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Dear Minister

Productivity Plan for Warwick District Council

With reference to the correspondence dated 16 April, this letter and supporting documents set out the Council's response to the department's request for a productivity plan.

As you will know, the local government sector has a strong track record of ensuring value for money, finding different and innovative ways of improving services and becoming more efficient.

Before the announcement that local government would be instructed to submit productivity and efficiency plans, we had already commenced work on our new change programme to help underpin the Council's revised Medium Term Financial Strategy.

Our Change Programme – Case for Change, is therefore the Council's productivity and efficiency plan. This was approved by Cabinet in March and with various workstreams already underway.

I am pleased to note that the department is not looking to place excessive burdens on Councils as part of this initiative. Your advisors have previously explained that if we already had a productivity and efficiency programme underway then we did not need to create something new but to send over our current plan.

It is important that the Change Programme – Case for Change, is not to be read and considered in isolation, but in the context of the Council's new Corporate Strategy, Medium Term Financial Strategy and Digital Strategy and so these documents have also been included as critically important context.

You will be pleased to see that Priority 1 of the Corporate Strategy is focused on efficiency, effectiveness, performance and financial sustainability.



As we already have a productivity and efficiency programme already underway, I have also attached a paper below, which answers all the specific questions you have raised.

If you require any further information, then please do not hesitate to contact me.

Yours sincerely



Darren Knight CMgr FCMi Cert.CIH

Deputy Chief Executive

Enc:

- Change Programme – Case for Change
- Digital Strategy
- Corporate Strategy
- Medium Term Financial Strategy
- Responses to your questions

Responses to questions:

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

Shared services:

The Council has a multi-service delivery model approach with some services delivered in-house and other services via alternative models.

Shared service examples include:

- Building Control
- Legal Services
- Information Governance
- Business Rates
- Aids and adaptations
- Shared administration of Community Safety Partnerships
- Local Plan preparation

Shared services have allowed Warwick District Council (WDC) to achieve many benefits, which include:

- Reducing costs
- Increasing service quality
- Providing better community outcomes
- Improving planning and processes
- Saving money through consolidating organisational structures, integrating information technology, reducing accommodation, and improving procurement
- Reducing staff by removing duplication and management posts

In addition to shared services, WDC has four alternative delivery models:

1. **Milverton Homes Limited** – Established as a development vehicle to deliver much needed housing in the district. Its purpose is to be profitable and generate short and long-term financial returns to the Council, to develop homes that are carbon neutral and to provide excellent quality market rented homes to act as a disruptor to the private rented market.
2. **Housing Joint Venture** - A partnership between Milverton Homes and Vistry Linden to deliver affordable and market sale homes whilst providing a return on investment for the Council.
3. **Sherbourne Recycling Limited** – WDC is one of eight Council shareholders that have built the most advanced Materials Recycling Facility in the UK using specialist AI technology and has recently secured its first commercial client.
4. **Everyone Active Limited** – A national leisure and sport specialist who operate Council-owned leisure and sport facilities. They bring economies of scale as well as sector expertise. EA is the longest-established leisure contractor in the UK. They manage over 220 leisure and cultural centres across the UK in partnership with more than 60 different local authorities. This generates income for the Council around £900,000 per year.



Governance Structures for accountability of spend:

The Council reviewed its Cabinet and Committee Structure post-election in 2019 and monitored this through the last office up to May 2023. With the new administration in place from May 2023, changes have been made to provide focus on the Strategic Priorities of the Corporate Strategy through Advisory Groups and Boards.

In addition to this the Governance of the Council is reviewed each year as part of the Annual Governance Statement, which has followed the continued development and revision to Scrutiny at the Council looking to improve on best practice. This has seen the Committee move to more of a risk based approach for the identification and scrutiny of areas of concern, including key Council contracts and projects.

The Council has also adopted a Budget Review Group that comprises Councillors from the Council's Audit & Standards Committee and Overview & Scrutiny Committee. This brings a mix of skills and knowledge to the meetings which focus on looking at proposed fees and charges and the proposed General Fund (GF) and Housing Revenue Account (HRA) budgets (including the Medium-Term Financial Strategy). This ensures a dedicated focus can be given to providing a sufficient and robust appraisal of the recommendations.

The Council also has a Change Programme Board for priority one of the Corporate Strategy with senior officer and member oversight to review, challenge and help progress efficiency proposals and initiatives.

Efficiency examples:

Below is a summary of efficiency examples (not an exhaustive list) drawn from different service areas across the Council:

- The Council is reducing its cost base through an accommodation review. This involves selling the existing Council offices to Homes England to bring forward housing development and regeneration to a brownfield site, which will enable the Council to move to smaller lower cost accommodation. This change, already underway, will provide an ongoing revenue saving of £300,000 per annum.
- Introduction of Green Waste Charges Net £1.65m per annum currently generated, with further annual savings of £80k expected from 25/26 through reduced overhead costs
- The Council's planning service is preparing a joint Local Plan with Stratford-on-Avon District Council (SDC). As well as enabling improved planning for a wider geographic area, and dealing more effectively with cross boundary planning issues, this will deliver financial savings, particularly in the commissioning of a shared evidence base and shared Examination costs.
- The Council's Housing Joint Venture is providing a return of £9.1m to WDC, along with 248 Carbon Neutral affordable homes to meet housing need and 62 Carbon Neutral private rented homes which are expected to help to disrupt local rented markets.



- The People and Communications Service works with West Midlands Employers to provide benchmarking, specialist support and cross working initiatives to ensure economies of scale are paramount to the effective and efficient management of capacity and resources.
- The Council has had a shared Information Governance Manager since 2018. With increasing demands on this role, the Council has now created a shared team with Stratford-on-Avon District Council to provide greater resilience and resource for both Councils.
- The Council in 2021 introduced a new Finance Management System, integrating financial, income, asset and contract management. Business processes have been simplified and streamlined, including the automation or removal of low value transactional processes where appropriate. The need for external systems and processes for storing contract, approval and supporting documentation has been reduced. Managers can more easily access financial information through a single sign-on, with bespoke dashboards for budget monitoring and contract management.
- Customer and Digital Services have undertaken several projects that have improved efficiency across the Council's services. For example, the service is currently working on the introduction of a Customer Relationship Management (CRM) system and through its transformation service, will work with the Council's other service areas to undertake the digitalisation of their services, enabling customers to carry out end-to-end transactions from our website, and wherever possible, without the need for excessive human intervention. The introduction of automation, together with the opportunity to see a single view of our customers, produces significantly improved performance data and improves the overall effectiveness of services when considering delivery objectives and costs.
- The Council works in partnership with SDC for the delivery and administration of the South Warwickshire Community Safety Partnership. As part of the CSP functions the Councils join with the County Council and local district and boroughs to provide a centrally managed, and delivered, "Domestic Homicide Reviews". This allows for the employment of dedicated resources to oversee and manage the administration arrangements, without overwhelming the resources of each individual authority.

Current plans for transformation:

The Council's Change Programme – Case for Change and Digital Strategy, sets out how the Council plans to do more in this area to improve customer service delivery, become more efficient and reduce costs. This document is attached.



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

The Council's Change Programme – Case for Change and Digital Strategy, sets out how the Council plans to do more in this area to improve customer service delivery, become more efficient and reduce costs. These documents are attached.

The Council has recently partnered with JADU, a public sector leader in local government digital transformation, who bring an effective low code technology platform and sector-wide learning. A procurement exercise is underway to implement a more efficient system to support regulatory services.

An example of how the Council has harnessed technology and data, is through the rollout of Rent Sense predictive income analytics. This has reduced rent arrears by £340,000, 19% since Summer 2023. This sector leading digital transformation has also been nationally recognised with multiple award nominations.



3 Your plans to reduce wasteful spend within your organisation and systems:

The Council's Change Programme – Case for Change and Digital Strategy sets out how the Council plans to do more in this area to improve customer service delivery, become more efficient and reduce costs. These documents are attached.

- **How do you approach identifying waste in the organisation? How do you monitor progress?** This is achieved via the Council's service planning framework and new Change Programme.
- **Where have you followed invest to save and what was the result?** The Change programme has a formalised governance structure and framework where invest to save initiatives are reviewed and assessed.
- **How much time and money do you spend on EDI training (internal and external), networks, and other programmes? How many EDI champions do you have as an organisation? How do you log and report the time and money spent on EDI related activity? How do you assess the effectiveness of the training?** The Senior Leadership Team champions EDI across the Council. A 22.5-hour post is employed on the establishment to support the EDI agenda (£41,418 pro-rata plus on-costs), and reports to the Workforce Steering Group every 6 weeks. Budget is allocated specifically for EDI training (£7,600) and any other initiatives. Recent training, 'Equalities, Diversity Inclusion and Workplace Behaviours' has been evaluated by measuring the impact of the increase in knowledge and awareness prior to the training and after.
- **What percentage of total staff budget is spent on:** For 2023/24 - a) Agency - £1,126,640 b) Consultants - £1,765,531
- **If you share external training costs with neighbouring Councils, how do you factor out duplications of service between your council and your upper-tier council (if you have one)?** Training is shared where it is cost efficient to do so e.g. 'Steps to Leadership' programme is run with other Councils to ensure more regular courses can be provided at the same cost
- **If you have one, what is your assessment and experience of working with an elected mayor, combined authority, or devolution deal?** WDC has only recently become a non-constituent member of the West Midlands Combined Authority. WDC is also part of the West Midlands Investment Zone, the only District Council in the country to be so. Our experience is only recent and challenging and we have a new mayor to work with, but it will be reviewed at least annually.
- **What proportion of your paybill is spent on trade union facility time?** 0.038%
- **Consultancy use** - Consultants are used on a project by project or initiative basis. The need will be determined by a business case, which would be reviewed through existing governance and decision-making structures. Consultants are used where there is specialist advice, knowledge or experience the Council needs because it would not be economically viable to have that in-house or that that resource cannot be employed directly due to lack of available candidates. Specialist advice and guidance helps to reduce risk and enable more informed decision making to protect the taxpayer. Procurement of consultants is via the Council's procurement procedures rules to ensure best value.



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

- **Short timescales to respond to external funding opportunities** - Whilst the Council appreciates and values opportunities to bid for external funding from Government departments and/or sponsored organisations, it is often the case that the deadline for expressions of interest or bids is tight. A quick win would be for more time to be factored into the application timeline to allow Councils to divert resources and ensure the effective allocation of resources for each bid.
- **Multi-year funding settlement** - A single year funding settlement does not allow a solid foundation for longer term business planning and creates inefficiencies in business and financial planning. Moving to a multi-year settlement would be a significant step forward. In addition, greater certainty over the timeline and principles for the proposed Review of Relative Needs and Resources ('Fair Funding Review') as well as a reset of Business Rates growth would also facilitate improved planning and confidence to invest in services.
- **Borrowing for yield** - It is unfair that the whole sector has been impacted by the actions of a few. Councils should be able to borrow for yield within their geographical remit, subject to risk-based business cases.
- **Planning Fees** - This Council has long pressed for planning application fees to be set locally, and for Councils to be able to do this on a full-cost recovery basis. The increased planning fees which came into effect in December 2023 were welcomed but go nowhere near covering the rising cost of determining planning applications. As an example of the increasing cost of delivering the planning service, a new back-office software is being procured for handling planning and building regulation applications. Whilst this new system will deliver significant improvements in customer service and will, in time, deliver efficiencies to help reduce costs, the cost of implementing this will fall disproportionately over the next two years on base budgets, and not on those applicants who benefit most from the planning and building regulations process. This change would be a win for national government, local government and customers, as it would allow increased capability and capacity without any burden on the taxpayer. The same principles would apply to other regulatory fees and charges.
- **Licensing Fees** - Many of the national set fees have not been reviewed for over 20 years. Over the years there have been conversations around reviewing these fees or allowing them to be locally set to allow cost recovery. Currently, the fees are not based on a cost recovery model and can lead to the subsidisation of the licensing regime by the Council's general fund. Whilst processes are streamlined and efficiencies developed in software solutions, payment mechanisms etc. and continue to be so, the costs to the General Fund remain, as inflation costs increase, and the fees remain the same.
- **Election Timetables** - It is expected that several points will be raised about the timetable for delivering Elections, because of the increased demands on Electoral Services Teams across the UK. These in part are due to deadlines being close to Election Day and the pressure from public expectation that this applies. This was seen in the recent UKPGE with public expectation of "I was accepted for a postal vote yesterday, why has it not arrived today?". The deadline for Postal vote applications is so close to Election Day, it does not allow sufficient time for postal



votes to be issued and returned. In order to reduce pressure on Councils by moving election deadlines a week further away from Election Day, will mitigate this impact. Candidates will be appointed earlier and there will be more time for postal votes to be printed and distributed (even after the deadline to apply). An example of this is particularly important when for the last UKPGE 1 in 5 people had a postal vote.

- **Election Scheduling** – The removal of the Fixed Term Parliament Act caused a significant challenge for elections teams having to always be ready for a snap UKPGE. However, the Act also had challenges because of the five-year cycle. The running of elections costs a significant amount of money and holding some elections at the same time as others is potentially no longer viable for election teams (due to the additional demands of legislation). Consideration should be given to moving to all elected officers being on a fixed term of five years and scheduling being considered to enable them on different days, except where there is common alignment for example Police & Crime Commissioner Elections at the same time as local elections as they cover the same area. This will reduce the cost burden of elections over time, especially for small parish & town councils and allow longer for reserves to be put in place to pay for these. This will also reduce pressure on Electoral Services Teams across the country where it is becoming increasingly hard to recruit to these roles due to the pressures on them.
- **Remuneration Challenges in local government** – With the cost-of-living crisis and year on year minimal pay awards, the challenge for Councils relating to recruitment and retention should not be underestimated. Benchmarking with the private sector has shown further challenges on delivering services based on workforce challenges.
- **Continued Provision of Support for Cyber Security** – MHCLG and the LGA has previously provided support for Councils to improve their cyber security standards and performance. This support was both useful and welcome, but most of the financial support offered was on a short-term basis, lasting no more than 12 months. The cost of providing good cyber security precautions is generally significant and longer-term financial funding would be hugely beneficial. There are also some aspects that could be delivered centrally, such as security operations centres, which do not appear to have been considered fully. As a wider body the costs of such facilities may be manageable whereas individually, they are prohibitively expensive.
- **Housing Revenue Account** – There are range of competing demands on the HRA – increased compliance, need to build more homes, decarbonisation to name but a few. Increased funding would enable more affordable homes to be built and ramp up the pace of decarbonisation to reduce tenant’s energy bills.
- **Review Housing Benefit Subsidy Rates** – the need for and cost of temporary accommodation for homeless people has grown significantly in recent years and represents a significant risk for several councils who must make up shortfalls from their own revenue budgets. Housing Benefit Subsidy Rates are still set at 2011 levels which are lower than 2024 costs. The DCN recently estimated that the subsidy now only covers around 38% of temporary accommodation expenditure (source: <https://www.districtcouncils.info/surge-in-children-in-temporary-accommodation-sparks-concern>).
- **Online Meetings** – About two years ago the Government put out a call for evidence regarding online meetings for official Council business, following the expiry



of temporary L0egislation introduced during COVID. Whilst it is largely believed the evidence provided in response to this query was positive in favour of the use of online meetings, this was never followed through. The ability to use online meeting facilities for some types of Council meeting would be advantageous to many organisations, as well as opening the potential for greater participation. These positive outcomes are no doubt contained within the body of evidence submitted to DLUHC. This should be considered and if appropriate given parliamentary time to act upon.

