

# Hertfordshire County Council: Productivity Plan 2024/25

## Introduction

On 16 April 2024, the Minister for Local Government wrote to all local authority chief executives requesting their council produce productivity plans to evidence activity underway to support effective and efficient delivery of services. This document is Hertfordshire County Council's response to this request and outlines our recent and current activity designed to continue to improve our efficiency and productivity.

## Background

Hertfordshire County Council is an upper tier local authority situated just north of London in the East of England. We operate in a two-tier area with ten district and borough councils and 124 town, parish and community councils. Our vision is to create a cleaner, greener and healthier Hertfordshire.

We employ over 8,000 staff and in 2024/25 will be spending £1.1 billion on over 500 services benefiting every resident, business and community in Hertfordshire. Around half of our budget will be spent on providing support to help adults live well and for longer, with roughly a further quarter being spent on supporting children and young people.

Whilst this plan focuses on the work being done at the council to improve our own efficiency and productivity, it should be noted that many of our services play a significant role in driving productivity across Hertfordshire's £42 billion per annum economy. This includes maintaining and delivering appropriate sustainable transport, highways and digital infrastructure; supporting our local businesses to grow; working with our schools, colleges and university to ensure the skills levels of our current and future workforce meet the needs of our local employers; and creating a more sustainable county by tackling climate change whilst also mitigating and adapting to its impact.

## Current Context

### Finances

Each year the Council refreshes its Integrated Plan and sets its budget for the following year. For 2024/25, the Council needed to review and address:

- External factors, such as high inflation and a challenging employment market;
- Increasing demand for services from our growing and ageing population, exacerbated by the on-going impact of the pandemic;

- Increasing complexity of needs of existing service users, for example within social care related services; and
- Significant savings already delivered by the Council since 2010.

In order to maintain services and meet these challenges, it was necessary to increase our budgets this year by £98m.

Alongside raising council tax by 4.99% (including 2% to support Adult Social Care), we will use £11m of reserves (bringing the total used to £31.8m over the last two financial years), to help fund these budget increases. This is not sustainable and puts major pressure on the Council to deliver transformational change over the next 12 months to achieve a more sustainable net budget.

We will also need to deliver savings of £46m during 2024/25, increasing to £74m by 2027/28. This is a substantial target and the highest level of savings required in over a decade.

### Productivity and performance

Hertfordshire County Council strives to deliver excellent council services for all. In our most recent LGA Peer Challenge, undertaken in October 2022, the peer team found us to be “a well-run council, which has been characterised over the years by financial stability and high-quality services.”

We monitor our performance against specific productivity measures and our quarterly performance reports to Cabinet provide a good indication of both the quality and demand faced by the services we provide. Our performance monitor for quarter 4 of 2023-24 can be found on our website [here](#). Key highlights include:

The Care Quality Commission recently gave our **adult care services** an overall ‘good’ rating and rated the way we work with our partners, such as voluntary organisations, as ‘outstanding’. End-of-year performance indicates a positive trend with improvements noted across various metrics and the service ranked favourably in comparison to previous national performance. This is despite increased demands for support at our front door particularly with safeguarding (15% year-on-year increase). An increase in discharges from hospital settings has also been effectively managed.

Last year, Ofsted rated our **Children’s Services** as ‘outstanding’. Overall performance was very strong in 2023/24 with high levels of both assessments and initial child protection conferences completed in time. Rates of children on Child Protection Plans, Children in Need and Children Looked After remain low and in line with expectations (all benchmark as top quartile) despite increased demand for help and support at our front door (which is 20+% higher than pre-pandemic levels). This performance not only represents good outcomes for children, it represents financial

efficiency with our children's services benchmarking strongly on expenditure compared to other local authorities<sup>1</sup>.

As is the case across the country, our **Special Educational Needs and Disabilities** services are under immense strain and we continue to see a high demand in the number of requests for assessments for an Education, Health & Care Plan (EHCP). Following last November's Hertfordshire's Ofsted Area SEND inspection, which identified 'widespread and / or systemic failings' across the local area partnership led by the County Council and the NHS Integrated Care Board, a Priority Action and Improvement Plan is being implemented to deliver improvements in the two priority action areas and the five areas of improvement identified in the inspection report.

**Hertfordshire's Fire and Rescue Service** is rated 'good' by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services.

The **condition of the roads** in Hertfordshire are better than the national average in all road classes. This is a result of our proactive approach to managing the quality of our roads, with decisions on maintenance based on an asset management strategy to get the best value from the available funding.

A summary of the council's performance against the relevant Oflog data areas can be found at Appendix 1. Our delivery in these areas are, with two exceptions, at least within the median ranges of performance of local authorities and in two areas better than median). The two exceptions relate to our non-ringfenced reserves, which are lower than the median level – an issue which was flagged as part of our last budget-setting round.

## How we have already transformed ourselves

The county council has successfully delivered significant savings since 2010. Nearly £3.5bn of overall savings have been delivered in this period, and as a result our current budget is some £407m lower than it otherwise would have been if those savings had not been made.

We strive to be a modern and agile organisation focussed on continuous improvement. As a result, a significant proportion of the savings that have been delivered over the years have been realised through transforming the way we work and making ourselves more efficient. Recent examples of this include:

### *Future Workforce*

Through our Future Workforce programme, we have recently conducted a comprehensive review of our employment offer, specifically our pay and terms and conditions of employment to ensure a transparent, fair and consistent approach. The programme has made it easier for staff to identify where their job fits in the organisation and also makes progression routes clearer. It has also introduced a pay

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<sup>1</sup> Based on local authority children and young people's services expenditure returns required by Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009.

structure and revised terms and conditions that are not only fair and transparent but also sustainable.

### *Ways of Working*

Through our Ways of Working project, we have driven widespread cultural change following behaviour changes experienced in response to the pandemic. This approach has prioritised outcomes and business needs over working at set locations, enabling appropriate roles to work in multiple locations. It has helped reduce our environmental impact, including significantly reducing our estate, and secured financial savings whilst providing staff a better work/life balance and the council with opportunities to deliver services differently to better meet the needs of our residents.

We have also undertaken significant work to transform our services to improve their quality, effectiveness and efficiency. This includes:

### *Family Safeguarding*

Through our innovative Family Safeguarding model, a partnership approach with multi-disciplinary teams which take a holistic view of the support required by a family to improve the lives of children and young people. This provides instant access to support for parents' mental health, substance misuse and domestic abuse challenges whilst helping reduce bureaucracy and enabling practitioners to spend more time with families.

### *Connected Lives*

Connected Lives is Hertfordshire's adult social care service approach to community practice, personalised enablement and new models of commissioning. Underpinned by the core concepts of the Care Act, this model places more emphasis on prevention and enablement and supporting people to live the life they want. By reducing form filling, slimming down our processes and reducing the need for management sign-off, we allow our professional staff autonomy and freedom to practice value-based, person-centred social work and occupational therapy – unhindered by directive policies and processes.

### *Working with our partners*

We are also working with key partners to develop more joined up approaches. Through the Hertfordshire and West Essex Integrated Care Partnership, we are working with NHS colleagues and Essex County Council to improve health and care in Hertfordshire and West Essex. This is building on the already strong tradition of partnership working in this area with established processes for joint commissioning in many areas including mental health, learning disability and Child and Adolescent Mental Health Services (CAMHS) services. The Hertfordshire Discharge to Assess model for co-ordination of health and care support also allows people to leave hospital as soon as they are fit to do so.

We also continue to work with our District and Borough Council partners in the county to improve efficiency and outcomes across Hertfordshire including through

the Hertfordshire Waste Partnership, a shared Landscape, Ecology, Archaeology and Design Service, and the Hertfordshire Climate Change and Sustainability Partnership.

## Priorities for the year ahead

1.	<p><i>Organisational Resourcing</i></p> <p>A transformation programme looking at how we operate as an organisation to ensure we have the right structures, teams, enabling technologies and ways of working to enable us to maintain our focus on delivering vital services to our residents in the long term.</p> <p>This follows analysis conducted in 2023-24 to identify opportunities to reduce costs and duplication, strengthen ways of working and embrace innovation. This programme is also considering how changes in technology provide new opportunities to streamline processes, make our services simpler and easier to access for residents and improve how we use and respond to the data we hold.</p>
2.	<p><i>People Strategy</i></p> <p>In a highly competitive job marketplace, it is vital that as a Council we are an employer of choice. Through the delivery of our new People Strategy we aim to maintain a high performing, productive and committed workforce - cultivating a working environment where everyone feels a strong sense of belonging, and we are able to recruit and retain the best staff talent.</p> <p>Our Strategy focuses on four key areas – having an inclusive culture and sense of belonging; recruiting a diverse, resilient and agile workforce; valuing and fairly rewarding work and developing and retaining our people.</p>
3.	<p><i>Digital and Technology</i></p> <p>Within the last year, we have reviewed and updated our <a href="#">Digital and technology strategy 2023-27   Hertfordshire County Council</a> with support and challenge from Socitm<sup>2</sup>. An implementation plan is underway prioritising:</p> <ul style="list-style-type: none"> <li>• Automation including Robotics Process Automation to help improve workflow and systems issues. Following a pilot, proof of concept has been agreed and internal delivery mechanisms are available to meet business cases arising.</li> <li>• Use of Artificial Intelligence – seeing how tools such as Microsoft Co-Pilot can make the organisation more effective and efficient. A testing and rollout programme is underway to provide recommendations in coming months.</li> </ul>

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<sup>2</sup> Society for Innovation, Technology and Modernisation

	<ul style="list-style-type: none"> <li>• Technological development that will enable highest savings and benefits from our transformation (Organisational Resourcing) programme.</li> <li>• Correspondence handling database – to remove duplicate enquiry handling and improve workflow and reporting.</li> </ul>
4.	<p><i>Data and decision-making</i></p> <p>The development of a new Data Strategy for 2024-28 will support the delivery of the council’s objectives by powering processes and supporting digital transformation, facilitating better and more robust decision making; and by building trust with our residents and our partners. Our priorities will be to:</p> <ul style="list-style-type: none"> <li>• use data to better predict future demand, for example, due to housing growth and population increases;</li> <li>• ensure design decisions are based on evidenced customer needs;</li> <li>• ensure services have easier access to accurate data to help improve; and</li> <li>• develop our use of data tools like Power BI to improve data quality in our systems, highlighting gaps and improving connections between data.</li> </ul>
5.	<p><i>Technology and integration</i></p> <p>Our priorities are to have:</p> <ul style="list-style-type: none"> <li>• a reduced / combined / rationalised set of systems and applications to ensure we do not have multiple tools to do the same thing.</li> <li>• better integration between internal systems and with partners so the relevant information is immediately available to those who need it.</li> <li>• sustainable systems where possible (for example, lower emissions from our websites).</li> <li>• a reduction in unsupported applications and databases to improve business continuity.</li> <li>• robust systems and technology support for staff to reduce administrative time.</li> <li>• the provision of high-quality digital infrastructure more quickly in Hertfordshire.</li> <li>• improvements in how we make decisions around procurement, upgrades and decommissioning of systems. This is based on a better understanding of system capabilities, networks and areas of risk.</li> <li>• Upgrades to databases, our document management system, and social care software.</li> </ul>
6.	<p><i>Property and Accommodation</i></p> <p>We will continue to pursue opportunities to make best use of our assets:</p> <ul style="list-style-type: none"> <li>• implementing the actions arising from our Strategic Asset Management Plan and Corporate Property database, which will help us to ensure our</li> </ul>

	<p>property portfolio continues to meet service strategies and wider corporate objectives.</p> <ul style="list-style-type: none"> <li>• implementing the actions related to our Rural Estates Strategic Plan to maximise the effectiveness of the rural estate.</li> <li>• delivering a rationalisation of our office accommodation, in order to reduce costs and deliver better outcomes to staff and service customers.</li> </ul>
7.	<p><i>Service Transformation</i></p> <p>Alongside the corporate and cross-cutting transformation activity outlined above, work will continue to transform specific council services. This includes:</p> <ul style="list-style-type: none"> <li>• A transformational prevention programme which will strengthen our <i>Adult Social Care Connect Lives</i> approach.</li> <li>• <i>Adult Disability Accommodation</i> – a strategic review of residential options, particularly out of county, to ensure the optimal accommodation for individuals.</li> <li>• <i>Children’s Residential Strategy</i> - creation of an additional 22 residential placements within Hertfordshire by March 2028, primarily by refurbishing buildings for use as children’s homes from within our property portfolio. By creating new accommodation, we expect not only to improve outcomes for children and their families, but also to address the increasing cost of independent placements.</li> <li>• <i>Highways Preventative Maintenance</i> - Additional investment in preventative maintenance, keeping the network serviceable and reducing the amount of roads falling into poor condition and emergency defects forming.</li> </ul>

## Our governance and accountability structures

Alongside our annual budget process, we have a robust framework of financial management and controls to support effective budget monitoring. Information on spend against budget and key service performance matters are reported to Cabinet on a quarterly basis.

The Cabinet, on behalf of the Council, charges the **Audit Committee** with keeping the effectiveness of the Council’s systems for governance, risk management, internal control and counter-fraud under review.

The council also has a well-established system of **scrutiny arrangements** which act to hold the Cabinet to account by scrutinising decisions made by, or on behalf of the Council or Cabinet and any operational or policy aspect of the Council’s business.

The Council’s **Cabinet Panel structure** further underpins and supports scrutiny and the opportunity for constructive challenge ahead of any formal decision.

It is expected that the delivery of the council's plans outlined above will be monitored through these mechanisms.

## Barriers

Whilst recognising the pressures on public finances, there are a number of ways in which the Government could help us in improving our council's productivity and efficiency:

- ***A sustainable funding multi-year settlement for local government*** – the current uncertainty on the council's funding from one year to the next makes taking long term decisions on transformation and investment significantly more challenging. Central government funding needs to reflect scale of need and mechanisms such as those that allocate funding in children's services require review.
- ***An end to competitive bidding for grant funding*** – the requirement for local councils to bid competitively against one another to secure additional central government funding pots waste time and resources which could be spent more productively elsewhere.
- ***A deep devolution deal for Hertfordshire*** – devolving powers with greater freedoms, flexibilities and an integrated multi-year settlement to fully meet Hertfordshire's economic potential so that all our residents and businesses thrive. A deal should build and expand on the current scope of powers through the devolution framework and include all post-16 skills and careers funding, business support, town centre regeneration, housing and strategic planning, transport including funding for bus franchising and active travel, digital infrastructure, energy and the environment whilst also providing councils with a leading role in the prevention of ill-health.
- ***Taking a more place-based approach to public spending*** – a more strategic view of how public money is spent by a wide range of organisations to deliver services across Hertfordshire could reduce duplication and inefficiencies caused by organisations working at cross purposes, help reduce demand through more co-ordinated preventative work and provide opportunities to design joined up services around the people who use and need them.
- ***Deliver wider public sector reform*** – in order to effectively manage demand, expectations and future sustainability of key services, significant reform is required in areas like social care and special educational needs and disabilities provision.

Date: 16/07/24



## Appendix 1

### OFLOG (update May-2024)

	HCC	Median of HCC's Peers (Counties)	Above / Below Peers?	Rank in Peers (of 16)	In Median Range?	Good to be...	Year	
<b>Adult social care in Hertfordshire</b>								
1	Workforce turnover rate	30.3%	31.6%	Below	6	Yes	Low	2021/22
2	Requests resulting in a service (per 100k population)	1,172	1,470	Below	4	Yes	N/A	2021/22
3	Short term service provision	80.1%	82.6%	Below	10	Yes	High	2021/22
4	Carers who found it easy to find information about services	62.5%	58.7%	Above	5	No (above)	High	2021/22
5	People who use services who found it easy to find information	63.2%	62.0%	Above	7	Yes	High	2021/22
6	People in adult social care quality of life	0.398	0.415	Below	15	Yes	High	2021/22
7	Carers of people in adult social care quality of life	7.2	7.2	In Line	6	Yes	High	2021/22
<b>Roads in Hertfordshire</b>								
1	% of local authority B and C roads that should be considered for maintenance	4.0%	4.0%	In line	4	Yes	Low	2022/23
2	% of local authority motorways and A roads that should be considered for maintenance	3.0%	3.0%	In line	5	Yes	Low	2022/23
<b>Corporate and finance in Hertfordshire</b>								
1	Number of upheld complaints (per 100k Population)	2.6	2.7	Below	8	Yes	N/A	2021/22
2	Total debt as % of core spending power (%)	90.0%	98.0%	Below	6	Yes	Low	2021/22
3	Social care spend as % of core spending power (%)	74.1%	73.3%	Above	10	Yes	Low	2021/22
4	Level of band D council tax rates (£)	1,471	1,415	Above	11	Yes	N/A	2021/22
5	Total core spending power per dwelling (£)	1,668	1,543	Above	2	No (above)	High	2021/22
6	Non-ringfenced reserves as percentage of service spend (%)	30.9%	37.9%	Below	14	No (below)	High	2021/22
7	Non-ringfenced reserves as percentage of net revenue expenditure (%)	35.7%	45.4%	Below	15	No (below)	High	2021/22
8	Debt servicing as percentage of core spending power (%)	3.9%	5.8%	Below	2	No (below)	Low	2021/22