

Portsmouth City Council Productivity Plan 2024/25

Local authorities in England are required to produce productivity plans for 2024/25 that will set out how we will reduce waste and transform service delivery to ensure that we are providing value for money for our residents.

Our plan for 2024/25 is arranged around 4 key themes:

- Transforming design and delivery to make better use of resources
- Using technology and data to improve decision-making, service design and use of resources
- Reducing wasteful spend in organisations and systems
- The barriers preventing progress

Theme 1: Transforming design and delivery to make better use of resources

These are challenging times for local government. Through an extended period of pressure on public finances, and the significant social and economic shocks of recent years, including the Covid-19 pandemic, the Council has shown great flexibility in the way that it has adapted to changing needs, delivery of services and ways of working.

The biggest share of the money that the local authority receives comes from government grant. Funding from this source, and Council Tax and Business Rates, have not kept pace with cost pressures arising from prolonged inflation and rising demand. The Council has a relatively low taxbase and a relatively low tax charge. That means that both the average Council Tax band is low, and the amount of Council Tax charged to residents is also low compared with our statistical neighbours. By illustration, the Council receives circa £9.0m per annum less in Council Tax than the average Unitary Authority within its statistical neighbour group, and therefore Portsmouth City Council has a 9.4% lower Council Tax. Since 2011/12, the Council will have made £108m in savings (49% of controllable spend). The Council continues to operate in a climate of uncertainty created by prolonged inflation and its volatility, cost of living related increases in demand for services (including housing and social care) and the forthcoming review of the Local Government Funding system. The Council's Medium Term Financial Strategy ([PCC Budget and Council Tax 20242025 and Medium Term Budget Forecaster 20252026 to 20272028.pdf \(portsmouth.gov.uk\)](#)) is the mechanism through which the organisation seeks to address these issues and has been developed to respond to these very challenging circumstances. The Strategy has a strong regeneration and value for money focus with a presumption that capital investment will be targeted towards cost savings, income generation and economic growth.

The MTFS (and associated Capital Strategy [Part I Capital Expenditure and Aspirations 2021 to 2030 \(portsmouth.gov.uk\)](#)) approach has enabled the organisation to fund reorganisations and new ways of working when this would be of benefit to the cost-effective delivery of services. This has included supporting headcount reduction, organisational restructuring to reduce senior management costs, and income generation activities, including through an investment property portfolio. We have moved out of some contractual arrangements for service delivery and returned to direct in-house provision where there is a rational to do so (most recently with our waste management service).

We relentlessly challenge ourselves to improve the services and experiences we are providing for our customers, and the outcomes that result from these. We use a range of improvement techniques to do this, engaging in sector-led improvement activity (in 2021 and 2022, we engaged in an LGA-led Corporate Peer Challenge for example) and applying a

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systems development approach where appropriate. This has supported, for example, improvement activity in our planning service, where we needed to manage a significant post-pandemic backlog, in our homelessness services, and in our corporate IT service. We also consider how fresh approaches can help us manage issues. For example, in our children's services, we have thought about how we can manage the demand for diagnoses for neurodiverse children and young people, and have developed and rolled out a multi-agency screening tool, which has reduced waiting lists for diagnoses by giving families and professionals another way to manage and address needs, without increasing costs to the system.

As an organisation we are focused on ensuring that we deliver the core business that our residents rely on us for - collecting and disposing of waste, keeping people safe on our roads, ensuring our children have school places, providing regulatory services that keep people safe and protecting our environment. We measure our ongoing productivity against the backdrop of sustained reductions in spending by tracking performance through quarterly public reports which ensure we are continuing to deliver acceptable standards of service, and in many cases ongoing improvements, in these core areas ([Q3 performance report 2023-24 for GAS.pdf \(portsmouth.gov.uk\)](#)).

In the short to medium term, our productivity priorities are:

- As far as possible, developing preventative services work in people services (reductions in demand led services lead to big savings)
- Focus on the delivery of capital schemes that support economic development, reduction of future cost or return on investment
- Progressing key strategies that will improve future efficiency including as asset management plan and digital strategy.

Theme 2: Using technology and data to improve decision-making, service design and use of resources

The authority has an adopted IT Strategy which guides the approach to the use and development of technology in the organisation. There are three strategic themes in the strategy:

- A secure, efficient and reliable IT service based on modern low-carbon cloud-based technology and managed by upskilled staff using best -practice processes
- A mobile, agile council workforce enabled to work collaboratively
- Seeking the benefits of the digital revolution and the power of big data

The implementation of the strategy is overseen by an IT Board, to ensure that the themes are driven throughout the organisation. The strategy included a "get well" phase specifically to address challenges and barriers from legacy systems and hardware in the organisation. The Strategy has driven the organisational change to using Sharepoint to reduce storage requirements and improve efficiency of working practice across the organisation.

Alongside this, we are developing a digital strategy focusing on how we can unleash the capabilities of technology to provide improved customer experiences, and ultimately improved outcomes. We have already significantly increased the number of interactions with customers that are carried out digitally, but we can go much further as an authority in developing the digital customer experience. The strategy will also take a broader look at how we enable the wider city for digital opportunities, including the ongoing rollout of our superconnected city ambitions, but also looking at the role of technology in supporting our

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transport network and infrastructure. A significant focus for 2024/25 will be the completion of the digital strategy and the identification of key projects within that, including the approach that the authority will be taking to the application of AI.

Linked to this is our wider approach to data and knowledge management. The authority has access to, and collects, a wide range of data about its own business and performance, and this is presented regularly in Governance, Audit and Standards committee to demonstrate the effectiveness and efficiency of the authority's work. As a publicly funded organisation, we have a duty to be transparent in our business operations and outcomes in order to deliver value for money for the tax payers we serve, so we also make a range of information available including pay and financial information. However, there are much wider sources of data available about the city and its population, and this is made available through the Joint Strategic Needs Assessment ([Joint strategic needs assessment - Portsmouth City Council](#)) which hosts a range of interactive thematic reports.

To support sharing of information across organisations, we have in place a range of data and information sharing protocols and have established, in partnership with the Integrated Care Board, a post with a specific role to facilitate information-sharing between partner organisations to enable better customer experiences and more efficient delivery of services.

Theme 3: Reducing wasteful spend in organisations and systems

The organisation takes a rigorous approach to financial management, with a strong focus on budget monitoring to ensure that expenditure is in line with approved budgets. The delivery of significant savings over a number of years, and continued delivery of operations in the context of diminishing resources, has meant that this is an essential requirement. We have regularly identified areas where investment could reduce expenditure in the long term, and have done this across the authority. We have invested £30m in solar energy schemes to yield savings in energy costs over time and looked to acquire property for temporary accommodation instead of paying higher rates on the market. We have developed a model for supported accommodation for people who require support to live independently that has reduced the need for expenditure and at the same time yielded better outcomes for the residents supported. In children's services, we invested in capacity to build up a model for family safeguarding and supporting foster carers which have enabled us to manage care requirements more efficiently and effectively. We have negotiated savings through a number of contracts, including our long-term Highways PFI. We have a history of working in partnership with our colleagues in health services to collaboratively commission and deliver services to ensure maximum efficiency and a recognised area of excellent practice in the city is our delivery of joint continuing healthcare services.

We also partner extensively with other organisations to help reduce costs collaboratively. Our working with partners in the health sector has been historically strong and we also partner with other local authorities to deliver services. Examples would be our relationship with Gosport, where we have shared senior capacity for some years, our shared audit services, the Building Control Partnership, and our Emergency Planning Service. We have a shared service agreement with West Sussex County Council for Modern Records Management, and we provide energy services to a number of neighbouring authorities. We see huge benefits in such arrangements including the collaboration that is supported, the increased resilience across partners and the opportunity to share best practice and professional development.

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The authority is not part of a combined authority arrangement or devolution deal, although discussions have taken place with neighbouring authorities to consider the possibilities. In this situation, the authority is working with other upper tier local authorities in the Solent region to take on the functions of the disbanded Solent Local Enterprise Partnership.

In the coming year, our focus will be on maintaining productive relationships with partners in the health sector as significant organisational restructures of the relevant integrated care board and community provider trust take place and developing a response to the requirements of the Procurement Act, that will be essential in helping us to drive value for money through contract procurement and management.

We take a balanced approach to the use of consultancy in the organisation, accepting that in some cases it is the most cost-effective solution to securing certain skillsets for a particular period of time. For 2024/25, we are budgeting for expenditure equating to 0.5% of the staffing budget to be used for consultancy. This will not include spend on large capital schemes where delivery capacity may be through consultants, and where this is often an appropriate approach to ensure the best skills mix.

We have seen an increase in agency staff recently, after a period where this had been managed down significantly. This is particularly the case in our Children's Services and Economy, Planning and Transport and reflects shortages in the wider workforce for key professional groups, which means recruitment and retention are challenging. We continue to take a proactive approach to recruiting and retaining staff to attempt to mitigate agency usage and reduce this area of expenditure.

We are specifically asked to do consider our activity in relation to equality, diversity and inclusion, and we are confident that this is not disproportionate, nor does it represent wasteful expenditure. The EDI strategy ([Equality and diversity - Portsmouth City Council](#)) sets out Portsmouth City Council's approach to improving equality, diversity and inclusion over a four-year period (2024–2027), and is based on the Local Government Association (LGA) Equality Framework for Local Government 2021. It outlines how the council plans to improve so that we can deliver on our commitment to ensure the diverse needs of Portsmouth's residents and visitors are considered and addressed in the day-to-day activities of the council.

Specifically, the strategy also reflects the duties on the authority under The Equality Act 2010, which provides a legal framework to protect the rights of individuals and to advance equality of opportunity for all. It also places upon public authorities a general equality duty to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act, to advance equality of opportunity between people who share a protected characteristic and those who do not and to foster good relations between people who share a protected characteristic and those who do not. The act explains that having due regard for advancing equality involves removing or minimising difficulties suffered by people due to their protected characteristics, taking steps to meet the needs of people from protected groups where these are different from the needs of other people, encouraging people from protected groups to participate in public life or in other activities where their participation is extremely low. Specific Duties were introduced by the Government in September 2011 with an aim of facilitating an efficient and effective compliance of certain public bodies with the general Equality Duty, including publishing information to demonstrate compliance with the general equality duty annually and preparing and publishing one or more equality objectives

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that will contribute to satisfying the three aims of the general Equality Duty (as above) every four years.

Resource that the authority directs to these issues are specifically in support of the general and specific duties of the act. We have an Equality Officer (post currently vacant) with a role to ensure the duties are upheld and that there is compliance with reporting requirements. We have mandatory training on issues of EDI to ensure that the general duty is understood and upheld by staff. In the last year, over 1000 staff completed training either for the first time or as a refresher. We support 4 staff networks in the organisation as part of our wider staff wellbeing approach and these are focused on race equality, carers, menopause and peri-menopause and the dads' network. No resources are allocated to support these and they are staff-led.

Industrial relations in the authority are good, and this is underpinned by a responsible approach to the provision of trade union facilities, which is reported in detail annually ([Appendix-1-accessible-Report-for-publishing-June-2023-002.pdf \(portsmouth.gov.uk\)](#)). The last report highlighted that 0.045% of the pay bill is spent on trade union facility time.

Theme 4 - The barriers preventing progress

As noted in the themes above, there are areas where we could improve productivity but there are challenges. Significantly, shortages of professional skills across a range of sectors means that the organisation is engaging more expensive agency staff, not being able to invest in the long-term development of the workforce, and not operating at full strength. There is an urgent and pressing need to grow the public sector workforce that is beyond the capacity of individual organisations to manage.

The overall reduction of resource means that the focus is entirely on delivery of statutory services rather than on the preventative and capacity building measures that support demand reduction. This in turn is driving more need into systems, which ultimately increases costs and leads to poorer outcomes overall. This lack of resource from preventative services is a barrier to addressing root causes and actually reducing need and resultant demand, rather than just processing it. This is true of all demand-led services where vulnerability is a key factor - and also of services where issues relate to asset deterioration where anything other than essential maintenance has been reduced. Key examples play out in the health and care arena, where we know investment in community led admissions avoidance is effective, but is sporadic and reducing. We know that early help for families reduces the need for Tier 4 care services. Earlier intervention can reduce the need for crisis care. Sufficient availability of housing stock reduces the need for expensive and inadequate temporary accommodation. However, in the current climate there is little to no scope for rebalancing activity and resource.

The nature of short term funding continues to mitigate against the most effective use of resources - an example has been the ongoing uncertainty around the Household Support Fund and the criteria placed around this. In effect, this has meant that the organisation has had to remobilise every six months to implement the scheme, where an alternative, longer-term approach would have enabled a clear delivery structure to be established and longer-term delivery decisions to be made. Linked to this, the restrictive nature of much funding or of delivery schemes prevent the most efficient solutions being developed - it would be a huge improvement if schemes were outcome focused and allowed for local discretion in delivery rather than being heavily prescriptive.

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Finally, the nature of competitive bidding processes for funding and designation distracts from delivery, and a reduction in the requirement for this would free up resource for authorities to focus on the core business. The increasing move to directly fund mayoral authorities shows that this is clearly possible and would provide certainty and reduce wasted effort and expenditure in the processes.