

Productivity Plan – Fylde Council

Introduction

The 2024/25 Local Government Finance Settlement announced that councils would be asked to produce a Productivity Plan. This plan has been produced to meet that requirement and has been structured around the 4 key themes identified by the Department for Levelling Up, Housing and Communities (DLUHC).

The council has a long-standing culture of continuously reviewing everything we do and how we do it, which is the foundation of our Productivity Plan. This approach has transformed the delivery of services in the local community and the finances of the council, year on year the council has been more productive by delivering 'more from less'.

Theme 1: How we have transformed the way we design and deliver services to make better use of resources

In recent years the council has transformed service design and delivery to maximise resources effectively which has increased productivity. The approach is to continuously re-design services and align delivery outcomes with corporate priorities and resources. The recently produced Corporate Plan 2024-2028 outlines the strategic direction of Fylde Council with clearly defined strategic ambitions that we are focused on delivering.

Measuring Productivity

At Fylde productivity is measured across several metrics which change over time based on the current challenges, issues, and circumstances. The productivity of individual employees is measured through appraisal, mentoring, coaching, and prescribed metrics for example, the number of visits, inspections, calls handled, or reports completed. Workload review and allocation is addressed through regular team or daily briefs dependent on the service, overall productivity is determined by the output achieved from the input required. Despite the impacts of inflation, increased service demand, higher wages, and price rises, between 2011 and 2021 the council reduced the required operating budget from £10.765m to £10.449m. During the same period there was no reduction in service provision, additional responsibilities were taken on, and the number of employees was reduced through natural movement and service transformation. Performance and customer satisfaction during this period improved, 'more from less' was achieved demonstrating excellent productivity.

Key performance indicators which measure productivity (inputs, outputs, and outcomes) have been in place for many years, they are published, reviewed, and reported to scrutiny. The range and number of key performance measures in the performance framework at Fylde is greater than the Oflog requirement providing a comprehensive picture of service delivery across the council. Key performance measures are published online with updates in real time, they are regularly reviewed resulting in updated methodology or revised targets. These measures

monitor the 'more from less' approach and will be used to assess our performance against this productivity plan.

Benchmarking performance measures and outcomes is shared through professional officer networks with the Oflog suite of key performance measures now used for headline comparison because the metric is prescribed and constant. Current performance measured in hard metrics and in stakeholder satisfaction levels are excellent.

The council is open to challenge on productivity and performance welcoming an LGA Corporate Peer Challenge in 2024, which will complement and build on previous corporate and service-based peer challenges.

Transformed Structure

The council has undergone extensive restructure of member and officer arrangements over recent years. A Boundary Commission review reduced the number of elected members from 51 to 37 from May 2023, with streamlined committee arrangements introduced on the back of the new council. Restructuring of the senior management team has created a streamlined structure with minimal hierarchy that delivers the flexibility and responsiveness required in the dynamic fast pace of change post-pandemic. The workplace, work environment and work attitude change driven by necessity during the pandemic has created hybrid working. These arrangements along with the impact on the workplace, service delivery, and productivity have been subject to constant review by management in consultation with staff since the pandemic. Lockdown and post-lockdown have proved challenging, the council is implementing new ways to go further in this new environment.

Transformed People

A culture based on continuous improvement began over 15 years ago aimed at transforming the council from a traditional bureaucratic institution to a flexible responsive customer-focused modern organisation. Our continuous improvement policy statement outlines the rationale for continuous service review with the objective of ensuring that change is for improvement. The approach encourages leadership from everywhere, change driven by those who deliver the services to achieve ownership that will embed sustainable improvement, change cannot be imposed. Employees are trusted and empowered to drive ideas and change in the service areas they deliver and the workplace they occupy. Employee engagement is the cornerstone of transformation, securing ownership of change through engagement, empowerment, and trust ensures sustainable meaningful change. Core competencies developed by employees for employees outline essential behaviours required for every position serving as the foundation for increased productivity, to develop great employees who will deliver great service, and accept there is and will always be room for improvement, it is a journey not a destination.

Transformed Processes

Service reviews often include business re-engineering led by technology that drives out waste, duplication, and unnecessary processes that initially had been unchallenged for years, a 'we have always done it that way' ethos was prevalent. The removal of paper-based outdated practices gained pace through necessity during the pandemic resulting in an enormous reduction in the

cost of processes, increased the speed of delivery, and enhanced the customer experience. The paperless office is an unattainable destination, but a journey the council is taking regardless, and which has to date led to hundreds of thousands of less printed pages, fewer expensive copiers, and savings on storage, distribution, handling, and disposal of paper-based documents. Process re-engineering delivers 'more from less' through technology, the removal of unnecessary procedure, improvement in communication, and reduced manpower input.

Transformed Community

Productivity has been significantly enhanced through community partnership engagement with the voluntary sector. The council has deliberately taken the role of facilitator on initiatives that have attracted massive 'sweat equity' through volunteer resources delivering significantly enhanced output and outcomes. For example, around 20 'In Bloom' community groups linked to the parks and grounds maintenance service achieve multiple awards year on year at the local, regional, and national level. There is a multitude of volunteer groups and third sector organisations across the Borough directly supported by the council through which thousands of residents and visitors receive direct benefit including litter picking, railway station improvements, tourism events, health and wellbeing initiatives, soft sea dunes defence, beach schools, and more. Through limited input in terms of finance, resource, and employee time significant outputs are delivered consistent with the aims and objectives of the council and the expectations of our customers.

Current & Future Transformation

The transformation work that has achieved 'more from less' over the last few years has been reviewed in response to several factors including an inevitable reduction in opportunities after annual budget right sizing exercises; hybrid working arrangements; increased cost of local democracy in terms of time and resource; and the ability of small district councils to recruit and retain employees in a significant number of disciplines.

Current plans are aimed at extending the scope and potential for productivity gain through more ambitious alternative service delivery options particularly, external commissioning, shared services, mergers or joint work with other public sector bodies, or community interest companies etc. Internal efficiencies will continue to be pursued despite the potential being limited because of the productivity gains already delivered for example, reduction in print and paper, process re-engineering, digital automation, resource allocation and shared or commissioned services etc.

Alternative service delivery arrangements have been a feature of productivity gains including revenues and benefits, human resources, health and safety, corporate fraud, internal audit, occupational health, and payroll however, no new arrangements have been secured post pandemic. Opportunities to share, merge, pool, or commission are being explored in several service areas with neighbouring authorities, other public sector providers, and external organisations from the private and third sector. The focus over the next two years is on professional services where the ability to recruit and retain has been significantly impacted post pandemic and because of the cost-of-living crisis, as well as the common back office functions all organisations deliver.

Potential for productivity gain is also being explored through procurement arrangements and commercial asset management opportunities both internally and between partners. Lancashire local authorities are pooling resources to secure more competitive pricing from major suppliers of goods and services procured by all partners including computer licence, support, maintenance, upgrades, hardware procurement, and software development from the major suppliers. Future productivity gains will be greatest through joint working with public sector partners on goods and services that are required by all organisations.

Capital Project Productivity

Capital spending will be targeted to achieve savings that lead to productivity gains through growth or service improvements. Investment in technology or physical assets that release capacity and resource to deliver productivity gain will be prioritised where possible. The council has recently reviewed and adopted an updated Asset Management Plan and established a dedicated regeneration and project service team to support efficient and effective delivery of projects capable of transforming existing services or unlocking new opportunities. A project being delivered in 2024 to improve the work environment at the vehicle fleet depot will realise significant energy cost reduction releasing funds to employ additional resource in services that deliver direct to the public including waste, cleansing, grounds maintenance, and recycling.

Theme 2: How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources

Data Driven Productivity

The opportunities for productivity increase through technology are perpetual because they continue to stem from further advances that create potential for improvement, potential that will inevitably increase with greater ability to understand and develop technology in successive generations. Fylde recognises the significant opportunity to use data effectively to improve service performance and delivery outcomes consistent with changing customer expectation.

Transparent and open data that is made easily accessible to those who require it is the approach taken to service delivery and partnership working. Almost every service area has a local authority network (regional or wider) through which information is shared, performance is compared, and resource, skill, knowledge is pooled. Learning from and with others is a deliberate approach to efficiency at Fylde.

Post pandemic the application of technology to make better use of data in decision-making has increased across all services supported by a corporate approach to the review of digital solutions which includes the following:

- How digital technology can be applied to improve customer experience by making the service more efficient.
- How digital technology can be applied to improve relations in the workplace.
- How digital technology can be applied to use data as the driver for service design and decision making.

Digital system security, protection, resilience, and recovery is used to limit down time, data loss or breach, and enhance backup and recovery, all designed to reduce to an absolute minimum the time that systems are unavailable and to maximise productive time and resource.

One of the primary elements of service review is to challenge how the council can do things differently using technology, to be more efficient, to increase productivity including outputs such as income generation, increased satisfaction, and reduced demand etc. This work has led to significant improvement in data collection and analysis from the customer with the ability to access bespoke online forms to share customer experience which can be analysed in real time and made immediately available to the service team and other stakeholders i.e. partners, members, public agencies, customers etc.

The council recognises the importance of modern digital solutions to improve customer experience, and deliver service efficiency, and effectiveness evidenced in the 'digital-first' online service delivery 'all day, every day', while retaining traditional contact methods for customers with complex needs or preference. This approach has delivered both cashable and non-cashable savings while increasing customer engagement, less input for greater output. Online customer satisfaction is very high with the implementation of automated 'end to end' transactions that provide flexibility for the customer while achieving 'more for less' from the service.

Legacy systems owned by major computer houses that hold most contracts for local authorities have drained Fylde and other councils of funds and resources for years. As a small district council there are barriers because the account is not as valuable, or the treatment on price is the same regardless of the authority. There is potential for efficiency gains from legacy systems which has resulted in three of the major systems being replaced over the last few years under shared arrangements with other local authorities. Lancashire authorities have formed a network led by senior IT officers to review costs, terms, licences, maintenance etc. of the legacy systems common in most cases to all the partners.

The potential to achieve productivity gains through AI is phenomenal, it is available to access and use across the council with some service areas piloting AI for templates, research, reports etc. with mixed results shared to date. AI will be a feature of the next two years drive for productivity through technology with more advanced programs rolled out in response to service review.

Theme 3: Our plans to reduce 'wasteful spend' (*Government prescribed term*) within the organisation and systems.

Process re-engineering is designed to remove waste and duplication, it has been applied in several service reviews to identify efficiencies with the latest in the planning team. Pre-pandemic the corporate team managed a bespoke programme of process re-engineering in a number of services successfully removing unnecessary procedures, speeding up service delivery and reducing the cost particularly through the migration to digital service, storage, distribution etc. In 2010 the council printed on 1,364,000 sheets of paper, in 2023 that number was 450,000, a 67% reduction that has created significant productivity gains.

Employee development has become more prolific through online courses with bespoke modules developed in the HR system shared with other public service providers, the modules are

supported, evaluated, and reviewed on a regular basis, at any given time there is a live module supporting employee development.

The current arrangements for training and development have proven to be far more effective than the previous ones. Despite a significant decrease in the percentage of the authority budget spent on training, the volume and effectiveness of training provision has increased achieving significant productivity gains. More employees now have access to training and development opportunities at a much lower cost because of digital online remote formats.

In-person training at central city or rural hotel locations has been restricted for many years because post training review identified that most were inefficient, or the output can be achieved through other methods. The council has replaced almost all off-site, generic training with work-based, bespoke mentoring and coaching wherever possible, online modules, digital networks etc. This shift has fostered and enhanced self-development, leading to increased productivity and higher quality outcomes.

The vast majority of agency budget is spent on front end operational staff, refuse service, parks, cleansing etc which provides maximum operational efficiency and flexibility throughout the year. There is an annual review of the cost against employing the same resource direct, or through other means, to assess value for money. A significant number of agency or consultant posts are funded from grants or as part of capital project costs to procure specialists dedicated to the project.

The council has embedded comprehensive budget management processes that inform the Medium-Term Financial Strategy, the budget management process has transformed the finances of the council, from the brink of a Section 114 notice in 2009, through 14 years of delivering a surplus against the budget, to a robust position with £5.1m general fund reserves and earmarked reserves of £12.0m, against an increased general fund reserve minimum of £1m. Through austerity, long-term uncertain business rates review, New Home Bonus adjustments, and multiple single year financial settlements the council has successfully managed budgets because of a robust financial and governance framework.

Very little budget and resource is required for trade union facilities or staff, the council has a low union membership with the main union (UNISON) branch connected to the Blackpool membership who employ a full-time shop steward. Because of the low membership rate amongst employees the time required for union related activity and engagement is limited but always productive.

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

Barriers in the Organisation

Fylde employs circa 260 employees, there are people with a positive attitude and commitment to themselves, to work, and to the organisation, they are productive because the input required for them to achieve is minimal. Similarly, there are employees who require greater input through support, monitoring, management, supervision, correction, training, and more who are less productive and inevitably a barrier to their own progress and that of the council.

The size of the council is a barrier, Fylde is a small district with all the statutory requirements of any other district as well as significant non-statutory functions with high demand, high profile, and high expectation that is common in a borough with relative affluence. The more vulnerable residents that need support from the council are fewer in number making them harder to target and harder for the council to secure external support because many grants target greatest need, higher number, and concentrations of deprivation. The size of the council also means that there is not enough demand to resource some professional specialisms which is as a barrier to employment and recruitment for example, architects, surveyors, legal specialists etc.

Internal capacity is limited and becoming more of a challenge in the current climate, the time and resource required to review, innovate, engage, and develop people or services that will deliver productivity gains is reducing because demand from democratic structure, procedures, and stakeholders has increased. The time and resource required to meet the 'cost of local democracy' has increased significantly because the new governance arrangements and member engagement requires many more employees to engage in the democratic process on a more regular basis. This impact on productivity is evident in every service area and consistent with the change in culture post pandemic.

The External Barriers to Progress

There are multiple significant barriers to progress and productivity gain in the local government national and regional framework. Single year financial settlements over multiple years have presented the council with ongoing productivity challenges because of uncertainty over future levels of funding. Financial pressures have been caused by real term reductions in spending power when considered alongside recent high levels of inflation, high energy costs and increases to the pay bill including the impact of increases to the National Living Wage. Multiple year financial settlements would provide a sound basis for more coherent medium term financial planning, which in turn would increase productivity.

Local government processes for accessing funding are a barrier to progress with increasingly competitive process in place when bidding for funding which is a wasteful use of officer time and gives uncertainty for service and project planning.

Council Tax referendum limits are a barrier to council-controlled income along with the ability to locally set the level of planning fees.

Fylde has a large tourism economy that would be more productive with the introduction of a tourism tax for example, bed night tax to go back into supporting the visitor economy.

Progress would be supported with incentivised investment in new green infrastructure and affordable housing through a discounted PWLB borrowing rate available to all local authorities for investment in housing and associated infrastructure. Along with discounted borrowing for infrastructure investment that delivers on the Net zero 2050 target.

Working relationships with the upper tier county council has resulted in barriers to productivity because of cultural differences inevitable between an upper tier of almost 40,000 employees and district of less than 270. The necessary engagement of county on highway or ecology matters has hindered progress on planning applications, greater integration with county council

on highway matters would increase productivity. Funding streams such as UK Shared Prosperity (UKSPF) Fund returning to county control through devolution arrangements will impact on productivity by creating uncertainty on whether funding can be applied locally or within the organisation to increase productivity and effectiveness at Fylde.

Local government is inherently process driven and bureaucratic because of the necessity of local democracy and governance in decision making, more streamlined re-engineered processes would increase local government productivity. This is a national issue that government could review and improve to increase productivity across the sector through the alignment of process that closer reflects the private sector in terms of procurement, recruitment, audit, transparency requirements, FOI's and accounting, it is the differences and detailed requirements in areas such as these where the barriers to progress arise when seeking to partner with other sectors.

Other operational and strategic issues where simplified process and updated policy would improve productivity at a local level include reduced evidence base for the Local Plan, permit refuse collection frequencies to be determined at local level, simplify business rates revenue-sharing arrangements, review council tax banding, review FOI requirements to restrict private companies simply canvassing for marketing information, and provide direct funding for affordable homes to reduce the burden on homelessness resource and cost.

Maximise the use of new technology by removing outdated processes from all regulations e.g. all notices to be published online, and use of ANPR for parking enforcement.