



South Kesteven District Council

Productivity Plan
2024/25



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Our Plan

Our Corporate Plan 2024-27 adopted the mission: **To deliver trusted, high quality and value-for-money services that fulfil the needs and expectations of all our residents.** This Plan outlines our approach for enhanced efficiency and productivity to deliver that mission. It illustrates the realised savings and benefits from key transformation workstreams since 2020/21. The Plan has been developed in accordance with guidance issued by the Ministry of Housing, Communities & Local Government (MHCLG).

The Plan's scope is all Council services and activity, including their Housing Revenue Account (HRA). This encompasses organisation, workforce and service resourcing, design and delivery.

The local government financial landscape is increasingly challenging. We set a balanced budget for 2024/25 without reliance on reserves. This was achieved through careful planning, projected reductions in utility and fuel forecasts and elevated investment interest rates. The **2021/22** and **2022/23** accounts both received **unqualified audit opinions** in January 2024. We have an ambitious Housing capital programme: £20 million for the new build and acquisition of social and affordable housing, and £36m for existing housing stock improvements have been committed over the next three years. Like many Councils, the financial outlook is challenging and our current medium term projections require savings of approximately £1.15m (based on current budget forecasts and government funding assumptions). Productivity gains are a key element of our response to ensure this project budget gap is closed.

Our approach distinguishes between efficiency and productivity using the concept of the **public sector delivery chain**. Efficiency is minimising resource use in output creation. Productivity is improving service outputs in volume and quality via sustained innovation, process improvements and technology.

Following the **Productivity Institute**, we have identified three productivity drivers: adaptive organisational design, technology & continuous innovation, and an agile workforce. We categorise our transformation work into two categories: Organisation & People, and Data & Digital.

We have a clear strategic planning framework founded upon the golden thread. The **Corporate Plan 2024-27** establishes our vision for the district and corporate priorities in conjunction with the **Medium-Term Financial Plan (MTFP)** and annual budgeting process. This plan is an accompaniment to, and should be read alongside, these key documents. Service Plans are produced annually as the service response to the Corporate Plan's agenda. At this level, transformation projects are developed and delivered. Service budget monitoring is monthly. The contents of these plans inform individual annual appraisals and day-to-day activities. Delivery of the Corporate Plan is monitored by the Corporate KPI suite, owned and presented bi-annually to the Member Overview & Scrutiny Committees.

Delivery of the Productivity Plan is linked to the delivery of the Service Plans. Monitoring will be delivered via new publicly available service area tracking dashboards and a year-end summary report to compliment the **KPI reports**. These mechanisms will enable open, accountable and effective monitoring of this Plan and the progressive realisation of productivity gains.

We have been on a continuous improvement journey since 2020/21. An external review of the **Planning service** was undertaken in 2020, we hosted a successful **LGA Corporate Peer Challenge** in 2021/22 and completed a comprehensive review of the constitution in response to an external **Scrutiny Review** in 2022/23. This Plan presents a high-level spotlight of our key completed and upcoming transformation work to offer assurance to residents, Members and the Government of our ongoing commitment to deliver high quality, financially sustainable, and value-for-money public services.

Summary spotlight of key completed transformation projects 2020/21 to 2023/24

The below is a summary of completed major projects, it is not an exhaustive list of the improvement work the Council has undertaken since 2020/21. The Council is continually seeking to review and restructure services and workflows to optimise delivery.

| Category | Project | Lead service | Timeline | Description/rationale | Realised benefits |
|-----------------------|--|--------------------|----------------|---|---|
| Organisation & People | Future Ways of Working: Main Council Offices relocation | Corporate Projects | January 2023 | Relocating the primary administrative officers from the ageing and underused St. Peter's Hill site to modern open plan office space at St. Catherine's Road, Grantham. Key part of the wider #TEAMSK programme of cultural transformation. | <ul style="list-style-type: none"> ■ £300k pa savings in operational costs (incl. business rates). ■ Embedded hybrid working based on business need. Progressive breaking down of siloed working. ■ Enhanced staff wellbeing and morale. |
| Organisation & People | Housing Services Transformation | Housing | October 2023 | In 2021 the Council self-referred to the Regulator of Social Housing. Significant work was undertaken to transform the service via a comprehensive Housing Improvement Action Plan. The Regulatory Notice was lifted in October 2023. | <ul style="list-style-type: none"> ■ Significant Housing Improvement Plan implemented. ■ Assessed as compliant by the Regulator. ■ Delivery of an Integrated Housing Management System (IHMS) to manage all landlord functions. ■ Intelligent automation of critical housing applications. ■ Successful implementation of Choice Based Lettings. |
| Organisation & People | Corporate restructures & Council Owned Companies Rationalisation | Chief Executive | September 2023 | Two restructures of the corporate management structure have been undertaken (2020 & 2023). The Council owned company Environment SK Ltd (grounds maintenance services) was insourced in 2023, and its former staff fully integrated into the Street Scene team. | <ul style="list-style-type: none"> ■ 2020 restructure delivered £1.1m total savings. ■ 2023 restructure delivered £75k net savings. ■ A leaner, more resilient organisation. Insourcing Environment SK Ltd eliminated a £384k budget pressure. ■ Additional annual £352k savings from service integration. |

| Category | Project | Lead service | Timeline | Description/rationale | Realised benefits |
|-----------------------|---------------------------------|--------------------|--------------|--|---|
| Organisation & People | Establishment of Leisure SK Ltd | Leisure & Cultural | January 2021 | The Council's leisure contract came to an end in December 2020. Due to the impact of Covid and resulting leisure market failure the Council established a Teckal company, LeisureSK Ltd, to manage its leisure facilities on a five year contract. | <ul style="list-style-type: none"> ■ Delivery of leisure services at the Council's leisure facilities. ■ Saving of circa £90k per month. ■ Full transparency of costs. ■ Improved service performance. |
| Data & Digital | New Financial Management System | Finance | April 2024 | Delivery of a modern finance system (provided by Unit 4) which can meet the financial monitoring, forecasting and reporting requirements of the organisation. | <ul style="list-style-type: none"> ■ Greater flexibility, accessibility and functionality for finance professionals and budget holders. ■ Enhanced ability to proactively model different forecast scenarios for effective financial planning and analysis. |

Summary spotlight of key upcoming transformation projects 2024/25+

The below is a summary of upcoming major projects, it is not an exhaustive list of the improvement work the Council has planned for 2024/25 and beyond. The Council is continually seeking to review and restructure services and workflows to optimise delivery.

| Category | Project | Lead service | Timeline | Description/rationale | Anticipated benefits |
|-----------------------|----------------------------------|--------------|------------|---|---|
| Organisation & People | New Waste Depot – Turnpike Close | Property | April 2025 | Delivery of a new waste depot at Turnpike Close, Grantham. The current depot at Alexandra Road, Grantham is no longer meets current and future operational needs. It does not allow for the service expansion needed to respond to district's projected growth or the requirements of the Environment Act 2021. £8.8m has been allocated to the General Fund Capital Programme to fund the project. | <ul style="list-style-type: none"> ■ Increased capacity for projected demand. ■ Improved accessibility and site flexibility for future expansion. ■ Improved welfare provision to meet modern standards for our workforce. ■ Ability to maximise sustainable systems to reduce operational costs and meet carbon reduction targets. ■ The existing Alexandra Road site has been identified for housing and employment use. |

| Category | Project | Lead service | Timeline | Description/rationale | Anticipated benefits |
|--|---|-------------------|----------------|--|---|
| Organisation & People | New Customer Services Hub | Property | September 2024 | Delivery of a new customer services hub located in vacant units below the St. Catherine's Road office. Will create a modernised customer experience, support the ongoing channel shift to 24/7 self-service and offer opportunity for residents to access face-to-face support. | <ul style="list-style-type: none"> ■ Additional capacity and a flexible hub to deliver a consistent level of service and meet current and future operational needs. ■ Provide an open and collaborative space for staff and customers. ■ Deliver greater value for money. |
| Organisation & People | Leisure Options Appraisal | Leisure & Culture | January 2026 | Options appraisal to determine the future management model for its leisure facilities, to ensure optimum financial and operational outcomes. | <ul style="list-style-type: none"> ■ Revenue budget savings ■ Investment Plan in place for improvements to the facilities. ■ Greater health and wellbeing outcomes. ■ Delivery of £3.5 million decarbonisation scheme. |
| Organisation & People | Councillor Development Charter | Democracy | 2024/25 | Investing in elected Member training and development to achieve East Midlands Councillor Development Charter Status. | <ul style="list-style-type: none"> ■ Upholding a robust democracy via enhanced Member scrutiny, debate, leadership, decision-making and accountability. |
| Organisation & People | CCTV Partnership - Working with Lincolnshire Police | Public Protection | 2024/25 | Relocation of the Council operated CCTV control centre to Grantham Police station to enable closer co-operation between the Council and the Police. | <ul style="list-style-type: none"> ■ A faster timeline to review CCTV footage. ■ Provision of modern facilities. ■ Reduction in operating costs. |
| Organisation & People and Data & Digital | Continued Housing Services Transformation | Housing | 2024/25 | Further data led improvement via a new homelessness case management system, housing stock upgrades and decarbonisation, relocation of the responsive & planned repairs team to the Turnpike Close, and delivery of a new generation of council properties through a hybrid approach of acquisition and construction. | <ul style="list-style-type: none"> ■ Improved functionality for more efficient case management. ■ '1 in 1 out' replenishment of the housing portfolio from Right to Buy sales. ■ Reduced temporary accommodation spend. ■ Proactive and planned maintenance programme, reducing the need for expensive reactive repairs. ■ Progress towards carbon reduction targets. ■ Meet the local demand for housing. ■ Meet the decent homes standard. |

| Category | Project | Lead service | Timeline | Description/rationale | Anticipated benefits |
|----------------|---|--------------|-------------|--|---|
| Data & Digital | Implementation of Technology Forge (Civica) Asset Management System | Property | Summer 2024 | Implementation of a comprehensive asset management system in order to effectively manage the Council's General Fund corporate property management estate. Current practices are limited in the identification of accurate costs of holding the assets, planned maintenance requirements, utility consumption and associated costs. | <ul style="list-style-type: none"> ■ Ability to manage property portfolio from any location and device with real time information. ■ Interfacing with third party systems to drive efficiencies and cost savings. ■ Supporting the development of streamlining works processes, enable transparent performance management. ■ Ensuring Health & Safety responsibilities are met. |
| Data & Digital | New Fleet Management System | Waste | March 2025 | Increased smart management of the fleet to improve vehicle management and driver behaviour. Includes updated vehicle telemetry, CCTV and driver management apps route review software. | <ul style="list-style-type: none"> ■ Data driven vehicle and driver management will ensure safer services and a more efficient use of resources in delivery. ■ The route optimisation review will enable the Council to maximise its fleet and resources and avoid the need for an additional round at a cost saving of £275k. |
| Data & Digital | LLPG & GIS Integration | Planning | 2024/25 | Integration of Local Land and Property Gazetteer (LLPG) with Revenues and Benefits Software, and integration of comprehensive geographic information system (GIS) data into the SKDC website. | <ul style="list-style-type: none"> ■ Efficient and accurate data sharing with minimal officer intervention. ■ Enhanced self-service opportunities. |

Data & Digital: Challenges & Opportunities

Effective harnessing of technology is the driver of productivity gains. Local authorities produce, process and hold vast amounts of data. This data can be utilised to improve decision making, service design, delivery and evaluation, and public engagement and accountability. Legacy systems pose particular barriers, with often limited integration options between systems and online services. These can be mitigated with expensive bespoke connectors. Our longer-term plan is to replace legacy systems with new cloud-hosted software with good, open connectivity. For example, with the in progress integration of the Local Land & Property Gazetteer (LLPG) with Revenues & Benefits software.

Artificial Intelligence, of various types, has the potential to radically transform all services. We are exploring use of AI currently with systems such as Microsoft Copilot. We are developing a governance framework for generative AI, in line with national policy and emerging best practice to enable an open to innovation, but derisked approach.

Barriers to Action

Primary barriers to action across all services are the risks of innovation and financial inflexibilities. Innovation carries a cost and political risk, in the challenging financial environment, innovation is essential, but failure carries a heavy penalty. A balance needs to be struck between necessary derisked experimentation and the risky financialisation and commercialisation strategies undertaken by elements of the sector in the 2010s. The practice of annual financial settlements limits the horizon of effective financial planning and incentivises continual short-term efficiencies rather than the productivity gains to transform services.

Specified Expenditure Items Requested by MHCLG

Consultancy Spend (General Fund - Revenue)

| Total Consultancy Spend 23/24 | Average 5 year spend | % of General Fund (GF) spend | Agency Spend 23/24 (GF & HRA) | Agency % of total paybill |
|----------------------------------|----------------------|---------------------------------|----------------------------------|---------------------------|
| £716,525.20 | £803,853.28 | 3% | £1.470m | 6.65% |

Consultants primarily provide specialist services that the council does not possess. 47% of the 2023/24 expenditure was spent by the Planning team. A refresh of the Local Plan is currently underway.

Equality, Diversity and Inclusion (EDI) Spend

| Total Consultancy Spend 23/24 | Average 5 year spend | Dedicated FTE Staff | Training Spend | No. EDI Champions |
|----------------------------------|----------------------|---------------------|----------------|-------------------|
| £2785 | £1071 | 0 | £2785 | 14 |

The Council does not employ any staff whose primary role is EDI. EDI functions (internal training, delivery of the Public Sector Equality Duty etc) are performed by the Human Resources and Community Engagement teams. There are fourteen EDI champions (allies). One per service, these are volunteer staff whose responsibility is to advise on Equality Impact Assessments for new policy. Five training sessions were delivered to Elected Members by an external provider in 2023/24.

Trade Union Facility Time Spend

| Total Facility Time Spend 23/24 | % of Total Staff Paybill |
|---------------------------------|--------------------------|
| £1,714 | 0.008% |

Active engagement occurs monthly between senior management, human resources and trade union representatives.



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