<center>**Pendle Council Draft Productivity Plan**</center>

Introduction
Since 2010/11 the Council has been subject to significant budget reductions of 49.1%. To bridge this gap the Council has continued to review existing services and functions across the organisation as part of its continuous improvement journey.

Most savings achieved by the Council has come from significant staffing reductions (c34%). For context, prior to the creation of Pendle Leisure Trust and the establishment of the outsourcing contract (2005), PBC had over 600 members of staff. In 2010 this number had reduced to 311 and then reduced further to 235 in 2015. Since then, staff numbers have reduced further to c200.

Further savings have been achieved via the reduction in the Liberata contract and PLT funding agreement (c27%); efficiencies in the way staff work (c10%); how we charge for services (c10%); and growth in housing and businesses (c2%). We have also reduced the number of customer access buildings (formerly referred to as 'Council Shops') from seven to two.

Whilst we strive to maintain a high level of statutory functions, all these savings take their toll on staffing resilience and capacity. We are required to continue all statutory services, same or increasing workload volumes and fulfil the same reporting requirements as any other size of Local Authority.

1. How you have transformed the way you design and deliver services to make better use of resources. (Examples have been provided below to demonstrate how the organisation has changed in recent years to become more productive)
• The Council has embraced a new model of working since the pandemic. Moving from a 100% on site delivery model to a hybrid working model that allows flexing of the service and accommodation.
• The Council has migrated from standard telephony to MS Teams which has enabled instant communication and video calling regardless of the location of staff.
• Introduction of MS365, such as introduction of OneDrive to increase accessibility of the data required by our staff and services.
• Transformation Programme undertaken following approval from Council in December 2021 – some examples of key projects and recommendations delivered are provided below:
  o Various Service Reviews have become embedded within service area and delivery with a focus on customer needs and efficient process in areas, such as Development Management, Building Control, Waste Management, Business Support Services, Leisure provision, admin buildings, base budget, and the capital programme.
  o Organisational and Senior Management Restructure.
  o Capital Programme Review resulted in the Council commissioning its Treasury Management advisors LINK Asset to carry out a review of the Minimum Revenue Provision.
  o Liberata Contract Review completed March 2024, including a review of the Liberata Performance Management Framework & transfer of Property Services back in-house.
• Corporate Peer Challenge undertaken, and most recommendations implemented.
• Significant work to streamline customer interaction and open digital channels.
• A significant reduction in the Council's estate since 2010, with all but 2 of its administration buildings being closed & a programme of transfer of facilities to parish / town councils being delivered.

Following the implementation of the changes we have made to improve services, details of the impacts of some of those changes are provided below:
• Building Control Review reviewed with key operational recommendations implemented.
• Development Management reviewed, resulting in significant improved performance and investment in IDOX to improve productivity.
  o Waste Management Services reviewed resulting in increased capacity to transform back-office processes. In-cab technology being implemented to improve performance & demand management.

As detailed in the introduction the Council has seen significant and disproportionate cuts to its core funding, which has impacted on the Councils staffing levels by c36%, yet the statutory services we must deliver remain the same despite burdens increasing. Few discretionary services remain.

Current and future continuous improvement plans will be defined via the development and adoption of the following:
• Corporate Plan 2023-2027 which includes key actions to deliver government funding programmes (e.g. LUF, UKSPF, Nelson Town Deal, Nelson Long Term Plan, Colne Levelling Up programme, local masterplans), the Council's Local Plan, a continuous improvement agenda, a Citizens' Hub, improvement of online services, transfer of assets and shared services.
• Key Strategies; MTFP & Capital Strategy, IT / Digital, Customer Contact & Workforce Development.
• A fundamental review of the Pendle Leisure Trust & Services to ensure that our leisure centre provision is both economically and environmentally sustainable into the future.
• Value for Money External Audit Report recommendations for 21/22 & 22/23.
• A review of core systems functionality to improve efficiency and productivity.

Looking ahead, the services / areas which have the greatest potential for savings if further productivity gains can be found are as follows.
• Expanding the use of technology and reviewing general working processes, such as how we better use Idox within Environmental Services, rollout of MS SharePoint.
• Pest Control – options appraisal for charging to be considered & adopted.
• Liberata UK Ltd Innovations – a continuous improvement programme is currently being developed. .

The Council's Transformation Programme identified the need to commission some external specialist support to map out business requirements and recommend appropriate and affordable ICT solutions.

The Council has an ageing managed Estate which requires maintenance and repairs to ensure continued occupation/let ability of premises, which provide an annual income. If the existing Managed Estate is not maintained it will become a diminishing Asset and a cost burden rather than an income generator. A long-term R&M and Capital Improvements budget is required. Continued Government support is also required for Decarbonising the Estate.

There has been significant investment on the Council's Cyber Security arrangements and infrastructure. This was possible due to the DLUHC Cyber Resilience Funding received.

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.
There are barriers created by legacy systems which need to be addressed and the ability to do this is hindered by cost implications for the Council. Current barriers are detailed below:
• Civica Legal Debtors System – this is no longer supported and is not fit for purpose.
• IDOX – regular issues experienced with the current system.
• Existing Windows Servers 2012 and SQL Server 2012 are currently being decommissioned.
• Council website is over 9yrs old & needs to support the new IT Digital strategy.
• Financial barriers to investments in technology particularly exacerbated by increasing ICT prices.

Data is shared with other organisations as detailed below; however, it is important that the data being shared is put into context if being used for comparative purposes.
• Statutory returns which need to be completed and submitted to various organisations / agencies via strict deadlines, such as DLUHC, DEFRA, HMT (DLUHC), DfT, DWP, FSA, ONS, EC
• Networking groups, such as Lancashire Chief Finance Officers (CFO's).
• Responding to requests from the Press and Freedom of Information requests.

A review of business intelligence is likely to create a new function to deal with the ever-increasing needs for data management.

3. Your plans to reduce wasteful spend within your organisation and systems.
Due to the many years of funding cuts very little in the budget can be deemed to be wasteful. However, some discretionary services still exist.

As referred to in Section 1, numerous service reviews have been undertaken and where these identified inefficiencies in working practices, ways to increase productivity, etc they were addressed. However, it is likely that 'waste' can be linked to other inefficient systems and processes. The development of a business intelligence function and obtaining business processing re-engineering skills within the Council will be key to further improvements / productivity gains.

Business Cases proceed all investment decisions for example in-cab technology and vehicle leasing.

In relation to EDI training, networks, and other programmes, we ensure we comply with the minimum statutory requirements of the Equality Act 2010 and nothing more given resource and capacity issues.

The percentage of total staff budget spent on agency workers and consultants are provided below.
• Agency Spend equates to 11% in 2023/24 (7% in 2022/23 & 10% in 2021/22).
• Consultant Spend equates to 7% in 2023/24 (7% in 2022/23 & 4% in 2021/22).

We have effective governance arrangements in place to ensure accountability of spend, such as the monitoring of the Medium-Term Financial Plan (MTFP), budget monitoring, & Internal / External Audit Reviews. Further details of our governance arrangements are provided in Appendix A.

We have historically shared office functions with Hyndburn Council for local land charges. Currently there is little to no appetite for sharing services and / or systems with neighbouring councils.

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

Most wasteful spend is incurred due to Government and legislative requirements. The barriers are numerous, but we only have space to provide a few examples here.

The most significant barrier being the absence of multi-year funding settlements that provide realistically for growth in spending year-on-year. No public organisation can efficiently plan for its future with such uncertainty.

Financial constraints are significant as we operate under tight budgets, limiting our ability:
• to effectively invest in technology, training, and infrastructure upgrades necessary for productivity enhancements / service improvements further exacerbated by digital and IT landscape changing. Also, to ensure we have the necessary technical skills in place.
• to maintain resilience – e.g. where key staff members can become single points of failure, costs to prevention of becoming victim to cyber security threats which are ever-changing and increasing, etc.
• update / replace legacy systems and processes.
• to address staffing Challenges such as, recruitment and retention of appropriately skilled staff, resistance to change among existing staff, skills gaps (e.g. capacity for innovation, commercialisation, data analysis, business process re-engineering, etc), capacity issues restrict ability to review ways of working and deliver change to increase productivity, Council's ability to be competitive in the recruitment market, aging workforce, etc.

The Government should also introduce reforms that would reduce bureaucracy and burdens for central and/or local government or allow council services to be put on a more sustainable footing. Some examples are provided below:
• The operation of numerous specific grants schemes, each with its own criteria and reporting requirements. One specific example is Disabled Facilities Grant funding. The funding formula used to calculate allocations to LA's is flawed and this results in Pendle receiving an allocation which is significantly below what is required to meet the demand. There is also a lack of requirement for social housing providers to contribute towards the costs for DFG works on properties where public money is increasing property valuations via DFG extensions. Also, the provision of this funding via the Better Care Fund adds bureaucracy. The Government should commit to a radical programme to review how annually allocated grants are provided to local government.
• Insufficient New Burdens funding where it does not cover the cost incurred in taking on new areas of work resulting in a lasting pressure on our budgets. New Burdens funding should consider long-term costs and implications on the authority.
• The provision of one-off grants with long term commitments for LAs, the main issue being the cost of large projects can often rise after grants have been received. It can see us moving into new areas of business and leave us exposed to future financial pressures. For example, Cyber Resilience Funding was extremely welcome and enable significant improvements in our IT network infrastructure and security arrangements; however, there is then a need to maintain those arrangements and systems going forward at a cost to the council.

- The need for councils to acquire the services of consultants to deal with all the bids required to access Government funding.
- Review the regulatory and compliance burdens placed on local government which create administrative burdens and limit powers, flexibility in decision-making and operations. Reviewing the current regulatory and statutory guidance would allow simplification of processes, removing unnecessary steps and facilitate lower cost service delivery; and ensure that any expectations in respect of service standards remain realistic and are aligned with available resources. For example:
  - Regulation of rented properties is increasingly more complex. There is an increasing requirement for standards to be met by landlords but overall, there is an absence of a system whereby properties are checked/certified before they can be let. The system relies too heavily on landlords adhering to legal obligations and tenants reporting issues that arise.
  - The planning system and the legislation which surrounds it have become increasingly complex.
  - Remove requirements to always provide documents in writing in respect of Council Tax, NNDR and benefits, making use of electronic means of communication where possible / available.
  - Reduce the information that must be provided in the accounts or must be published under the Transparency Code.
  - Review the requirements of / for the Freedom of Information Act 2000 as, in our experience, it is not used for the purpose it was intended.
  - Allow Revenues and Benefits teams to use all council and Government data to which they have access / is available to pursue effective recovery. For example, change legislation to permit use of HMRC employer data to support recovery from individuals who are in employment.
  - Legislate the removal of the numerous statutory requirements to place notices in newspapers when far more people are reached via free, social media channels.
  - Increase powers at a local level to allow us to operate in the best interests of the borough / district. For example, in the case of taxi appeals we decide to revoke their licence and they can carry on driving/operating pending appeal.
  - Review activities / operating practices of other bodies that impact on how LAs can effectively and efficiently deliver services. For example:
    - The Food Standards Agency seek 'to the letter' compliance with their statutory codes. This may require a review of the codes, so they become less onerous / burdensome.
    - The Court Service and long dates set for prosecutions. This creates inefficiencies in abortive case management work.

The Government should consider how it can support the capacity of LAs to sustain services, particularly in how new regimes, initiatives, funding opportunities, etc are introduced. For example:
- The LGA has identified environmental health officers as one of the five most difficult to recruit areas in local government, which means that often costly agency staff must be used to fill gaps.
- Influence an improvement in the image of working in local government i.e. the promotion of local government roles within secondary education.
- New regimes, initiatives, funding opportunities, etc are usually introduced with extremely short deadlines and implementations timescales, which can pose a burden on the LA to respond and impact on productivity and delivery of statutory services, lack of clarity on funding available (e.g. waste reforms) and without the necessary guidance / criteria, etc readily available.
- What Government interventions can be put in place to influence the providers of IT applications, systems, licensing, & support / maintenance contractors in terms of costs charging models in place.

Other barriers include:
- Political and Stakeholder Pressures: Political considerations, competing interests among stakeholders, and public scrutiny can influence decision-making and resource allocation, potentially diverting attention away from productivity improvement initiatives, such as removing discretionary services.
- Limited access to timely, accurate and contextual data in the public domain can produce a negative image of the Council, cause reputational damage and hinder efforts to identify inefficiencies, track progress, and make data-driven decisions.

Addressing these barriers requires assistance and support via a multi-faceted approach involving central government, strategic investment, organisational change, leadership commitment, and collaboration with external partners and stakeholders.