

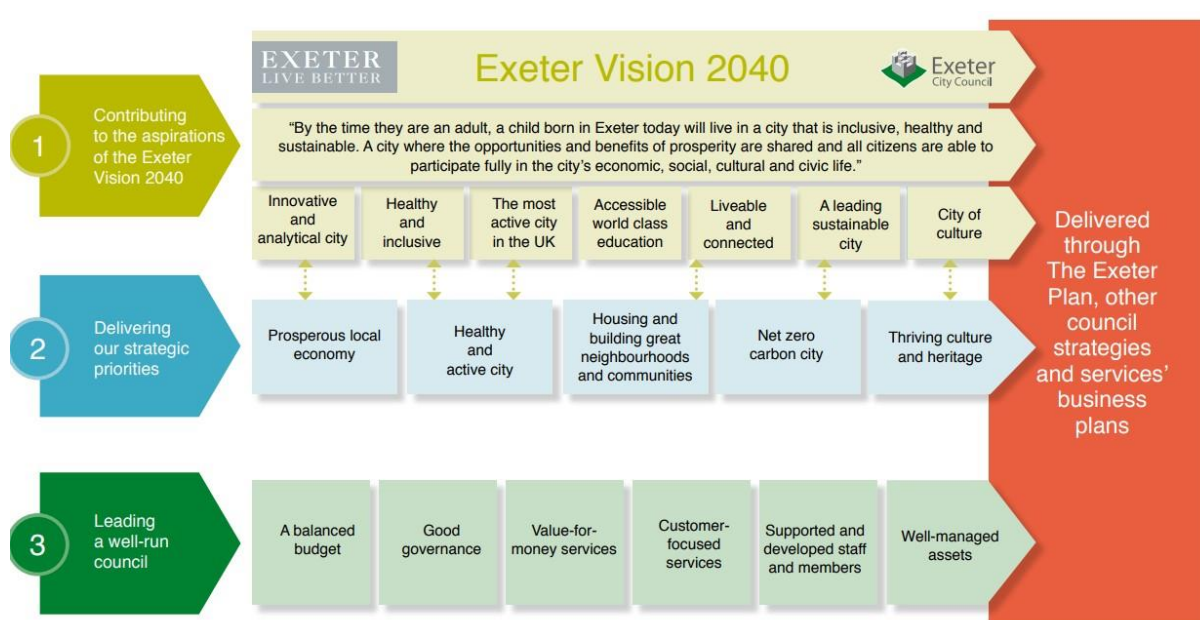
Exeter City Council Productivity Plan July 2024

About the Exeter City Council Productivity Plan

This report, produced to comply with Government, provides an overview of the work we have already done, and what more we intend to do to deliver quality services for resident and business, whilst operating with ever tightening budgetary constraints, all against a backdrop of rising demand and increasing resident expectations. This report is not a detailed description of every project we have undertaken or plan to undertake, or details of the performance, target, outcome and impact metrics of our varied projects, nor does it list all our success and learning. As required, it provides an overview of our learning from past experiences (our own and others) and how this is shaping our plans.

Our Corporate Plan was updated in 2022 to reflect the changes that occurred since we produced our strategy for 2018-2021, as we respond to complex and unprecedented challenges. Some of these followed directly in the wake of the Covid-19 pandemic and our exit from the European Union. Others include the climate emergency, the housing emergency, rise in energy prices, the decline of the High Street and entrenched health inequalities.

Exeter City Council Corporate Plan 2022-2026



The five strategic priorities in our Corporate Plan (2022-2026) align with the aspirations of the Exeter Vision 2040. These enable us to focus on, and invest in, issues that are of national concern, are important to the city and its communities and which reflect political priorities. We remain aspirational for our city so innovative and creative working with the private sector and our partners is critical.

Delivery of the plan is dependent on the rapidly changing economic climate, the availability and prioritisation of our resources. 2023/24 presented significant financial challenges for the Council along with many others around the Country. Whilst there was a reduction in energy price pressures, ongoing and stubbornly high inflation fuelled a higher than anticipated national pay settlement and income streams struggled to attain budgeted expectations.

Despite our success in achieving year on year cost reductions from our General Fund, continued financial challenges mean we must make further budget reductions by 2028. The Council has a

significant gap in its resources over the life of the Medium-Term Financial Plan (MTFP), with a requirement to identify a further £5.4m of savings over the next four fiscal years. This is a significant challenge given it is over 20% of our net General Fund budget. Of this, untested proposals totalling £1.5m have already been identified with a further £3.9m required from the range of cross cutting themes and other projects under our One Exeter change programme. This work will require a shift in the way the Council generates resources as well as streamlining the way the Council is run.

Governance and Assurance

We have a corporate organisational change programme: One Exeter, which aims to deliver a fit for purpose organisation and meet the requirements of the MTFP. The CEO is the sponsor for One Exeter with the Directors on the Senior Management Board (SMB) responsible for the leadership of each of the programmes identified. The Operational Management Board (OMB) work collaboratively to identify and deliver projects. One Exeter is co-ordinated by a dedicated Programme Manager and is supported by a ring-fenced Transformation Budget. Directors work with Portfolio Holders on policy and strategy related aspects of the programme and Leader of the Council takes overall political responsibility for One Exeter. An annual report is considered by the Executive and presented to Council setting out achievements, learning, risks, and opportunities alongside priorities for the forthcoming financial year.

Assurance on delivery and its impact is gathered using a range of data including quantitative financial and activity data and increasingly qualitative data from staff and residents' surveys and feedback. SMB and OMB meet quarterly as a combined Extended Leadership Team (ELT) to review progress and resolve risks and issues.

How we have transformed the way we design and deliver services

Over the last 10 years we have had a focus on increasing income and reducing operating costs for Council to be able to set a balanced budget. Over the last 5 years as income streams decline (mainly due to societal changes resulting from the Covid 19 pandemic), a more relentless focus on service delivery models and the balance between discretionary and statutory services has had to be pursued.

In 2019 we completed a significant culture change programme called Agile and Flexible, which focussed on how we could use technology to reduce the need for large and expensive to run offices. Our strategy was to provide the technology and culture for remote working with a goal of reducing costs of office accommodation and achieve a capital receipt through the sale of existing offices for development in the city centre. The Covid 19 pandemic arrived as this project was completing with the issuing of new IT hardware for home working. Overnight we were able to switch to a home working model and unlike many councils, we adapted seamlessly to this new model with no discernible impact on productivity or service delivery.

Today we have a fully hybrid operating model, a much smaller office footprint and are the process of testing a new office environment prototype to inform the design of the new premises we will move to in a city centre building recently acquired by the Council.

The One Exeter Work Programme was approved by Executive in February 2021 and aims to meet the requirements of the MTFP and deliver a fit for purpose organisation. The programme was underpinned by a set of core design principles:

1. One council, one team culture.
2. One council experience for customers.

3. Single corporate functions working to common set of digitally enabled policies, procedures and standards.
4. Services built around the needs of the customer (not the organisation).
5. Creation of generic roles where it makes sense to do so.
6. Improved productivity and efficiency: remove duplication, hand offs and delays.
7. Reducing contact through the most expensive channels (channel shift).
8. Services that are simple to use and accessible.

There were initially seven programmes and overall, in 2022/23 One Exeter delivered £1.126m in cost reduction which was 87% of the target set in the MTFP. In 2023/4 One Exeter delivered £2.441m in cost reduction which was 80% of the target set against the General Fund. This was achieved by a combination of reductions in some discretionary services; changes to delivery models in other service areas; increases in fees for services and removal of discounts; technical accounting; capitalisation of some revenue costs; changes to the senior management structure and the removal of unfilled vacancies. Overall headcount of Council employees reduced from 824 people in March 2023, to 799 people in March 2024.

Since the appointment of the new Chief Executive in April 2023 there has been a renewed focus on the strategic priority of 'Leading a Well-Run Council'. This concentrates on the core functions of the council as well as the transformational work identified through the One Exeter programme. The programme is now structured around five work streams cross-referenced to the Council's Corporate Plan. These are: People; Assets and Income; Customers; Services and Governance. During 23/24 the One Exeter programme has delivered a range of outcomes including:

- A Green Travel Action Plan has been developed which aims to support all staff to travel sustainably to commute in and for all associated work journeys by 2030. A staff survey was conducted to understand how staff currently travel to and for work and the barriers that stop staff from using sustainable transport.
- Following our annual staff survey a new Employee Assistance Programme has been launched to offer employees and their immediate family members emotional and practical support. Performance data shows this service is being increasingly utilised by staff and members.
- A Values and Behaviours framework was co-designed with staff during 2023 through a staff group created reflect on what's important to both the Council and staff. The Values and Behaviours have been incorporated into the Performance and Development Review process so that all staff can demonstrate how they model the behaviours.
- All departments completed Service Reviews to identify opportunities to improve the customer experience and to find a 15% cost reduction over the life of the MTFP. 80% of the cost reduction proposals identified for 23/24 have been successfully delivered and 87% in 2022/23 without having an adverse impact on service delivery
- Within the Service Review process, we investigated the hypothesis set by Service Leads that there were several functions delivered in a fragmented way across the organisation, that if joined up, we could improve the quality and reduce costs. This project completed in early 2024 and its findings have underpinned the organisational re-structure agreed by Council in April 2024.
- An accelerated programme to fully migrate staff and members to Microsoft 365 to prepare the ground for digitisation and more productive collaboration, has been completed.
- A Digital Customer Strategy was approved by Council in November 2023. The strategy is an important milestone for the Council, as it re-establishes residents and customers at the heart to the organisation and its implementation will require transformational activity in all parts of the organisation. The goals in the strategy have informed the organisational re-structure agreed by Council in April 2024.

- The Local Government Association (LGA) were commissioned to undertake a Decision-Making Accountability review to help understand how decisions are made within the council and whether they are being made at the right level. The findings from this research have also informed the organisational re-structure agreed by Council in April 2024.

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

Through One Exeter, we have embarked on an ambitious organisational wide programme of transformation including development of a Digital Customer Strategy. This work was created from independent research undertaken to aid our understanding of the experience customers currently have when dealing with the Council. The findings and recommendations of this work were set out in the publication of an independent report "Customer Experience in Exeter City Council" (Red Quadrant 2023). This report included:

- A map of existing data on customer demand and experience across all access routes and channels.
- Analysis of our existing data to uncover insights about customer demand, experience, and outcomes. Data Gap Identification: highlighted gaps in data gathering and insight across the organisation.
- Digital Exclusion Assessment: providing an understanding the digital accessibility challenges our customers face and the demographic specifics of the digitally excluded in Exeter.
- A Customer Experience Maturity Assessment designed to gauge the council's current capabilities, systems, and strategies in delivering customer-centric services.

The Digital Customer Strategy, (DCS) approved by Council in November 2023, aims to address the findings and recommendations in the independent research. The strategy sets out the council's vision to put the customer first which means constantly looking to improve the user experience and ensuring that customer's needs guide how services are developed and delivered. The DCS sets out ten goals for digital customer transformation which will demand a step change to the structures, systems, processes and technology that we use and requires a strategic approach. This is needed as customer behaviour and technology are becoming increasingly complex and changing faster than ever. It is critical that our whole organisation understands what we mean by excellent customer and digital service, where we want to be and the outcomes we want to achieve.

Alongside the specific research undertaken to develop the DCS we have undertaken a range of internal, strategic activities to inform and prepare for total transformation. This included a 2-year programme to transform our shared IT company, Strata Services Solutions Ltd, to ensure they have the capacity and capability to enable the digital transformation of the 3 shareholder councils. All partners have now approved a 3-year Investment Business Plan for Strata aimed at delivering the infrastructure to enable digital and technology transformation within the council business.

Further independent research into our use of data has led to the development of a new data strategy to underpin digitisation (also adopted by Strata and our partner Councils), alongside a route map to achieving excellence in the use of data for running, evaluating and optimising services. To deliver on the outcomes in the Data Strategy intensive work, facilitated by Strata, across the 3 councils to design a new data architecture system has been completed. The aim is to ensure secure and appropriate use of data and the delivery of key elements of our data strategy. Implementation of the new architecture using the Microsoft SharePoint platform will be completed during 2025.

We completed further research into our Business Intelligence capacity, capability and future needs linked to our goals within the DCS and we have completed a root and branch analysis of performance management systems and process across the whole council. Workshops are planned with Members and Directors to review and refine the Corporate Plan and introduce a new Corporate Performance Framework which will build a comprehensive, real-time set of Power Bi Dashboards within a dedicated SharePoint site. The new Corporate Performance Framework will be fully operational by the end of the financial year and will provide a golden thread from the Corporate Plan and MTFP, through to Directorate, Service Business Plans and individual level objectives.

The DCS recognises that we will need to develop new skills and capabilities within or staff to exploit new technologies. We commissioned a Review of our Human Resources and Organisational Development function. This review highlighted a few critical gaps and opportunities for the transformation of our People function utilising digital and automation technologies as a key tool for making better use of resources and to act as an exemplar to others.

All the above learning has been used by the CEO who has led an engagement and consultation process on a fundamental restructure of the organisation which was approved by Council in April 2024 and is now being implemented. This reduces the number of Directors from 6 to 4 and brings together functions into 4 strategic Directorates: Corporate Resources; People; Place and Community Services. The number of Service Leads reporting to Strategic Directors will also decrease, further changes to job roles will be considered by the new Directors who will be in post by the end of June 2024. The purpose of the restructure is to improve decision making, make better use of resources and create the foundations to enable the delivery of transformational strategies such as the DCS.

Our plans to reduce spend within our organisation and systems (use of agency, consultants, EDI roles, shared services).

Use of agency staff

Given the level of cost reduction we have achieved from the General Fund over the last 10 years we feel that obvious “low hanging fruit “has already been cut from budgets. However, we recognise there is significant opportunity for business transformation particularly in relation to digital and other technologies as set out in our DCS. We keep a tight rein on use of agency staff and consultants. In July 2023 we adopted a one stop shop approach to securing agency staff which has improved overall productivity. We have achieved a 15% reduction in average unit cost and a 50% reduction in average time to fill a vacancy and 50% reduction in use of back-office resources.

The SMB receive regular data on the use of agency staff and the majority of spend on agencies are within our front-line services such as refuse collection, waste management and leisure operations. As one of the fastest growing cities in the UK, Exeter has seen an 8% growth in new businesses with 5,147 registered for business rates; a 3% growth in jobs. Currently there are over 4,000 vacancies in the immediate area which means there are more vacancies than there are people looking for jobs in the city and the wider region. The increase in on-line shopping and delivery driving jobs created following the pandemic has directly impacted on our ability to recruit to a range of front-line roles. We continue to promote the wider benefits of working for the council and support job fairs and other recruitment initiatives on an on-going basis.

Other areas subject to agency spend tend to be in professional roles such as environmental health and planning where there are national shortages of applicants for these types of roles within the public sector. We have recently been successful in recruiting some long-standing vacancies and use both exit and new entrant interviews to learn and improve recruitment.

Use of Consultants

In 2022 we undertook a review of our use of external consultants and identified improvement we have now implemented to ensure Director sign off for all consultant appointments. However, the bulk of our consultants spend over the last 10 years have been linked to large construction projects such as the Exeter Bus Station, St Sidwell's Point Swimming Pool and Leisure Centre and Edwards Court Extra Care Housing. We have an extensive range of capital assets and we do employ consultant surveyors for essential condition and other surveys. This is an area One Exeter programme is looking at and discussions are taking place about a root and branch review of our approach to asset management with a view to identifying alternative management models.

Equality Diversity and Inclusion (EDI)

As a service provider, community leader and employer we are committed to being an exemplar in promoting equality and tackling social exclusion. We demonstrate this commitment through our corporate equality group, corporate equality plan, our equality objectives and our values and behaviours. We also undertake equality impact assessments of our policies, programmes and plans to ensure we are considering their impact on equality groups.

Our focus on EDI is in meeting our duties under the Equality Act 2010. We have 23 Equality Champions who represent each of our services, who meet quarterly to share updates and best practice; all champions volunteer for this role. We have one part time Policy Officer whose role includes Community Safety, Safeguarding and Equality & Diversity. Our EDI training is limited to an internal workshop on the Public Sector Equality Duty led by 2 members of staff. The workshop lasts 1.5 hours and is usually run every couple of months. The training is currently focused on the Public Sector Equality Duty and equality impact assessment and there has been a marked improvement in the quality of impact assessments since the programme of workshops was started.

We have engaged the LGA to carry out a mini peer review into EDI to ensure that we are approaching our response to the Equality Act appropriately. The review is currently underway and expected to present its findings to SMB at the end of June. Specifically, we have asked them to consider:

1. Does the organisation understand its duties under the Equality Act?
2. What is the understanding and support from elected members?
3. How does this understanding translate through service delivery?
4. What does it feel like to apply for a job with and then work for the council for people from minority groups?
5. What are we doing and what could we do in future to strengthen our links into communities?
6. What do we need to do to address the gaps in our response to the Equality Act?
7. What resource do we need to take this forward both in terms of designated EDI role and across the wider organisation within services?

Shared Services

With Teignbridge and East Devon District Councils we created Strata Service Solutions Ltd 10 years ago during which time it has successfully delivered all our operational ICT requirements and annual savings. Following a review led by the Board of Directors we have restructured the company and changed its skill mix to enable it to operate as a strategic change agent to enable the digital and technology transformation ambitions of the 3 councils.

Whilst there has been discussion on the creation of other shared services, these have only resulted in some shared posts operating across two councils to varying degrees of success. There are barriers, including conflicting priorities, which have prevented the success of Strata being applied to other areas. However, the issue is still live within the Devon District Forum which brings Leaders and CEO's together on a regular basis around common purpose.

What more we intend to do to make better use of resources.

Recognising that further reductions in General Fund budgets are unlikely to be achievable without significant reductions in services, we undertook an intensive data gathering exercise to identify which parts of the organisation could most benefit from business re-engineering, automation and digitisation. We have developed a simple but effective “Activity Analysis Tool” that was first introduced to managers as part of the Agile and Flexible working project in 2019. It has been subsequently used in 2023 to inform other change initiatives within One Exeter. It is a simple and effective way of quantifying the value of different types of work to help assess the scope that exists within a team/organisation for reducing paperwork and back-office processes. It can be used to measure whether a change has reduced paperwork and back-office process and consequently improved ‘value add’ for the customer. It can also be used as a diagnostic tool to assess the opportunity for change across a set of services, within a team or for a whole organisation.

By including staff salaries in the database, we are also able to use the tool as a model for identifying the potential for transformation in services, departments or across the whole organisation. Detailed data on 7 cross cutting functions provided by staff in 2023 indicates that we have a significant number of staff across the organisation spending time on administrative tasks that could be significantly reduced or eradicated. The chart below is an example of how we are using this methodology to identify potential productivity gains, setting theoretical targets and baselines for Cash Releasing Efficiency Savings (CRES).

£4,491,472
343 FTE

Assuming we could reduce:

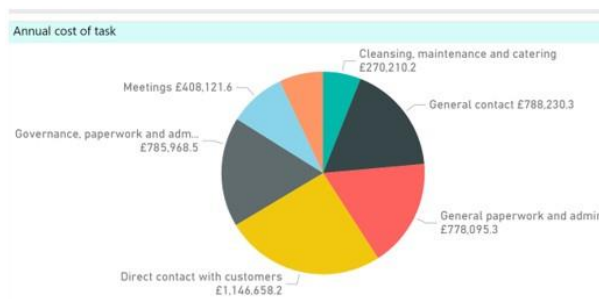
1. General paperwork/admin by 80%
2. Governance paperwork/admin by 40%
3. Meetings by 40%

We could improve productivity to the value of £1,100,000 : Rember this is only looking at :

Some of our areas of work

The work of 343 staff (mainly office based)

As is models of delivery



How this translates to cash releasing efficiency savings (CRES) is dependent on:

- Where we target for transformation
- The pace at which we can implement change
- Appetite for change
- The degree to which we can skill up staff to take on new roles

However, as a model we could use this to run alongside the transformation programme, gather activity data from each service enabling us to set realistic CRES targets as we go.

Over the next twelve months, the One Exeter work programme will focus on:

- Embedding the senior management restructure including the implementation of the recommendations from the HR/OD and EDI reviews.
- Implementing the priority actions within the Digital Customer Strategy including creating one, omnichannel front door and single view of the customer through the creation of Customer Accounts.
- Designing and implementing the new Data Architecture: SharePoint.
- Undertaking 3 high volume service reviews to streamline processes, digitise and automate back-office activity, improve customer experience, join up channels, promote self-service and identify cost savings.
- Complete digital and technology skills audits to inform workforce development plan.

- Introducing the new Corporate Performance Management Framework.
- Completing the use of accommodation review and design of the new office prototype.
- Enhancing our customer insight and consultation activity to enhance our knowledge and ensure feedback from customers is used to design and improve services.

Barriers to productivity and what government, or the market, could do to help.

The Council has a range of statutory obligations, which do not form part of a standard district council and for which it therefore receives no funding from Government. These include responsibility for the River Exe and Canal, the Roman Wall a host of historic listed buildings and several bridges. These require significant maintenance and upkeep and add considerable pressure to budgets. Wider market issues in relation to the increasing costs and availability of construction skills and capacity further exacerbate our efforts to mitigate risks to manage these assets.

The incoming government could also assist local government by awarding single place-based funding and multi-year financial settlements. As local place leader we know what the priorities are and how best to address with single year funding and competitive bidding processes we are hampered in delivering long term plans.