

# Appendix 4: Productivity Plan

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## 1. Introduction

Southend-on-Sea City Council (the council) is located in the county of Essex in the East of England region, around 40 miles east of London. It is responsible for over 500 services for a current population of ~181,000 residents in ~80,000 households. Turnover is ~£440m and the council's resources are well-managed through its budgetary and financial monitoring framework.

The council's workforce has an establishment of ~1,800 employees. The 2023/24 approved budget included £11.5M of savings and income generating initiatives to balance the budget. In 2024/25 it will deliver a further £17M.

As at February 2024, the council is predicting a cumulative budget gap of £33.1M up to the end of 2028/29 which we are proactively managing (see [Medium Term Financial Strategy \(MTFS\) 2024/25 to 2028/29](#), section 3.22). The forecast continues to be updated and the next update will reflect the 2023/24 outturn when finalised which is likely to reduce the gap in future years due to the improved position.

This Productivity Plan sets out the ongoing financial position for the council; illustrates the transformation plans that are to be implemented; and presents the future work that will contribute positively to improving efficiency and driving productivity.

This plan will be monitored and assessed through existing governance and performance management processes. Progress will be published annually as part of the council's Annual Governance Statement.

## 2. How we have transformed the way we design and deliver services to make better use of resources

**Transformation phase (2024/25):** The council is entering a new phase of transformation, aiming to replicate the scale of change in its digital infrastructure across its service and operating models.

**Vision and prioritisation:** The council's vision, Corporate Plan, values, and culture enable productivity and resource allocation. Partners and stakeholders in Southend-on-Sea are developing a new vision for the city, aligning with council and city priorities.

**Election cycle:** The Local Government Association (LGA)'s [Corporate Peer Challenge findings in October 2022](#) reported that the council's current model of elections by thirds can hinder strategic decision making and service improvement. The council will be taking a decision in 2024/25 on the future of its election cycle following its consultation with resident and local partners in 2023/24 on the retention of the current "thirds" model or moving to the four-yearly "all-out" model.

**Financial considerations:** The council's Transformation programme addresses financial challenges while driving genuine transformation for medium- to long-term priorities. Resourcing strategic priorities requires tough decisions, guided by the council's Medium-Term Financial Strategy (MTFS). Over the past three years the council has experienced a significant drop in funding and seen increases in demand, as has the entire local government sector, particularly in local social care services where workforce has remained static and funding has decreased.

**Corporate Leadership stability:** The council has transitioned from a period of corporate leadership churn to having a stable and permanent Corporate Leadership Team (CLT) in early 2024. This change is crucial for focusing on strategic transformation.

**Internal Governance Framework:** With the new CLT in place, the council has established a revised internal governance framework. All transformation projects have a business case which sets out expected outcomes, benefits and delivery plans. The CLT Transformation Board monitors delivery against the baseline set in the business case. As part of the corporate key performance indicators the council will be developing resident satisfaction and experience indices, to better evaluate the impact of the changes on the city's residents.

**Improved decision making:** The council's governance underwent review in 2023/24, resulting in the introduction of new Scrutiny Procedure Rules. These allow councillors to contribute to key decisions before Cabinet consideration, reducing the use of call-ins and post-Cabinet reviews.

**Benchmarking:** The council considers benchmarking data on its statistical neighbours whenever possible and available. Services use the [Chartered Institute of Public Finance and Accountancy's \(CIPFA's\) Nearest Neighbours Model](#), benchmark with other Essex or East of England region local authorities, or have their own benchmarking groups, which consider similar geographic and sociographic factors.

**Digital transformation and cloud migration:** Over the past three years, the council has focused on modernising technology platforms by moving workloads and data to the Cloud. This has improved efficiency and cost-effectiveness.

**Improving customer contact:** In 2023/24 the council identified the need to enhance the resident experience during initial customer contact. A service design-led project was launched to streamline access to services, optimise digital channels, and reduce costs through automation. This project will be complemented by the launch of a refreshed resident self-service platform, 'My Southend,' in July 2024.

**Joint working:** The council is a member of [South Essex Councils](#) (SEC), a Joint Committee with six other local authorities, collaborating to drive growth and prosperity in south Essex. Notable achievements include the SEAT network project, which boosted active travel and improved access to jobs, learning and skills in south Essex, and the installation of over 200 km of full fibre connecting public and community sites to the internet. SEC's partnership with Homes England has unlocked a pipeline of 5,255 homes. The focus areas for the coming year include economy, jobs, skills, good homes, sustainable transport, and environment / climate change.

Despite uncertainties around devolution, the commitment to joint working remains strong and with scarce resources and pressure on council budgets, there is a growing imperative to pool resources and work together, and therefore SEC has aspirations to create a consolidated South Essex Economic Development Team.

**Capital projects:** The council invests in capital projects to support economic regeneration, business development, and service transformation. Two key examples:

- **Residential care home redevelopment:** £14 million investment; created an environment with 45 beds for assessment and reablement; aims to help people return home rather than remain in long-term care; focuses on supporting individuals within their own homes, surrounded by family and friends.
- **New council housing:** Part of the ongoing HRA land review; construction of zero-carbon affordable homes; featured energy-efficient materials and innovative heating/cooling technologies (e.g., solar panels); pilot scheme explored Passivhaus standards for minimal energy consumption.

**Community development:** The council is committed to sustainable community development using Asset-Based Community Development (ABCD) methodology. This approach leverages existing community strengths and resources, empowering citizens to take action. Additionally, the council invests in a Community Builders' scheme to enhance partnerships, community engagement, and citizen empowerment.

**Proactive services:** In 2023 Adult Social Care introduced 'Connected Southend', a whole service approach to community practice, personalised enablement, new models of commissioning and social care support across the city, providing the best information, advice, prevention, support and social care and supporting the city's voluntary and community groups, and its arts, culture, leisure and heritage sector.

**Performance management:** The council measures productivity using its Performance Management processes, which monitor the achievement of individual and team SMART deliverables that are clearly linked to council priorities and the city vision. The council also undertakes regular Staff Surveys and Residents' Perception Surveys to gather insights about performance, ways of working, productivity and satisfaction.

### **3. How the council plans to take advantage of technology and make better use of data to improve decision making, service design and use of resources**

**Digital strategy and modernisation:** The council approved its first Digital and Data Strategy this year. Its technology modernisation programme has improved performance and security, enabling new ways of working; the programme is now winding down, allowing focus on building a digital future that incrementally expands the use of new technology as the quality and maturity of processes improve.

**Data migration and quality:** Successful migration of data to SharePoint and the cloud in 2023/24 has provided significant cost efficiencies and improved staff productivity. One of the Data Strategy themes is focused on increasing the use of high-quality data for decision-making, and making this available to residents, improving data for decision-making over the next three to four years.

**Supporting Families pilot:** The Supporting Families pilot aggregates data to identify early support needs and provide proactive interventions.

**Data analytics:** The council has adopted Power BI for data visualisation and implemented a twin-track approach of transitioning to modern analytics tools that facilitate staff self-service and automation and allowing for earlier interventions and prevention, while at the same time continuing to provide business as usual services.

**Technology expansion:** Working as part of SEC, the council has rolled out 'Dark Fibre' for cost reduction and service sharing. With the foundations in place, we are making incremental technology expansions alongside data quality improvements. The council's Artificial Intelligence (AI) policy ensures secure and pragmatic adoption of AI tools and management of the proliferation of AI. There are examples of some staff using AI through the Microsoft Co-pilot tool to support their work and help with administrative tasks such as capturing minutes and actions from meetings and assisting with general basic correspondence. The council is also looking into how AI can be used further in data gathering and analytics.

## 4. Our plans to reduce wasteful spend within our organisation and systems

Years of making efficiencies to balance budgets means that the council does not have excessive waste in its services. The council sets an annual budget and its Cabinet receives periodic reports on performance against this. CLT holds a monthly Finance and Performance Board, which provides regular oversight of the council's finances. The monthly Transformation Board reviews the delivery of savings assigned to transformation projects. One of our key priorities in 2024/25 will be to focus on proactive, preventive demand management in order to reduce spend on crisis management.

**Efficiency and cost management:** The council uses outcomes-based planning and budgeting to identify invest-to-save projects (see [MTFS](#)). Key examples include:

- energy efficiency improvements at the Beecroft Art Gallery, replacement lighting on Southend Pier and LED lighting at Priory Park, generating ongoing energy savings.
- a cloud migration project, which involved an £11m investment to modernise and move systems to the cloud. This transition improved efficiency, reduced extraneous data, enabled smarter working, enhanced security, and avoided recurring capital and operational costs of £7.2M.

Contract management efforts focus on saving costs and improving service provision. One service has renegotiated 80% of its contracts over the period 2015-2021 (due to the length of the contracts), resulting in £16M of cost avoidance and savings.

Regular Capital Challenge sessions with senior officers and Members, has driven down the capital cost (and borrowing incurred) and ensured the capital budget is right-sized to the organisation's capacity to deliver.

**Equality, Diversity, and Inclusion (EDI):** The council's EDI Strategy supports compliance with The Equality Act 2010 and The Public Sector Equality Duty 2011. Inclusive recruitment training for hiring managers took place in 2023/24, costing £6,000 (equating to 2% of the training budget). The council tracks the effectiveness of its EDI work by engaging with staff in its Corporate Equalities Steering Group and via staff surveys. The council does not have any EDI Champions; it has nine Employee Networks, which do not have a budget and which employees can join voluntarily.

**Workforce and agency staff:** Our total staff budget for 2023/24 was £99M, with 8.5% used on agency staff and 1.6% on consultants<sup>1</sup>. At the end of Q4 2023/24 there were 65 agency staff and 34 consultants. Use of agency staff has reduced by 25% compared to end Q4 2022/23. Agency staff are only used for roles which cannot be filled through the usual recruitment routes; 57% of the council's agency staff are in Children's Social Care services where there is a national recruitment challenge. Thirty-three agency staff have been in place for over a year, with a number of these in the Social and Healthcare Qualified category, including Best

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<sup>1</sup> We have defined "consultant" as outside IR35, but including BIA.

Interest Assessors. Our Workforce Panel oversees agency requests and extensions. 0.043% of our paybill is spent on trade union facility time.

**Shared services:** The council operates a shared Internal Audit and Counter Fraud service with Castle Point Borough Council. The council regularly considers other shared service opportunities and whilst they may improve resilience, initial analysis has found they do not provide enough return in efficiency, so the council has not made this a priority area of focus.

**Devolution:** Southend-on-Sea does not have a devolution deal. A significant amount of staff and councillor time was used on collaboratively developing a draft "Greater Essex" devolution deal during 2022/23 and 2023/24. The draft deal was placed on indefinite hold in December 2023 after failure to gain consensus from some Essex MPs, affecting the feasibility of finalising and agreeing a deal by Summer Recess 2024, DLUHC's desired timetable.

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

**Governance:** The ability to conduct meetings virtually through the pandemic improved engagement, accessibility and transparency of Council business. When the emergency legislation ended, councils were forced to return to in-person meetings, resulting in increased costs on already stretched council budgets and reduced participation from councillors and the public. *Ask of government: to introduce legislation that would empower local authorities to make the most suitable choice for their organisation.*

**Continued "silo" working (both locally and nationally) and fragmented bid funding system:** These interlinked issues present challenges in achieving strategic, integrated decision-making, consistent customer-centric approaches, and negatively impact the achievement of value for money and improved productivity and efficiency. Devolution could be a solution to this. *Ask of government: The current complex and prescriptive route to local government devolution and funding should be simplified and made more flexible, include more freedoms and flexibilities, and would be improved by reduced silo working across central Government and low-burden, predictable funding mechanisms.*

**Current system of financial settlements:** Funding levels are currently insufficient to allow the council to improve local service provision, and the timing of settlements twinned with current market forces hampers good financial planning, making it difficult to fund preventative services and take strategic, medium- to long-term decisions that will improve outcomes in a sustainable way. *Ask of government: To address the growing financial crisis facing councils and develop a long-term plan to sufficiently fund local services through multi-year settlements.*

**Social Care reform:** As a unitary authority the demand and cost pressures of adult and children's social care are increasing. *Ask of government: To lead national reform of Adults and Childrens Social Care services to develop sustainable models of care.*