivity and areas for future focus. The latest report can be found here, these demonstrate a continued high performance across a range of services. The Council is committed to holding its next LGA Corporate Peer Challenge in March 2025.