

PRODUCTIVITY PLAN

Surrey Heath Borough Council

July 2024

Prepared for Department for Levelling Up, Housing & Communities



Introduction

Surrey Heath Borough Council is a high-performing organisation achieving outcomes that compare well regionally and nationally. The organisation is well-led, with strong ambitions, positive values, talented and committed staff, and a growing track record of delivery, as recognised in a Local Government Association Corporate Peer Challenge report in 2023. There is also a strong culture of collaboration both within the Council and in our partnerships with others. As a result, 96% of our staff feel proud of the work we do.

Despite the positive progress made, we are committed to further improvement and are looking for opportunities to deliver more for our residents and businesses in the context of declining resources in real terms. Therefore, we have continued to identify large-scale efficiencies, increased our sources of income and continued to transform what we do. Through prudent budget management, we have been able to make the required changes in a progressive and carefully managed way.

We have listened to our residents and have shaped our plans around their priorities and aspirations. Our new Council Strategy was published in February 2024, and this has re-focused our priorities and resources around the issues that matter most to local residents. We also want to develop an even closer relationship with our residents and to improve the quality of our engagement, particularly with communities that we have found more difficult to reach.

We have established a rigorous approach to governance (including financial, property and HR governance) and strengthened our strong, vibrant, 'can-do' organisational culture and our positive track record in learning and development. All of this has contributed to an improving picture in Council performance and productivity.



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

Improved structure and governance: A review of the senior officer structure in 2021 (which saved almost £0.25million a year) and an associated workforce plan has focused on stronger governance, transparency and delivery, linked to a positive and enabling organisational culture. This has seen performance improvements and efficiencies across all services. We have improved our Scrutiny function to provide rigorous challenge of our operations and those of partners. We have invested in digital infrastructure to speed up processes and secure greater productivity, agility, flexible working and resilience. A significantly enhanced Finance and Procurement function has been in place since April 2024, alongside stronger financial governance. There is strengthened governance around the purchase of council property and since 2021 the Council directly owns the freehold of The Square shopping centre, rather than via a Property Unit Trust. We are increasing our focus on planned preventative maintenance of our properties to ensure that increased costs are not stored up for the future and that we can maintain high occupancy levels. Our new People Strategy 2023 has further improved our ability to attract and retain a high performing workforce.

Performance management, improvement and empowerment: We have a strong golden thread across all our plans and targets linked to deliver our new [Council Strategy 2024](#). Every year we publish an ambitious Annual Plan with action targets and KPIs, developed alongside our annual budget. We monitor and manage progress through the year and report to Scrutiny Committee as well as the Council Executive to ensure Members have full oversight of our progress. We invited the LGA to undertake an independent Peer Challenge Review in 2023 and took prompt action to implement their finding and recommendations. We also require Service Managers to provide detailed reports on the performance of their services and present them to the cross-department senior officer group on an annual basis and answer questions on progress, delivery models and efficiencies. 92% of staff feel empowered to carry out their jobs. The Council is committed to achieving equity and delivering its legal obligations under the Equality Act. It takes a robust, mainstream approach integrated into the planning and delivery of local services and the development of its workforce.

Delivering efficiencies: We also undergo an annual 'Base Budget Review' process involving Portfolio Holders and senior officers in which managers present their savings plans. To date this process has occurred three years running and has always exceeded its savings targets, delivering over £1.1 million of efficiencies across the first two years. The Council's annual budget for 2024/25 also included an unprecedented £4.525million of revenue efficiencies identified by services.



Partnership delivery and preventative approaches: The delivery of our new Leisure Centre with our leisure provider has exceeded all previous targets, delivering twice the number of visits than the one it replaced. We host a shared service arrangement across four Surrey Boroughs to deliver the efficient and effective jointly procured waste contract and environmental services. We have also established a close partnership with Runnymede Borough Council who deliver our Community Services. Surrey Heath delivers the joint Family Support Programme (the highest performing in Surrey). We work closely with our NHS partners and have an integrated health post that works to prevent obesity and promote healthy weight practices. We support the streamlining of hospital discharge and highlighting essential support services provided by the Borough through our community services offering. To counter-act the Cost of Living crisis we have invested in key voluntary sector organisations and streamlined our revenue grants process supporting some of our most vulnerable residents. We have provided more financial certainty for key voluntary sector delivery partners through four and two year funding agreements. We have also secured funding through the UK Shared Prosperity Fund to support business growth in a difficult period. Camberley won a national award for best town for business in the UK in 2023.

Service improvement: The Council can demonstrate many areas of high performance, including the turnaround of services where outputs and outcomes were not previously meeting expectation, for example planning, leisure and grounds maintenance. Based on latest published figures, Surrey Heath is in the top 8 leading Councils in the country for household recycling and the contract partnership hosted by the Council delivers up to a £1 million a year savings to each participating authority. In 2022/23 the Council collected 98.6% of Council Tax collected compared to a national figure for England of 96.0% and 99.9% of Business Rates compared to 96.8% for England. Through effective marketing and offering incentives to local businesses the Council has been able to improve its Town Centre offering, with vacancies on Council-owned assets running at only 4% by estimated rental value and even better across our light industrial and office properties. We have improved our communications to residents through our new web site, our borough notice boards and our new digital newsletter and strengthened our community leadership role, campaigning on behalf of residents in areas such as sewage treatment breaches and hospital redevelopment.

Use of capital: Capital funding has the potential to unlock further significant transformation opportunities. For example through further investment in digital transformation, to accelerate our commitment to decarbonisation and energy efficiencies, to secure suitable temporary accommodation to reduce our reliance on bed and breakfast accommodation, to expand active travel options for residents and businesses, to improve high speed digital infrastructure, to unlock and/or accelerate major regeneration schemes, to improve the access and utilisation of our community assets, and to increase the supply of affordable homes. Capital funding could also assist with the “one public estate” approach to the efficient management of Council assets, unlocking opportunities to co-locate with other public service and voluntary service organisations. With a net budget of £17.3m and net debt of £170m this is an overly leveraged organisation and accordingly a significant capital programme to boost revenues is unwise. Latest Oflog figures (2021/22) showed Surrey Heath had 32% debt servicing as a percentage of core spending power compared to a median of 10.2% of English Districts. Accordingly, our capital spending plans are more measured particularly focussing on judicious use of external funding, such as grants and the Community Infrastructure Levy (CIL).



Future transformation plans: We have commenced a new transformation programme across the Council for delivery spanning the period of our Medium Term Financial Strategy (MTFS) 2024/25 – 2027/28 to deliver a sustainable and balanced budget, meet future funding challenges and improve outcomes for customers. Workstreams have been identified and the programme has been resourced. The LGA have been approached to support this work. We will demonstrate progress through regular highlight reports, including benefit realisation aligned to our project management principles. The largest scale of future saving are likely to come from joint procurements and contracts at scale with other Councils, building on the success we have had with hosting the Joint Waste Contract across four Councils. There is also potential for large scale savings through closer working with other Councils through shared service arrangements. We are also looking at opportunities for income generation in appropriate services such as planning and licencing. In the longer-term, it is clear that Artificial Intelligence (AI), Machine Learning (ML) and Large Language Models (LLMs) will create significant further opportunities to improve productivity and cost across all public sector organisations. We are also producing a service review toolkit which will enable managers to do ‘deep dives’ into their service delivery and to map their customer journeys to secure further performance improvement and productivity. The Council is planning in the medium term to move from its current location to down-size its office space, and optimise our footprint and free up, as part of our Local Plan, brownfield development sites for Housing. The Council will seek to partner with central government and private sector delivery partners to leverage in available external funding sources, for example the One Public Estate brownfield land release fund. This will be enabled by our strong use of technology and agile and flexible working practices.

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?

Knowing our communities: We published a local analysis of the Surrey Heath census data to support residents and partners. We are aware of the need to improve of the level of in-depth data around our substantial armed forces community. We are continuing to work with partners to improve the access to and use of community data to inform future service provision, including improving community opportunities in our most deprived wards. We utilise and promote the data arising from the Joint Strategic Needs Assessment (JSNA), and work with local partners through the Surrey Heath Partnership and the External Partnerships Select Committee (EPSC) to review data and outcomes from those organisations (for example, the processing of housing repair requests.) The EPSC also scrutinises partnerships and helps to improve measurable outcomes for residents as well as shaping future campaigns.



Working with partners to share data: The Council benefits from regularly sharing data with other organisations, but always within the framework set by GDPR and always limited to the specific purpose. This includes with the Department of Work and Pensions, Surrey County Council, Parish Councils, the Police, the NHS, other Surrey Borough and District Councils and across Joint Contracts. Barriers to making better use of data relate to the ability of other Government agencies to share data relating to the resident population to help drive mutual service improvements and better targeting of services for those in greatest need.

Managing our delivery and performance: We also regularly monitor, scrutinise and publish performance information linked to the delivery of our Annual Plan and budgets, enabling us to manage delivery of key activities alongside relevant performance measures of Council services. An improved HR & Payroll system and people analytics ability allows the Council to manage its staffing resources more effectively. -

Harnessing technology: The Council has been highly successful at repurposing and rationalising ICT systems and moving the majority of Council systems into the cloud enabling a laptop based agile platform. There are limited issues with the few remaining legacy systems that do not always integrate well and the system development costs are often outside the reach of a borough Council with relatively modest budgets. Some of these require standalone PCs (for example elections software) rather than integrate with the Council's laptop based agile platform. We are actively exploring options to improve services, whilst continuing to meet residents' expectations of the range of ways to interact with the Council and secure efficiencies through the use of new technology (including robotics, AI and predictive analytics) including more work with the Local Government Association and through external funding we have successfully secured.

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

Efficiencies and improvement: The Council's Base Budget Review process has been very successful at driving out greater efficiencies and has met and exceeded savings targets of more than circa £500,000 pa. on average. The Council monitors and analyses data to help identify service gaps such as those identified in complaints, missed bins and lost calls which help us to identify areas of improvement. There is active engagement of staff, particularly service managers in the identification and delivery of improvements and efficiencies across the organisation through service performance reporting to senior officers, base budget reviews and Portfolio Holder budget and annual planning challenge sessions. 98% of staff now believe they deliver cost effective services to customers. We provide office accommodation to Surrey County Council staff, the Police, DWP and Citizens Advice colleagues which reduces duplication of costs across partners and improves engagement and communication. We are looking to increase our shared services with other Councils and believe that this type of collaboration is key to future efficiencies and greater resilience, for example considering if there are options to combine spending to rationalise ICT infrastructure. Unfortunately, the current economic climate and high inflation has meant that even with these efficiencies and additional income, the Council has not been able to close the budget gap.

Staffing: Use of agency staff and consultants is closely controlled thorough internal governance arrangements and regular review points. Agency staff represent less than 3% of the workforce and only 6 have been in place for more than a year. These arrangements, when used judiciously, can be highly effective and represent



excellent value for money, especially for a small Borough Council where it would not be economic to employ all the required specialists in-house, for example specialist external expertise for the development of the Local Plan and to support upcoming large scale procurements. This will ensure future contracts spanning many years are delivering the best outcomes and an affordable cost. The Council invests in the Surrey Learn Partnership with other Surrey Councils (including Surrey County Council) to secure efficiencies of scale and keeping a strong focus on learning and career development. This gives high quality training at low cost and enables officers to network across Councils and gain valuable insight. The Council is one of the highest users of the Surrey Learning Partnership. There is no spending on trade union time.

Strong processes and governance: There are clear and robust Executive and Scrutiny arrangements, with a strengthened scrutiny function and greater opportunities for public engagement in the decision-making process including greater use of public questions and petitions. We have also strengthened and expanded the remit of our Audit, Standards and Risk Committee, who oversee the setting and progress of the Council's audit reviews and recommendations. The Council has a robust scheme of delegation alongside clear financial and procurement rules that set appropriate limits and accountability on spending levels. The Council has also introduced a Project Management Tool Kit to help ensure that projects are delivered on time and on budget, and spend is closely monitored by budget managers, senior managers, Executive and Scrutiny Committees.

Invest to save: The Council has a number of examples of using invest to save, particularly on its property portfolio including investment in a new Leisure Centre which will provide the Council with a net income overall while doubling the number of people making use of the centre, delivering solar panels on Council buildings, RAAC remediation work at Camberley Theatre to continue to deliver the service and generate income, electric charging points in Council car parks and roof repairs at The Square shopping centre. We have also invested our voluntary and third sector as part of our preventive approach to support those in need across our communities, for example, The Hope Hub for those at risk of becoming street homeless and expenditure with key voluntary sector organisations such as Citizen's Advice, work with the DWP supporting people into employment and reducing pressures on housing stock using early intervention and triage approaches.



4) Opportunities to address barriers at a national level to facilitate greater progress

There is a need for greater use of multi-year local government financial settlements and freedom around capitalisation directions to aid future planning, and for the Government to be clearer over a fairer funding model and business rates resets including a review of distribution of business rates based on other factors than levels of deprivation, for example cost of labour and services in the South East. Proper funding is needed for homelessness provision which is growing in this part of the country. Other barriers include national legislation that prevents the adoption of modern efficient practices such as appropriate use of ANPR in multistorey car parks, constraints on the ability to share information with other public sector organisations to help drive greater efficiencies, the insolvency laws that mean that Councils are unlikely to be able to recover unpaid bills from businesses who are no longer operating, the need to reform electoral legislation to deal with anomalies, and a range of nationally set charges that have not been updated for several years resulting in Councils meeting higher costs, but not receiving the income to pay for them. Councils would benefit from greater flexibility to determine how to raise and spend money locally.

There also needs to be greater recognition nationally of the unique contribution made by borough and district Councils in a two-tier model of Local Government and the need for national policies and initiatives to support and facilitate closer and more joined-up working between these tiers. A greater policy co-design approach between central government and all local authorities would be beneficial, particularly in two-tier areas. There should be greater co-ordination between central government departments on issues such as housing, homelessness prevention, asylum dispersal and waste collection and disposal.

The delays to the external audit of financial statements and the issuing of fair value statements which have affected local authorities across the country impact our abilities to identify areas to improve productivity and cause an unnecessary burden of additional work and greater uncertainty for residents. The requirements around annual accounts, for example, the need to value assets each year, and the complex amount of technical accountancy information required presents an additional burden.



Appendix I - Relevant metrics, monitoring and further information:

- [Council Strategy 2024](#)
- [Medium Term Financial Strategy](#)
- [Annual Plan 2024/25 and performance reports](#)
- [Financial reports](#)
- [LGA Peer Challenge report and action plan](#)
- [Climate Change Action Plan](#)
- [Census 2021 Analysis](#)
- [Achieving Equity Strategy](#)
- [Scrutiny Committee papers – Performance and Finance Scrutiny Committee](#)
- [Scrutiny Committee – External Partnerships Select Committee](#)
- [Base Budget Review Report to Executive – July 2023](#)
- [Best town for business award](#)



Appendix 2 – Suggested themes and prompts provided by DHLUC (not prescriptive)

- 1) How you have transformed the way you design and deliver services to make better use of resources?
 - How has the organisation changed in recent years to become more productive? You may wish to consider what you have done around staffing, structures, operating models etc
 - How do you measure productivity in your organisation?
 - What changes have you made to improve services, and what effects have those had?
 - What are your current plans for transformation over the next two years and how will you measure the effects of those changes?
 - Looking ahead, which service has greatest potential for savings if further productivity gains can be found? What do you estimate these savings to be?
 - What role could capital spending play in transforming existing services or unlocking new opportunities? If you have already used capital spending to boost growth or improve services, we would be interested in learning more;
 - What preventative approaches you have undertaken and can the value of these be quantified?
 - Are there wider locally-led reforms that could help deliver high quality public services and improve the sustainability and resilience of your authority?
- 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?
 - What are your existing plans to improve the quality of the data you collect; how do you use it and how do you make it available to residents?
 - Are there particular barriers from legacy systems?
 - How often do you share data with other organisations, and do you find this useful?
 - Are there opportunities to use new technology to improve workflows and system, such as predictive analytics and AI?
- 3) Your plans to reduce wasteful spend within your organisation and systems.
 - How do you approach identifying and reducing waste in the organisation? How do you monitor progress?
 - Where have you followed invest to save and what was the result?



- How much time and money do you spend on staff 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 that training?
 - What percentage of total staff budget is spent on a) agency and b) consultants? How do you assess value for money on agency and consultancy spend and what are your plans to reduce use / costs? How many of those consultants or agency staff have been in place for over a year?
 - What governance structures do you use to ensure accountability of spend?
 - Do you share office functions with other councils and if so, how useful do you find this?
 - 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)?
 - What proportion of your paybill is spent on trade union facility time?
- 4) The barriers preventing progress that the Government can help to reduce or remove
- What are the barriers preventing you from improving productivity further within your organisation?
 - What are the barriers preventing you from improving services further?
 - Are these barriers consistent across multiple services?
 - What would you need to remove those barriers? What do you need from government, the market or elsewhere?

