

**Test Valley Borough Council
Productivity Plan
July 2024**

1. Introduction

- 1.1 This document forms Test Valley Borough Council's Productivity Plan. It has been prepared in response to the UK Government's request for Local Authorities to set out the approach they are taking to drive productivity with regard to organisational and place leadership and the delivery of services. Other key documents that should be considered alongside this plan include the council's Corporate Plan, Medium Term Financial Strategy and Annual Governance Statement.
- 1.2 As an organisation, our strategic focus is on supporting our communities to thrive. This not only reflects our commitment to work with our communities in a way that celebrates their uniqueness, sense of belonging and their ambitions for their place; but it also drives our strategic delivery, allocation of resources and our transformation agenda which are key to our productivity.
- 1.3 We have invested significantly over the last decade to work in a more place-based way to be able to deliver upon the priorities of our communities. Supporting our councillors, officers and our partners to develop a deep understanding of what matters most at a local level and by directly investing resources into our communities.
- 1.4 Our Corporate Plan underpins this, and the innovative way in which it is developed through deliberative engagement, results in our priorities being strategically aligned with our communities and politicians. This, alongside the prudent management of our finances and ongoing investment into the development of our workforce, has created the stability that enables the organisation to deliver major programmes resulting in long lasting outcomes for communities. This includes programmes such as regeneration of our town centres and tackling climate change, whilst continuing to deliver high-quality front-line services such as waste collection, planning and tackling homelessness.
- 1.5 We do not take our stability for granted. We work hard on maintaining this through a focus on continuous improvement and organisational learning, investing in local democracy and partnerships and through robust financial planning over the medium term.

2. Place Leadership and delivering for communities.

- 2.1 By understanding and building relationships with our communities we are able to prioritise services more effectively, championing continuous improvements and ensuring we continue to run the organisation in a way that is providing value for money for our residents. We are consistently making decisions at a place level with our communities and using our resources in a more localised and targeted way. We have a track record of using deliberative engagement and different scales to inform our decision making and will be hosting a second Citizens Assembly later this year aligned to our regeneration work.
- 2.2 We have developed long standing place-based partnership groups across the borough as part of our community leadership role. Andover Vision, Romsey Future and the Test Valley Partnership bring together community representatives and councillors from each local area alongside strategic partners to identify and deliver projects that make a tangible impact to the local community and ensuring a focus on our towns as well as the rural communities that surround them.
- 2.3 The work that we have delivered through these partnerships has led to significant and successful outcomes. For example, we have prepared community-led masterplans in both of our towns setting out a clear plan for change that has been developed collaboratively and set against a robust evidence-base. This was understood to be a key factor in securing £18.3M of funding from Levelling Up which will enable us to move at pace with our Andover regeneration schemes. This will have a transformational impact on the future economic vitality of the town which will be kickstarted through the delivery of a new theatre and brand-new public realm at the heart of the town centre.
- 2.4 Through our partnerships and place leadership we have focused on strengthening community resilience, recently showcased by both the LGA and the UK Government Resilience Framework. Through our Test Valley Community Resilience Forum, we work with an extensive range of partners, mapping networks and assets at a hyper-local level, identifying gaps in provision, and agreeing priorities has transformed the way communities prepare and respond to emergencies. As a result, Test Valley has the highest number of local resilience plans across Hampshire and this will enable agencies such as the Police, Emergency Planning Teams and other blue light services to work more coherently and effectively with communities during an emergency. This pro-active and community focused approach has also enabled significant capital investment to be secured from the Environment Agency for communities who are at risk of flooding with new alleviation schemes installed across key risk areas within the borough.

- 2.5 By working with local communities and partners in this way we have a clear understanding of local need which directly informs our strategic priorities and the allocation of our resources through our Corporate Action Plan (CAP). The CAP sets out a clear set of programmes for the organisation that will deliver against the corporate priorities. Targeted and direct support for local communities is at the heart of this through access to resources such as our Councillor Community Grant Scheme, Community Asset Fund and Community Infrastructure Levy – community reserve fund in which more than £600k has been directly invested into community projects over the last year as a result of community-led planning activities.
- 2.6 Our approach to place leadership and delivery of our priorities has required our councillors to take proactive steps in order to address regulatory barriers we have faced that could impact on our ability to deliver for communities. For example, As the Local Planning Authority, the Council has been affected by the lack of options available to applicants whose development schemes are required to achieve nutrient neutrality. Between summer 2019 and February 2023, the Council was not able to permit any planning applications (for residential and overnight accommodation) which did not achieve nutrient neutrality. A mitigation solution was therefore needed in order to enable such developments to proceed.
- 2.7 In April 2021 the Council agreed to the release of £750,000 to purchase 250 nutrient mitigation credits from Natural England’s nutrient mitigation scheme. 1 credit is equal to 1kg of total nitrogen. A further 250 credits were purchased in September 2021 with a further 100 credits purchased in February 2023. In total the Council has spent £1.8M only achievable as a result of its overall prudent financial management. The Council, in taking this proactive position, was able to maintain the supply of housing and support the local economy which are key aspects of our strategic priorities shaped by our communities.

3. Plans for the transformation and improvement of services to make better use of resources.

- 3.1 Our approach and plans for transformation align directly to our strategic focus on supporting our communities to thrive.
- 3.2 Transforming from a traditional council, to one with a clear collective focus on place, where we see ourselves as partners in our communities. This has been achieved by purposefully adopting a systems leadership approach across our workforce and designing a flatter organisational structure, supporting staff to be able to collaborate across services and partner organisations that in turn work alongside communities. Adam Lent (Chief Executive of New Local up until May 2024) describes the council as ***“One of the most advanced councils in terms of rethinking how they can work in a community-powered way and put community voice really at the heart of what they do”***.

- 3.3 Our Councillors are at the heart of developing our approach to transformation within our communities working alongside officers in developing our offer and actively encouraging an outward facing approach that draws upon new ideas and thinking from across the country. For example, our innovation in this area first started with our work with the Local Government Association as part of their “Keep it Real” programme ten years ago, followed by involvement in the Cabinet Office sponsored “Innovation in Democracy Programme” in 2019 and more recently, our innovation in this area was the subject of a New Local podcast demonstrating how the organisation has enabled itself to work in this outward facing and localised way whilst maintaining a clear focus on delivery.
- 3.4 We have built credibility and trust amongst our partners and used our resources such as the Community Infrastructure Levy and our allocation from the Shared Prosperity Fund in a more targeted way. This has enabled organisations to think differently about how their services can be delivered more effectively within a place-based context.
- 3.5 Working proactively with Integrated Care System partners we have been piloting a model of integration through a series of preventative interventions within the town of Andover where there are significantly poorer health outcomes compared to other areas of the borough. The Council has invested **£390k** from the Shared Prosperity Fund to pilot initiatives through a local place-based partnership principally through the development of a Health Hub within the Council owned shopping centre, and a community outreach programme within our most deprived areas within the town. As a result, this is creating new models of service delivery with primary care, other health care providers and the voluntary sector co-locating outside of traditional health care settings. This is increasing capacity, and the efficiency of how preventative services can be delivered. We are partnering with Southampton University to help undertake an evaluation of this programme of work to help identify the impacts and wider learning which can be shared to develop the model in other places.
- 3.6 The integrated care project has provided a catalyst for wider benefits beyond the council. For example, the health hub is now exploring with the local college opportunities to link to the roll out of the new T-level courses providing opportunities for local work placements within the health sector at the hub. This provides added value beyond the initial health outcomes and has the potential to support the wider aims of the Shared prosperity and levelling up strategies associated with investing in communities and place, supporting local businesses, people and skills.
- 3.7 We continuously adapt how we work as an organisation to ensure we can meet our transformation plans. This is achieved by ensuring our staff are well equipped to deliver by investing in our organisational development to ensure they have been able to develop the skills, behaviours and understanding to be able to work in this way. For our top fifty senior managers we have established our Senior Managers Forum which brings a sharp focus to embedding our approach to systems leadership.

- 3.8 We have developed a more agile approach to how we work, principally recognising that our staff need to be able to work within our communities and alongside partners and that our residents need to engage with us in a variety of ways. This has set the context for our wider internal transformation and influenced our approach to taking advantage of advances in technology to make better use of data to inform decision making and service design informing the development of key strategies such as IT, Digital and Communications.
- 3.9 Examples of our recent transformation with a particular focus on how people can engage and access our services include:
- a. Developing our digital communications through investment in our new e-newsletters where people can subscribe to a range of topics to get key information and updates direct to their inbox. Over the last three years since its launch, we have seen continued growth with more than 24,000 sign ups meaning we can do much more targeted and tailored communications in an efficient way.
 - b. Our ongoing investment into channel shift to enable and encourage people to access our services directly online and where possible self-serve, enables us to target our resources where people need the most support. Over the last four years through our My Council Services Application we have seen a 15% increase in the average number of service users who have self-served via the app alongside a steady growth in those using our internet payment systems.
 - c. Utilising technology to transform the way we work. During this year our building maintenance team has moved to digital and mobile working applications reducing the use of paper, modernising working practices and streamlining processes for managing the flow of work.
- 3.10 We are committed to the principles of open data and look to expand on the data we already make readily available to our residents. Data around planning applications, business rates accounts and contracts is already available via our website. This year we will be undertaking a review of our ward and parish profiling that provides vital insight for our communities when undertaking community planning, preparing funding bids or trying to secure wider resources for their place. We are actively exploring the use of technology such as Power BI to help make this easier to access and navigate.
- 3.11 The effective and responsible use of data is an emerging priority in our forthcoming digital strategy. We recognise the importance of this and how it can transform the way we design and deliver our services. We are seeking to clarify and articulate what data we have and where, and move to a more consistent, structured and managed approach.

- 3.12 Alongside this we are also building on our track record of engaging with communities to explore ways in which the lived experience of service users can be better used to shape innovation within service delivery. We are undertaking process reviews with a focus on the large older systems starting with the system for planning applications, to ensure we are using these to the best of our ability and identify any barriers which may be affecting the overall service-user journey.
- 3.13 We recognise the value and benefits that new and emerging technology bring to improving access to services for our residents and enabling us to work more effectively and efficiently with our partners. As part of our regular reviews we are always looking for ways to harness automation and business intelligence tools for example within our starters and leavers process, a new finance system, a new bookings system and the options for waste in-cab technology.

4. Improvement

- 4.1 As an organisation we are committed to ongoing improvement. Our clear strategic focus on supporting communities to thrive which is collectively owned by councillors and officers alike, alongside our stable financial position and ongoing development of our workforce gives a strong platform in which to build from.
- 4.2 We are in a stable financial position and have thorough reporting systems in place for review and assurance. The Corporate Plan and Corporate Action Plan set the priorities within our Medium-Term Financial Strategy and associated budget setting process. The impact of this is that it provides a prudent platform on which to enable improvement and to fully resource projects in a way that ensures their delivery as part of our shared priorities with communities.
- 4.3 We invest time in developing and strengthening our councillor/officer relationships. Working directly with councillors to develop their community councillor role and supporting innovation through our Member and Community Development Group (MCDG) has been a key part of our organisational stability. We have also worked hard to establish a culture that supports our employees to understand the importance of local democracy as well creating the space for them to challenge, raise concerns and promote their ideas in a safe environment as part of our commitment to improvement.
- 4.4 Our complaints process ensures that we are delivering well for our communities and service users as well as learning lessons for when things haven't gone so well. In recent years we have sought to embed this process more into our performance management function, enabling us to understand public feedback in the context of performance and improvement. Complaints at service level are consistently low, particularly when compared to the overall volume of interactions the council has had with the public in the same period.

- 4.5 We are continuously taking steps to ensuring that the Council's governance arrangements remain effective. This has included introducing an Audit Committee to bring together more coherent political management of governance; overseeing an overhaul of the approach to risk management and re-organising the Statutory Officers group to have a much deeper focus on all aspects of the council's governance arrangements. In 2023 we conducted an internal review of our services, identifying areas for improvement across the organisation. We have since invited the LGAs Corporate Peer Challenge team to review our organisation later this year and see this as an opportunity to identify and embrace further opportunities for improvement.
- 4.6 We have identified an opportunity to improve our performance management processes and have since been actively working across the organisation to review and implement new frameworks for service planning and performance management. Our new framework is centred around three key principles: **assurance, improvement and impact**. We are bringing a bigger focus to understanding what data, insights and information are needed to inform decision making, provide assurance and deliver services effectively. We are also focussing on a shift towards impact measures to ensure we focus on performance and improvement through the lens of place leadership. Understanding how we can measure the impact of the services we deliver for all of our communities.
- 5. Ways to reduce wasteful spend within systems, including specific consideration of expenditure on consultants and "discredited" staff equality, diversity and inclusion programmes.**
- 5.1 Our robust Corporate Plan and Corporate Action Plan set the priorities within the Medium-Term Financial Strategy and associated budget setting processes. There is a long-standing part of the budget process which challenges Heads of Service to identify areas within their areas of responsibility that either reduce expenditure or increase income. These are reviewed holistically, across senior leadership to form a clear picture of saving opportunities across the organisation.
- 5.2 Whilst we are confident in our decision making to transform services to make better use of resources, we still continuously review opportunities for savings, additional funding and where we might be able to make productivity gains. There is no single service area that has been identified with more potential for savings than others, though process automation is likely to be a key factor in any future productivity gains. These have not been quantified at this stage. Significant capital expenditure is planned in areas such as town centre regeneration (as part of the LUF programme) and in preparation for food waste collection. These will both have significant impacts on our communities and enable us to meet the strategic priorities set out in our corporate plan, developed at a place level with our communities.

- 5.3 All budgets have a budget holder assigned as responsible for them. Progress against budget is reviewed monthly, with action plans agreed if needed to regularise variances from planned expenditure. Quarterly reports are presented to Cabinet for review and the Scrutiny function considers trends in variances from budget as part of their deliberations in the budget setting process. Financial Procedure Rules within the Constitution set out the limits of authority to amend budgets within the year.
- 5.4 Considering whole life costs and whether committing ‘up-front’ expenditure in order to yield longer-term savings is a key part of the decision making and options appraisal process. The assessment of bids for capital expenditure includes a prioritisation for projects that yield savings in longer term. As an example, this principle has been used in our very successful commercial investment programme, generating ongoing revenue and income.
- 5.5 We look at a range of models for service delivery and focus on where benefits and efficiencies can be achieved whilst maintaining high standards of delivery. This has included investing in shared services where appropriate with our current example being the sharing our IT service with Winchester City Council. These arrangements, which have been in place since 2009, have delivered significant benefits for both councils through sharing both staff and infrastructure. Both Councils actively manage and review the service, its governance and the benefits it brings. In 2022/3 an independent review was commissioned to help understand the future needs of both councils and what this would mean in terms of future investment for IT. The Council is also five years into a thirty-year contract which has delivered a brand-new leisure centre in Andover and enhancements to other facilities whilst significantly improving our revenue position as a result of the new contract.
- 5.6 Our prudent approach to investment and expenditure filters through the organisation at all levels of decision making, including staff equality, diversity and inclusion programmes. We don’t spend wastefully on such programmes, but we do place importance on inclusion and the value it has to delivery when working with a diversity of residents and communities, some of whom are the most vulnerable in society. This formed part of the clear feedback we received from our communities as part of setting our strategic priorities.
- 5.7 We ensure that all staff have access to necessary training to ensure that they and we meet our legal duties under the Equalities Act and are able to provide appropriate, place-based services effectively to all of our residents. We have an internal Equality Diversity and Inclusion (EDI) network, comprised of employees from across the organisation who champion and deliver events and activities supporting our commitment to EDI. Empowering our own employees to develop our EDI offer allows us to ensure that time and activities are relevant to the needs of our organisation and communities we serve. This in turn, enables us to monitor the impact and effect of the EDI activities provided.

- 5.8 Equally, we pride ourselves on our ability to recruit and retain talent, further ensuring we reduce wasteful spend. The turnover rate of staff across the organisation for the last financial year was 14.14%, which is a reasonable rate to allow for opportunities for promotion and to bring people with new ideas into the organisation. We support all new and existing staff with ongoing learning and development, as well as engagement in union activities (0.02% of our pay bill) and a consistent approach to setting standards.
- 5.9 Our culture and values are instrumental in continuing to ensure that the council is a great place to work, which is evident in staff feedback: in response to the most recent staff survey in autumn 2022, 74.4% agreed that “my morale at work is good at the moment”; 83.7% would “recommend Test Valley Borough Council as a place to work”; 85% agreed that “their manager supports them at work”; and 79.1% were “satisfied with the working environment”. The results of the latest staff survey will be issued in September 2024.
- 5.10 We only use consultants as an exception and where there is a specific business need for expertise that is not retained in our establishment.
- 5.11 There is also a need to engage agency staff to cover short term vacancies and peaks in workloads. Total employee costs in 2023/24 were £24.549M, of which £1.327M (5.4%) was incurred on non-employed agency expenditure. This includes, for example, essential cover for vital frontline services, e.g. bin collections and areas where hard-to-recruit professional expertise is required such as architecture, engineering, building control and law. Five have been in post for more than one year and all are under regular review.

6. Barriers preventing activity that government can help to reduce or remove.

6.1 Finance

- 6.1.1 Although the Council is in a stable financial position, one of the most significant barriers we face is achieving financial efficiency, largely due to the need to hold reserves against huge uncertainty with regard to future funding. The Council has been very successful in enabling significant business rates growth since the part-local retention of rates scheme was introduced over a decade ago. That scheme has not been reviewed and there is a significant risk to the Council’s medium-term financial forecasts that a re-setting of baseline levels could result in a major loss of income. To mitigate this, earmarked reserves are being established to manage a worst-case scenario. The same also applies to the future of the New Homes Bonus and the uncertain amounts and duration of the new grants that have been introduced in the past few years (Services Grant; Core Spending Guarantee Grant etc).

6.1.2 Government could help the Council by setting out a clear plan for any review of Local Government Finance, including rate retention re-basing plans and long-term funding levels. This will not only provide for better medium-to-long term planning but could also enable the release of accumulated reserves for delivery of key services.

6.2 Planning

6.2.1 The issue of stalled planning permissions continues to frustrate delivery of homes in our Borough. There is a particular large, centrally located and high-profile brownfield site in our Borough where permission was granted in 2005 to build 211 homes. Only 13 homes have been built. Despite the Council's endeavours, the Developer cannot be persuaded to build out the scheme, resulting in an eyesore site in the centre of a market town where housing is in demand. We have proactively sought support to try and unlock this issue, but the situation calls for regularisation by legislation of the position whereby currently developers with the benefit and privilege of a planning permission, can legitimately commence development and leave the majority of a scheme unfinished with the resulting negative impact this has for our communities.

6.2.2 Nutrient neutrality has been an issue across Test Valley for several years now whereby most forms of residential development need to show that they would not have a detrimental effect on the condition of protected sites in the Solent area. This is subject of regulation, and, for each relevant development, an appropriate assessment needs to be carried out which involves consulting Natural England. In most cases it is not possible to demonstrate that any detrimental impact could be avoided, or mitigated on site, so it would be necessary to secure mitigation off-site by a developer acquiring nutrient credits. This mitigation is secured by legal agreement which accompanies the planning permission.

6.2.3 Each application now requires more resources and so this impacts upon the scope for us to streamline and enhance how we deliver the service in some respects such as speed of decision making which, in turn, prevents us from improving our service.

6.3 Housing

6.3.1 Local Housing Allowance (LHA) Rates are presenting a particular barrier in our ability to provide and improve services to those members of our community who are experiencing or are at risk of experiencing homelessness. The cost of renting a home, alongside side the cost of living are rising, however LHA rates do not keep up with this increase, reducing our ability to support communities with access to a good quality and safe home.

6.3.2 Funding streams are often made available in silo to tackle a particular challenge or cohort of people, such as those experiencing rough sleeping or refugees. This can help in the short term but only tackles an isolated challenge without truly tackling housing crisis with a long-term solution.

7. Summary

- 7.1 We are confident that we are delivering consistently for our communities, providing place leadership and value for money. We work hard to ensure our communities are at the heart of everything we do and that our decision making, and allocation of resources, are supporting community priorities in an evidence led way.
- 7.2 Our ongoing commitment to delivering and resourcing regeneration schemes will ensure that we are delivering long lasting benefits and will be a key focus for the organisation in the coming years. We will continue to work directly with our communities to help drive their ambitions, creating opportunities and supporting them to build resilience appropriate to the unique identity, strengths, and challenges of each of the communities we serve.
- 7.3 Our strategic partnerships will further bolster our ability to deliver outcomes for our communities and will provide a catalyst for innovation and developing new ways in which other public bodies can transform their service delivery aligned to local need.
- 7.4 To ensure we have the capacity and capability to deliver we will continue investing in our ongoing improvement through workforce development and performance management. Ensuring everyone has the skills and experience needed to work alongside our communities and deliver services effectively. Also ensuring that we are providing a safe environment for people to challenge, raise concerns and promote their ideas so that we can continually drive improvement and our productivity.