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Minister for Local Government
2 Marsham Street
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By email

11 July 2024

Dear Sir

Productivity in Local Government

I refer to your letter of 16 April 2024 regarding productivity and attach a summary of the work we have done and plan to do in transforming the services we deliver. I hope you find this useful and that it shows we have already delivered considerable productivity benefits in recent years, during periods of significant change and uncertainty**.**

We have also included details of the barriers that currently reduce our ability to deliver greater productivity. If any of these can be removed, then that will aid us greatly. We are happy to provide further details as needed to aid your understanding.

The document has been reviewed by members of the Council and is endorsed by our Cabinet.

Yours faithfully

Alison Broom
Chief Executive.

Maidstone Borough Council – Productivity Plan

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

Maidstone Borough Council has undertaken significant efforts to enhance our structures and operations to align staff capacity, skills, and expertise with priorities set out in our Strategic Plan 2019-2045.

As outlined below, we have transformed the way we design and deliver services to optimise resources by enhancing partnerships for efficiency, strategically investing in properties, and revolutionising performance management. Key initiatives include:

- Collaboration with Mid Kent Services – This has enabled the integration of services such as ICT, HR, Revenues (Council Tax, NNDR and Benefits), and Internal Audit, as well as specialist partnerships for Procurement, Licensing, and Emergency Planning.

- Waste Management Service – We have established a joint commercial arrangement across three authorities for our new waste collection contract, resulting in potential to achieve value for money and a more stable service in the medium term.

- Cloud-based Technology – We have embraced cloud technology to eliminate single-data storage dependencies and onsite hosted software. This has enhanced document collaboration, enabled secure mobile and web access, streamlined workflows with automation, boosted productivity via Microsoft Copilot, and facilitated easy access to cloud-stored data for Business Intelligence tools.

- Revenue Generation – We have aligned our commercial and private rented housing investments to our strategic priorities for 'Homes and Communities' and 'A Thriving Place'. This has also yielded returns that help reduce overall expenditure.

- Temporary Accommodation – By increasing the number of Temporary Accommodation properties we own or long-term lease, we have significantly reduced reliance on third-party solutions, mitigating the financial impact of growing demand.

- Trading Accounts – Functions such as Building Control, Licensing, and On-street Parking now operate under financial arrangements that require them to remain competitive and provide value for money.

- External Partnerships – To maintain service delivery in areas where recruitment can be challenging such as Legal Services and Internal Audit, we have leveraged partnerships with third parties that offer specialist advice and support.

- Enhanced Performance Measurement and Reporting – We monitor performance at both strategic and operational levels, publishing data online and reporting to Members and leadership. This year, we have transformed performance reporting by focusing on accessibility, more frequent updates and reducing officer time spent on report writing.

- Dashboard Development and Data Utilisation – Over the past three years, we have developed dashboards and analytics that provide insights for all Council services. These tools enable monitoring of service delivery, resource utilisation, and identify opportunities for quality and efficiency improvements. Additionally, they have facilitated data cleansing and improved reporting speeds.

These strategic initiatives and technological advancements demonstrate our commitment to efficient service delivery and resource optimisation, showcasing our progress and dedication to continuous improvement.

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

Maidstone Borough Council is committed to harnessing technology and data to drive informed decision-making, optimise service design, and ensure resource efficiency. Key initiatives include:

- Dashboard Development Programme – Our central analytics team is spearheading a dynamic dashboard development programme, creating bespoke Power BI visualisations. This enhances performance reporting and provides clearer insights for better decision-making and resource planning. Despite legacy system challenges, the programme is progressing rapidly, continually refining data collection, recording processes, and data quality.

- Transparency and Data Accessibility – Our dashboard programme is underpinned by a commitment to transparency, with extensive data published online for public access. Regular reviews of information requests ensure that residents can readily access the data they require at the first point of contact.

- Shared Service Model for Revenues and Benefits – We are transitioning our Revenues and Benefits service to a shared model across three local authorities. This move aims to leverage the latest AI technology, enhancing data efficiency and service delivery.

- Innovative Waste Data Collection – The introduction of on line forms has revolutionised our waste data collection process, providing an end-to-end reporting function that streamlines workflows and improves data accuracy.

- Cost-effective Technology Adoption – We continuously explore new technological solutions to improve workflows and systems in a way that ensures value for money. AI-related initiatives will be carefully implemented in controlled environments to minimise the likelihood of unintended consequences.

- Housing and Homelessness Strategy supported by OneView – Our pioneering homelessness prevention initiative, OneView, exemplifies our innovative approach to data utilisation and supports our top strategic priority of preventing homelessness by using data to identify individuals at risk of homelessness, enabling proactive interventions.

- Collaborative Data Sharing – We will continue to prioritise data sharing to inform shared priorities and enhance our understanding of community needs, including at our biannual meetings with anchor institutions. Elsewhere, predictive analytics tools such as OneView enables us to share information with partners at the county level and relevant housing associations.

Our strategic use of technology and data underscores Maidstone Borough Council's dedication to continuous improvement and excellence in service delivery. The abovementioned initiatives reflect our proactive approach to leveraging modern tools and technology to benefit our community and optimise resources.

3. Your plans to reduce wasteful spend within your organisation?

We are committed to maintaining financial sustainability and optimising resource allocation through a well-defined Medium Term Financial Strategy (MTFS) that ensures sustainable operations, appropriate reserve levels, and affordable borrowing. Initiatives to reduce wasteful spending within our organisation include:

- Governance and Decision-making – Our robust governance framework and commitment to transparency guide our decision-making processes. The MTFS spans a minimum five-

year horizon, allowing us to make informed decisions on priorities with a clear understanding of their financial and performance impacts.

- Annual Budget Process – We engage all Heads of Service to identify savings that address the medium-term budget gap. Through a comprehensive review involving internal stakeholders and Members, we make informed decisions on accepted savings and efficiencies. These savings are deducted from managers' budgets and closely monitored, with quarterly reports to our Committee and Cabinet, and monthly briefings for the Cabinet lead. The S151 officer also conducts quarterly review sessions with Heads of Service for accountability and mitigation purposes.

- Digital and Transformation Initiatives – Our dedicated Digital and Transformation team drives digital transformation, service design, commissioning, and project management. A Transformation Board prioritises and manages these efforts, resulting in time and cost savings and streamlined processes.

- Strategic Investment – We have undertaken strategic investments in assets and services to achieve cost reduction. For housing, we employ predictive and demand reduction software to manage the volume entering Temporary Accommodation. For Temporary Accommodation, we acquire and lease properties to minimise third-party accommodation expenses. We also invest in commercial properties within Maidstone to ensure appropriate returns.

- Maximising External Funding – We actively seek external funding to support services across the Council. Notable successes include securing Homes England funding to develop 1,000 Affordable Homes; a £3.1m grant from the Public Sector Decarbonisation Scheme to help upgrade the energy efficiency of our operational buildings; and £5.7m from the European Regional Development Fund – designed to support innovation, businesses, create jobs, and local community regeneration – to part-fund the development of Maidstone Innovation Centre. This project is also part of the North Kent Enterprise Zone which provides key business incentives including business rates discounts, fast-track planning applications and affordable commercial rates.

- Operational Efficiency and Workforce Development – We limit the use of agency staff and consultancy support, focusing instead on developing internal talent through trainee and apprenticeship roles. For 2023/24, this approach reduced agency and consultancy costs to 5% of the pay bill, and to 2.8% excluding work conducted on the Local Plan Review. Specific requirements for specialised resource are built into project appraisals.

- Effective Governance and Procurement – Our procurement process involves multi-level approvals and operational manager oversight to ensure market testing and contract performance monitoring. Key contracts are linked to performance measures reported to the Cabinet and Committee, while purchase orders against the contract are also operated, including a 'no purchase order no pay' policy. Capital projects require business cases to be approved by the relevant Committee and Cabinet to ensure expected returns. Savings and growth options are reviewed by Committees before final budget decisions, including setting the Council Tax level.

- Sustainable Financial Management – Our MTFS, Capital Strategy, and Treasury Management Strategy ensure all spend and investment is aligned, that decisions around growth and savings are made in line with organisational objectives, and that we are able to maintain a sustainable budget position. Performance measures allow us to manage service delivery alongside the financial envelope. For the financial years 2022/23 and 2023/24, we have achieved a revenue account out-turn within 1% of the budget.

- Financial Health and Benchmarking – Benchmarking using metrics from the Office for Local Government (Oflog) and the Chartered Institute of Public Finance and Accountancy

(CIPFA) confirms our strong financial position, with healthy reserves, sustainable debt levels (due to increase as a result of the 1,000 Affordable Homes scheme), and high Core Spending Power. We allocate any one-off grant funding to strategic priorities but do not rely on this for our base budget. We address revenue sustainability by maximising income from fees and charges and ensure borrowing sustainability through robust business cases for capital investments.

- Risk Management and Future Planning – We address future budget gaps through careful expenditure analysis, focusing on key Council priorities such as preparing for the re-opening of the Housing Revenue Account. Funding such as the Funding Guarantee and New Homes Bonus will be used to create a Housing Investment Fund to support our 1,000 Affordable Homes programme.

Wasteful spending is prevented through robust governance, strategic investment, digital transformation, operational efficiency, effective procurement, and comprehensive risk management, ensuring informed decisions and accountability.

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

Maidstone Borough Council is committed to transforming services and maximising productivity, yet several barriers currently hinder our progress. This includes a number of financial and funding challenges which the Government can help to reduce and/or remove where possible. Examples include but are not limited to:

We require confirmation of longer-term planning and changes due to the Levelling Up agenda and business rates reset, greater flexibility in Council Tax increases, and streamlined grant processes to maximise community benefits. Moreover, funding should be secured to enable weekly food waste collections and the Extended Producer Responsibility should be considered. Regarding housing, stagnation in Local Housing Allowance (LHA) rates should be addressed, LHA rates for Temporary Accommodation adjusted, and Homes England grant criteria revised to include affordable homes secured via S106 agreements. The Government should also consider facilitating council-led social housing schemes by establishing and funding a framework that helps reduce the number of people on the housing register, enables councils to take a leading role in local regeneration and renewal, and supports them in meeting targets to reduce the housing crisis.

In addition to the abovementioned funding challenges, we require governance and legislative reforms such as allowing councils to hold and let Private Rented Sector housing in the General Fund without having to set up Housing Companies, simplifying financial reporting requirements and reducing the extensive 100 plus page Statement of Accounts, and focusing audits on user-relevant issues. Furthermore, a roadmap for devolution should be set out centrally which would, in turn, provide greater clarity and enable us to work with local partners more efficiently. Improved legislation for data sharing between councils, the Government, and community protection and health colleagues are required to enable targeted interventions and improve patient and resident outcomes. Support to manage new and additional burdens related to homelessness, Council Tax reduction, COVID-19 support, and Universal Credit migration is also necessary. Staffing shortages could be alleviated by relaxing rules around eligibility to work and by providing better vocational training opportunities.

By addressing these barriers, the Government can help Maidstone Borough Council achieve its productivity goals and deliver enhanced services to our community.