

NORTH DEVON DISTRICT COUNCIL – PRODUCTIVITY PLAN

North Devon is the place where breath-taking coastlines and beautiful beaches meet vibrant towns, character-filled villages and rolling countryside.

North Devon's picturesque natural landscape forms an Area of Outstanding Natural Beauty, is home to the North Devon UNESCO Biosphere Reserve, and gives way to the sprawling Exmoor National Park. What's more, our iconic beaches form the North Devon World Surfing Reserve – the first of its kind in the UK.

Our towns, Barnstaple, Ilfracombe and South Molton, each have their own character and rich history, and offer a unique blend of shops, cafés, restaurants and cultural gems waiting to be explored.

However, there is a serious lack of affordable housing in North Devon which creates a real challenge for ordinary working people and has an impact on the local economy. We have an ageing population with all the care and support needs that entails. There are pockets of deprivation as well as issues of rural isolation and loneliness.

North Devon Council welcomes external challenge and support which informs our thinking to innovate and to continually improve. The Council has a history of good external audit opinions and audited accounts published on time.

In 2021, the Council had a Corporate Peer Challenge (CPC) which forms a key part of the improvement and assurance framework for local government. At the Full Council meeting in January 2022, Members received both the draft report from February 2020 and the refreshed report from 2021.

Both reports are very positive and accurately reflect the work and approach of the council. The reports praised the council's financial planning and also the approach of staff, highlighting the strong public service ethos and the pride in working for the council that exists.

The 2021 report also highlighted how staff value the collaborative approach being adopted by the council and the opportunity to be involved in developing the council's Behaviour Framework. It also noted that many of the key recommendations from the first report had been addressed even though there was an obviously challenging environment.

A copy of the Corporate Peer Challenge reports can be found at [Corporate Peer Challenge](#)

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

The Council since 2010 has seen a reduction in its net budget from £15.5million (2010/11) to £14.7million (2023/24) – however the real cut is larger due to the impact of inflation and the effect of this would have seen the latter 2023/24 budget figure around £22.6million today – thus an £8m real cost reduction in resources. Aligned to this the Council has seen a reduction in its workforce in the same period from 530 FTEs (Full-time equivalent staff) to 440 FTEs in 2023/24 (a reduction of 17% in the workforce). These changes have all been implemented in a managed way and resulted in no compulsory redundancies which demonstrates how the Council had adapted and changed the way it has been structured.

It has therefore had to re-design how services are delivered such as working more closely with Town and Parish Councils around service delivery, an example of this is rather than closing a non-statutory service such as public conveniences due to reduced funding, we have engaged with Town and Parishes about taking these services and delivering them locally within their own resources. This has proved challenging but it is positive how receptive some of them have been to taking the service and asset responsibility on.

We have also had to embrace changes in technology whilst managing changing customer demands over a period that has experienced a major pandemic and altered the way staff are now working. The Council has supported a continuation of hybrid working arrangements which have enabled flexibility within teams, not a one-size fits all approach as every team's needs are different and this has helped to improve the culture within the organisation with supporting the work-life balance.

During the pandemic, the Council had to respond to not only the way it was managing its workforce during this difficult period but also take on more responsibility from Government in providing a wider response to the community, administering Business Grants and other financial assistance schemes with a value of over £100million whilst continuing to deliver day to day services to customers. The Council have become a flexible and adaptable authority that has shown it can respond to significant challenges and step up when required to support Central Government.

In order to address the financial challenges the Council has set out in its Medium Term Financial Strategy sitting alongside this, in November 2020 the Council adopted a Commercialisation Strategy. This can be found at NDC Commercial Strategy. In light of economic changes since 2020, and taking into account the activity the Council has delivered upon in the last four years, there will be a refresh of the Commercialisation Strategy which will be presented to Members in September 2024.

At the January 2024 Governance Committee, our external auditor Grant Thornton presented their Auditor's Annual Report (AAR) to the Council. A copy is available at Annual Auditor's Report

The report concluded that **'We are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.'**

The report also stated that:

'The council is not significantly reliant on commercial income. Unlike some other Councils, North Devon Council does not rely significantly on income from commercial property. The Council made a significant regeneration and commercial investment in the Green Lanes Shopping Centre in 2021/22, which again delivered a net positive revenue return in 2022/23. The 2022/23 financial outturn for the Centre was a net return of £291,000 which again was in line with the financial forecasts the Council made at the time of the purchase.'

Members approved in June 2021 to proceed with the acquisition of Green Lanes Shopping Centre; which the Council completed the purchase in November 2021. The purchase of Green Lanes Shopping Centre was a once in a lifetime opportunity to acquire this strategic asset and complement other significant regeneration improvements being delivered within the Barnstaple town centre, such as the £12million Future High Streets project. The financial modelling demonstrated that revenue income generated from the centre would cover both the repayment of the loan and asset management costs and would return a contribution to the Council which could be used towards mitigating future risks on income volatility, investment back into the centre and the overarching council budget.

The financial outturn for the Centre produced a net positive return for 2021/22 year of £243,600, 2022/23 a net positive return of £291,000 and for 2023/24 a net positive return of £237,000. Having control of the centre has also enabled the team to fill a number of the vacant units, working with both national and local interested parties to ensure we have a balance of provision within the town centre offer.

The Council are embarking on creating a Town Centre Hub within the Shopping Centre in 2024 to provide face-to-face Council Services alongside a joined up approach with other public sector partners. The aim is that a customer focussed approach to accessing services will enable our citizens to access public services in a more efficient manner. The aim of the hub is also to enhance community engagement and bringing together diverse perspectives to improve the impact of policies and projects on people.

Our Vulnerable People and Community Safety Team have creatively bid for and been successful in securing monies from the Rough Sleeper Initiative Fund. This investment has created a multi-skilled team bringing a wide range of partner agencies all based at the Freedom Centre in Barnstaple, to engage and support our rough sleeping community and also our Gypsies and Travellers providing welfare checks and support. We have eight rough sleeper pods along with sixteen temporary accommodation bed places, which have provided a place of safety for rough sleepers who need additional support. The team regularly use social media to promote the support that the outreach team deliver and this in turn hopes to break down those stereotype thoughts.

The External Auditors have signed off and provided clean audit opinions on the financial statements up to and including 2022/23 financial year. The draft statement

of accounts for 2023/24 have been produced, and have been through Governance Committee in June 2024 to be signed off prior to the new External Auditors, Bishop Fleming carrying out their audit in Summer 2024.

Aligned to delivery on our Corporate Plan, we have five programme themes with a number of projects sitting beneath them. These programmes are;

- Housing and Community Safety programme
- Regeneration and Economic Growth programme
- Customer Focus / Digital by Design programme
- Environmental Enhancement programme
- Organisational Development programme

Within these programmes, which have, defined objectives, are a number of projects – progress against these are reported as part of the programme reporting to Members on a quarterly basis highlighting project stage and status and latest updates on delivery.

The latest programme report and key performance indicators can be found at [Programmes update Q4 2023/24](#)

One of the recommendations within the Corporate Peer Challenge was around how the Council manages its projects and in 2021, the Chief Executive carried out a restructure which resulted in the creation of a PMO (Programme Management Office) of 3 members of staff.

The PMO team includes Programme Managers who co-ordinate and manage all the projects within the above mentioned programmes, ensuring resources are effectively managed – this has been a real positive change to the way we manage our project resources and ensures a collaborative approach amongst service areas that was missing previously. With the challenge of reduced resources more apparent, this is crucial more than anything now to ensure we maximise the resources we have within the Council in delivering our programmes.

The Council has also progressively reviewed its services and redesigned where necessary with a focus on delivering what the customer wants. All managers have received training on this approach and have autonomy to make changes that benefit the customer.

How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources

One of the Council's Programmes, is the 'Customer Focus and Digital by Design Programme'.

North Devon Council want to provide the best possible services to our customers in the most efficient way. Our approach must recognise the digital age we live in and how we can make the best use of technology for the benefit of our customers, partners and employees.

The key objectives within the programme are to;

1. Engage with stakeholders to ensure services meet their requirements, they are accessible and maximise convenience.
2. Work towards dealing with enquiries at first point of contact in a professional / consistent way, resulting in a positive experience.
3. Redesign and optimise services based on user research and not just automate our current processes.
4. Shift paper based transactions online that encourage a new kind of interaction with our customer.
5. Invest in our people capabilities to ensure we can deliver the required improvements for our customers.
6. Transform as one organisation moving away from a silo-based approach to service delivery to enhance both the customer experience and that of our employees.

We have refreshed the Council's website to ensure services are more accessible and online accessibility to services is growing to ensure customers can interact with the Council outside of normal working hours to fit within their own work/life patterns. An example of this is the recent roll out of the Revenues and Benefits Self-serve portal where we have seen an uptake of 1500 customers who can access their accounts online and interact with the Council. For April 2025, electronic billing of the annual Council Tax bills will be in place, which will be a transformation for this service and our customers.

For the 2023/24 year, the number of transactions / interactions nudged to digital channel that are available 24/7 and result in a financial saving were;

- Self-serve 33,985 vs serviced by a member of staff 105,019 (32% using self-serve digital channels)

We of course need to ensure that services are accessible and available to meet the needs of all our customers, those who embrace technology and those who cannot or choose to not want to transact in this way. By shifting customers that want to self-serve onto our digital platforms enables our teams to ensure resource availability is in place to serve our customers who may require additional assistance.

Our Member Services team are in the process of procuring community engagement software to further enhance the interaction we have with customers. This piece of work will also be widened to work closely with the voluntary sectors and ensure we are working more collaboratively.

Social media activity is increasing and our Communications team are very active on monitoring posts they have put out about Council activity, services information and also re-posting other public sector news. To enhance this further, we have recently purchased ORLO, which is a social media management platform, to increase engagement further, manage communication chat that is happening about the Council and ensure we are maximising the powerful tool of social media to achieve Council's exposure.

Our plans to reduce any wasteful spend within our organisation and systems

To address the challenges identified by the Council, Members approved the Corporate Plan 2023-27 with a vision that 'North Devon will be a sustainable, inclusive community; fostering prosperity and well being for all'.

In a collaborative effort, the council identified five key priorities that will guide its actions and initiatives in the coming years. These priorities encompass various aspects of community development, sustainability, and financial stability. Under each priority, specific projects with measurable targets are defined, allowing for a focused and strategic approach to addressing the council's responsibilities.

- Financial Security – to reduce our reliance on core government funding, increase income and be risk aware not risk averse.
- Housing – to plan and deliver housing provision to meet local needs and to increase the availability of decent, affordable and accessible accommodation.
- Climate and Environment – to protect and enhance the natural environment, tackle climate change and protect biodiversity.
- Pride of Place and Prosperity – to promote economic development, support the regeneration of our Places and improve the quality of life for residents and visitors by making North Devon more attractive, vibrant and successful.
- People Matter – to be seen as a vibrant, attractive employer by being an ambitious and caring council that develops and looks after its communities and delivers excellent customer focussed services that meet the needs of residents.

Our Corporate Plan can be found at [Corporate Plan 2023-2027](#)

One of the heightened areas of spend within the Council over the past few years has been the cost of Temporary Accommodation (TA) and homelessness. Since 2019/20 the Council had seen a doubling of its spend on TA and over the past few years has been putting in place measures to try to reduce this impact by acquiring our own TA stock of houses and reducing the need to place into more expensive B&B accommodation.

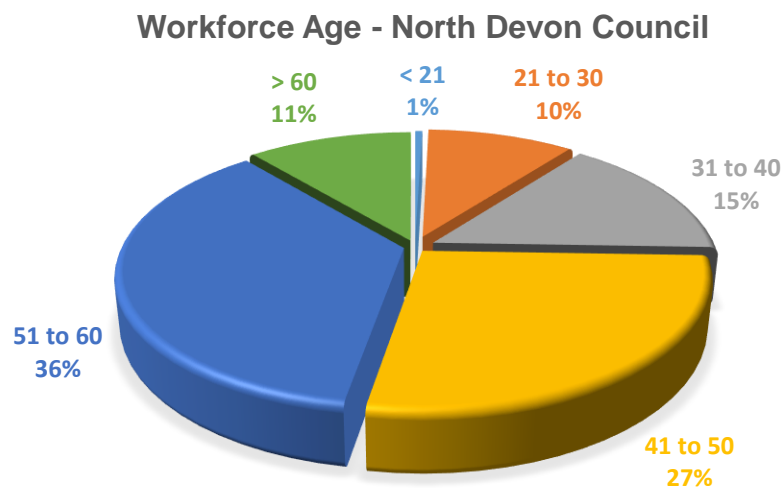
In 2021/22 year, the Council had 310 tenancies, of which 34 were within our own stock (11%); in 2022/23 there were 409 tenancies, of which 104 were within our own stock (25%) – this has now risen to 31% in our own stock for the 2023/24 period – showing a significant shift change in the model of how we place our clients.

There is of course a financial benefit to this model but more importantly also has a well-being benefit to our clients who are placed into one of our houses rather than being placed into bed and breakfast accommodation or a hotel room. This has a longer-term benefit of working closely with clients to move them into more settled tenancy accommodation after the initial temporary intervention which is much more efficient and effective than placement into B&B.

Workforce planning is an area of challenge for the Councils and we have seen challenges in recruiting into some service areas due to national shortages in some

professions and thus resulting in the need to engage in temporary or agency staff. Coupled with this is an ageing workforce that requires careful planning to ensure we are resilient moving forwards.

A focus on this area in 2023 after challenge from the Governance Committee resulted in a report to Members on our workforce and use of agency staff in September 2023. The following table highlights the Council's workforce age breakdown;



The challenge we experienced was that recruitment into North Devon historically was an 'easy sell' due to the attractiveness of being able to live and work in such a beautiful part of the country. This has become a significant challenge now in that firstly the cost of housing has grown exponentially and potential staff are struggling to find or afford to live in the area and secondly with the introduction of hybrid-working, working from home has become more attractive and even if people are choosing to live in North Devon, with this flexibility they are able to obtain a higher paid job in another area (such as London) but be able to live and work from home in the South West.

Local authorities do however offer a fantastic career path for employees and as covered earlier in the age profile of our workforce, a number of our officers have and are still having long successful careers at North Devon Council. The Council is increasingly exploring ways to attract and develop its own officers, rather than have a reliance on recruitment in the marketplace. We have a history of developing staff with many of the current senior management team having started their employment through previous entry schemes.

The level of agency spend covering vacant posts that the Council have either now recruited into or are covering posts where we have been unable to recruit successfully into, amounted to £899,000. This level of agency spend equated to 5.3% of the Council's budgeted spend of £17million on staff costs for 2022/23. Research published through a national article, found that on average for the 2022/23

year, Council's spending on agency staff amounted to an average 6% of their total spend on staff, with some authorities ranging as high as 42% spend on agency staff. We were pleased to report that North Devon Council was on the lower end of the scale of agency staff.

The report on agency spend that was presented to Governance Committee in September 2023 can be found at [Review of Authority's spend on Agency Staff](#)

As already outlined, the External Auditors as part of their Annual Audit Report in January 2024 stated; 'We are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.'

The Internal Auditors, Devon Audit Partnership reported to Governance Members in June 2024 their Annual Internal Audit Opinion, and stated; 'Overall, based on work performed during 2023-24 and our understanding from previous years audit, the Head of Internal Audit's Opinion is of "Reasonable Assurance" on the adequacy and effectiveness of the Authority's internal control framework'. From 25 internal audits carried out in the year, 24 had either substantial or reasonable assurance and 1 limited assurance – which was a positive direction of travel from the previous year report where there were 4 limited opinions. A copy of this report can be found at [Internal Audit Annual Report 2023/24](#)

Both the External and Internal Audit statements provide the Council with assurance that it has strong governance measures in place and ensuring that it is achieving value for money in the use of its resources.

Underpinning the governance framework we have in place at the Council is the [Annual Governance Statement](#) which has been through Governance Committee in June 2024.

An additional layer of challenge that we as a Council have put in place in early 2024 was the appointment of a co-opted independent member to our Governance Committee. This has been a positive move and a welcomed addition to the Committee and they bring a different external challenge to our organisation.

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

The most significant central barrier to local productivity is single-year finance settlements. Without a clear indication about funding for multiple years, councils cannot effectively plan and deploy their resources.

We have also been hampered by the tendency of Whitehall to design and decide policy that affects councils without engaging the sector as fully and as early as it could. This has resulted in initiatives and funds that are more complicated than necessary and that are difficult and, in some cases costly, for councils to implement. We strongly support much closer policy co-design between central government and local councils.

We would also benefit from much greater flexibility for North Devon Council to decide how to raise and spend money locally. Central prescription and ring fencing constrain our ability to allocate our resources effectively.

We incur unnecessary spending and waste valuable officer time complying with rules, requirements, restrictions and processes imposed by central government and regulators. These include:

- The number of specific, formula-based revenue grants and their separate reporting requirements – it would be much simpler and more efficient to roll all specific grants into a single provision in the Local Government Finance Settlement.
- The wide range of separate one-off revenue and capital grant pots with onerous, costly and counter-productive bidding processes.
- Complicated, inconsistent, and misaligned processes for submitting data returns to central government.
- Lack of join-up between central government departments on issues including housing, homelessness prevention and asylum dispersal.
- Numerous statutory requirements to place notices in newspapers or issue written copies of routine notices.
- Excessive amount of information that is required in annual accounts or has to be published under the transparency code.
- Statutory overrides such as the requirement to value assets for accounts every year.
- Regulatory bodies seeking “to the letter” compliance with their statutory codes.

Locally, progress on many proposed projects has been hampered by the criteria used to decide where Levelling Up funding is directed. The District found itself in the lowest priority area even though it has high levels of deprivation. As a consequence, no LU funding has been allocated to any bids submitted.

In addition, the Levelling Up funding process does not take into account geography and instead should be considered and awarded through a place-based approach; an example of this is where LU funding has been awarded to a neighbouring authority, based 10 miles from our Council, and where we work closely together and have joint policies in place such as a joint economic strategy. These local circumstances are not currently considered and is a failure of the current process to recognise this when LU funding is being determined which is detrimental to wider Northern Devon.

One of our largest towns, Ilfracombe, has significant problems with deprivation, poor housing, poor attainment and very low life expectancy, figures that are significant nationally, yet is not recognised for capital funding as a result of the LU criteria.

Conclusion

North Devon Council has demonstrated through the austerity period how adaptable it can be in delivering high quality services to our Citizens whilst ensuring it continues

to manage its finances effectively and plan ahead to meet the challenges it faces. That planning will be so much more effective if Councils were provided with multi-year finance settlements rather than the current one-year model which results in uncertainty for us as a Council plus our many partners we work alongside.

We can see from this paper how creative and innovative the Council is becoming in how it delivers its services to meet the changing needs of our customers and this will bring about further efficiencies and opportunities to ensure our resources are aligned to meet the Corporate Priorities our members have set.

North Devon Council has shown that it is not one that just sits still and just delivers the minimum, we are always striving for those new place shaping opportunities to make North Devon a place where people want to live, work and enjoy life to the full and make the most of the beautiful surroundings we appreciate we have on our doorstep.