Subject:	Productivity Plan 2024/25	Status:	For Publication
Report to:	Cabinet	Date:	16th July 2024
Report of:	Interim Director of Resources	Lead Member:	Economic Development
Key Decision:	☒ Forward Plan ☒	General Exception ☒ Special Urgency ☐	
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
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1. RECOMMENDATION

1.1 That the Cabinet endorse the Council's Productivity Plan 2024/25.

2. EXECUTIVE SUMMARY / BACKGROUND

2.1 The last Local Government Finance Settlement announced that councils would be required to produce Productivity Plans (PP).

2.2 A copy of the letter received detailing the purpose and requirements of the plan is attached as Appendix 1 for your reference.

2.3 In summary, the aim of the PP is to help Government understand what is working well across the country, what common themes are emerging, what gaps there are, and what more needs to be done to unlock future opportunities. The approach in developing the PP is to not impose excessive burdens on local government, and so DLUHC have not issued a formal template or detailed list of criteria for us to meet. Instead, they have provided four key statements for us to address when developing our PP:

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

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

Your plans to reduce wasteful spend within your organisation and systems.

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

2.4 There are also a few suggested supplementary questions to consider / address which are also detailed in Appendix 1.

2.5 Some specific requirements have been stipulated though and these are that the PP must be:

- no more than 3 to 4 pages long.
- subject to Member oversight and endorsement.
- submitted to DLUHC no later than 19th July 2024; and
- published on the Council's website.

2.6 The draft PP is provided at Appendix 2 for your review and endorsement.

3. RISK

3.1 There are potential implications on how future funding allocations are determined by the Productivity Plan and how this could negatively impact the Council.

4. FINANCE

4.1 There are potential implications on how future funding allocations are determined by the Productivity Plan and how this could impact the Council.

5. LEGAL

5.1 Whilst this is a mandatory requirement, there are no specific legal implications arising directly from this report.

6. POLICY AND EQUALITIES IMPLICATIONS

6.1 None arising directly from this report.

7. REASON FOR DECISION

7.1 Mandatory requirement

Background Papers	
Document	**Place of Inspection**
Appendix 1	DLUHC Letter to Chief Executives – Productivity Plans in Local Government
Appendix 2	Rossendale Borough Council Draft Productivity Plan

Department for Levelling Up, Housing & Communities

Simon Hoare MP
Minister for Local Government
2 Marsham Street
London
SW1P 4DF

16 April 2024

Dear Chief Executive

Productivity in Local Government

As you know, the Government is reviewing productivity across all public services and local government is, of course, part of that exercise. The recent Local Government Finance Settlement announced that councils would be asked to produce productivity plans. This letter formally begins that process.

May I first thank you for your very helpful engagement with my officials. Your views and thoughts have been valuable in shaping this approach to make it as useful as possible for all of us.

Local government has already done a huge amount in recent years to improve productivity and efficiency. However, lockdown and post-lockdown has proved challenging, and you are looking for new ways to go further. These new plans will help us understand what is already working well across the whole country, what the common themes are, whether there are any gaps and what more we need to do to unlock future opportunities. We will share these important lessons across the sector.

Productivity is not one-dimensional, and I would encourage you to consider the various facets that encompass the drive for greater productivity. When developing your plans, please think broadly and include reference to not only how you run your organisation, but also how you run the public services you provide and how you provide place leadership. It is with this wide view that we can ensure we are providing value for money for residents.

I am not looking to impose excessive burdens. I am not issuing you with a formal template or a detailed list of criteria to meet. I expect your plans to be three to four pages in length, and to set out what you have done in recent years, alongside your current plans, to transform your organisation and services. I do not want to specify a list of metrics you must report, but I do want to understand how you will monitor and assess your plans to assure yourselves and your residents that they will be delivered.

The plans should consider the below themes and where appropriate, should reference the work your council undertakes alongside other public services, such as the NHS and police.

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

   Questions to consider:

   - how has the organisation changed in recent years to become more productive? You may wish to consider what you have done around staffing, structures, operating models etc;
   - how do you measure productivity in your organisation?
   - what changes have you made to improve services, and what effects have those had?
   - what are your current plans for transformation over the next two years and how will you measure the effects of those changes?

- looking ahead, which service has greatest potential for savings if further productivity gains can be found? What do you estimate these savings to be?
- what role could capital spending play in transforming existing services or unlocking new opportunities? If you have already used capital spending to boost growth or improve services, we would be interested in learning more;
- what preventative approaches you have undertaken and can the value of these be quantified?
- are there wider locally-led reforms that could help deliver high quality public services and improve the sustainability and resilience of your authority?

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

   Questions to consider:

   - what are your existing plans to improve the quality of the data you collect; how do you use it and how do you make it available to residents?
   - are there particular barriers from legacy systems?
   - how often do you share data with other organisations, and do you find this useful?
   - Are there opportunities to use new technology to improve workflows and systems, such as predictive analytics and AI?

3. **Your plans to reduce wasteful spend within your organisation and systems.**

I know we will share the aim to reduce waste wherever we can and, while you have all made huge strides in recent years, no organisation is ever 100% efficient. You should set out your plans to reduce wasteful or "gold-plated" spend.

   Questions to consider:

   - how do you approach identifying and reducing waste in the organisation? How do you monitor progress?
   - where have you followed invest to save and what was the result?
   - how much time and money do you spend on staff EDI training (internal and external), networks, and other programmes? How many EDI Champions do you have as an organisation? How do you log and report the time and money spent on EDI related activity? How do you assess the effectiveness of that training?
   - what percentage of total staff budget is spent on a) agency and b) consultants? How do you assess value for money on agency & consultancy spend and what are your plans to reduce use / costs? How many of those consultants or agency staff have been in place for over a year?
   - what governance structures do you use to ensure accountability of spend?
   - do you share office functions with other councils and if so, how useful do you find this?
   - if you share external training costs with neighbouring councils, how do you factor out duplications of service between your council and your upper-tier council (if you have one)?

- if you have one, what is your assessment and experience of working with an elected mayor, combined authority, or devolution deal?
- what proportion of your paybill is spent on trade union facility time?

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

There will be barriers preventing you from going as far or as fast as you would like to. I would like your plans to set those out, so that we can understand how government, or the market, can help you overcome these barriers to go even further.

Questions to consider:

- what are the barriers preventing you from improving productivity further within your organisation?
- what are the barriers preventing you from improving services further?
- are these barriers consistent across multiple services?
- what would you need to remove those barriers? What do you need from government, the market or elsewhere?

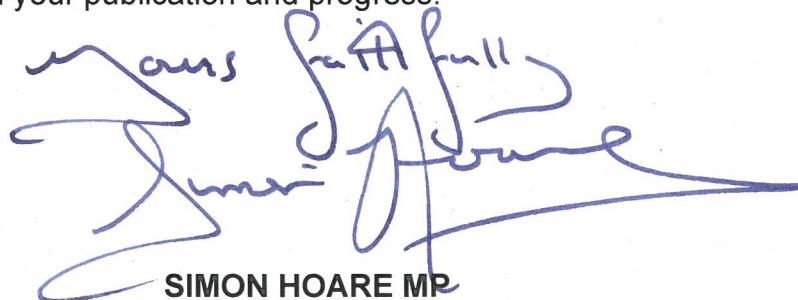Your plans must be returned by 19 July 2024, by email to productivityplans@levellingup.gov.uk.

You must ensure that there is member oversight and endorsement of the plan before it is submitted, and the plan must also be uploaded to your website so that residents can see it. You should consider how you will update the plans and report on progress on a regular basis. The plans should also contain relevant metrics and key performance indicators to allow you and your residents to monitor progress.

Once received, we will review the plans to identify common themes and issues across the sector. We are keen to highlight best practice that others can learn from.

Individual plans will not be rated or scored, and we will not produce any kind of league tables. We are interested in understanding what is happening across the sector.

We are setting up a panel to consider the themes and evidence that comes from the plans. I will chair the panel and bring together experts from the sector and beyond, including Oflog and the LGA. They will consider the issues emerging from the plans, the implications for future national policy design, the role of government in supporting further change and the role of the sector in going further. The panel will advise national government and local government, and I believe this collaborative approach will ensure the most effective outcomes.

I look forward to updates on your publication and progress.

SIMON HOARE MP
Minister for Local Government

Rossendale Borough Council Productivity Plan

Introduction
During the last 10 years the Council has been subject to significant budget reductions. To bridge this gap the Council has continued to review existing services and functions across the organisation as part of its continuous improvement journey.

While there has not been a large scale workforce review in order to reduce staff numbers, there has been an organic reduction in staff numbers (from 164 FTE to 153 FTE) over the 10 year period. As positions become vacant each is reviewed by CMT to determine if the post should be replaced, reviewed or dis-established. It is felt that there is very limited scope to further reduce staff numbers.

Further savings / additional income steams have been achieved via the following over the last 10 years;

- Introduction of garden waste collections
- Promote income through the trade waste provision
- Carry out annual benchmarking exercises and review fees and charges line by line at each budget setting round
- Reduced none statutory grants awarded, for example the Council now provides significantly less support to local agencies such as Citizens Advice Bureau and Credit Union
- The local authority bus service (Rosso) was sold to national provider Transdev and this allowed the sale of a piece of land and depot for £2m.
- Asset reviews are carried out to ensure the Council is maximising its return on assets

In 2012 the Council entered into an agreement to be the Lead Authority on the East Lancashire Empty Homes scheme. At the height of the scheme there were circa 400 properties registered. In January 2015 the managing agent employed by RBC went into administration resulting in a significant cost to the Council. As a result of the lessons learned as part of this scheme there was an overhaul in processes and procedures relating to procurement and programme management thus ensuring the Council's governance and decision making arrangements are not overridden.

Whilst we strive to maintain a high level of statutory functions, all these savings take their toll on staffing resilience and capacity. We are required to continue all statutory services, same or increasing workload volumes and fulfil the same reporting requirements as any other size of Local Authority.

1. **How you have transformed the way you design and deliver services to make better use of resources. (**Examples have been provided below to demonstrate how the organisation has changed in recent years to become more productive)

The Customer and Digital Strategy details the Rossendale transformation plan and is aimed at improving service effectiveness and delivery across the organisation. The Council has a vision to become: A Digital First Council empowering residents, businesses and staff with reliable, seamless and inclusive services which are available 24/7.

To achieve this required a step change for how the Council approaches digital innovation and transformation. Providing a Digital First choice will allow face to face or phone contact to be focused on those people that need it most.

Rossendale has adopted flexible working since the pandemic. Moving from a 100% on site delivery model to a hybrid working model that allows flexing of the service and accommodation. A Transformation Programme has been undertaken following approval from Council in July 2021 with the implementation of the Customer and Digital Strategy – some examples of key projects delivered are provided below:

- The Council has migrated from standard on premises legacy applications to a hybrid cloud delivery model. Examples include the deployment of Office 365 and unified communications has enabled instant communication and video calling regardless of the location of staff.
- Contact centre as a service using Cisco Webex to deliver all contact centre telephony using a golden number approach. This increases the effectiveness of call handling and a focus on customer resolution.
- Customer Contact significant work to streamline customer interaction and adopt a Digital First customer programme utilising Omni digital channel approach.
- Capita Contract Review completed, including a review of the Capita Performance Management Framework and transfer of any Capita ICT Services back in-house.
- Various Service Reviews have with a focus on customer needs and efficient process in areas, such as Revenues, Benefits, Fraud, Recovery, Corporate Telephony, Development Management and Waste Management.
- Corporate Peer Challenge undertaken, and most recommendations implemented.
- The Council has migrated from standard telephony to MS Teams which has enabled instant communication and video calling regardless of the location of staff.
- Significant work to streamline customer interaction and open digital channels.
- A full review of Council owned assets is being undertaken, with the property team identifying potential sites for sale and where property is tenanted, carrying out rent reviews.

Following the implementation of the changes we have made to improve services, details of the impacts of some of those changes are provided below:

- Carrying out rent reviews for commercial tenants.
- Development Management reviewed, resulting in significant improved performance.
- Investment in Bartec to drive efficiencies
  - Waste Management Services review in progress with the aim of resulting in round optimisation for waste collections. It is hoped to roll this out to the green spaces team to optimise their maintenance routines.

As detailed in the introduction the Council has seen significant and disproportionate cuts to its core funding, which has impacted on the Council's staffing levels, yet the statutory services delivered remain the same despite burdens increasing. Few discretionary services remain.

Current and future continuous improvement plans will be defined via the development and adoption of the following:

- Local Plan 2019-2036 which includes key actions to deliver government funding programmes (e.g. Capital Regeneration Programme, UKSPF, Long Term Plan for Towns,

local masterplans), the Council's Local Plan, a continuous improvement agenda and transfer of assets where appropriate.

- Key Strategies; MTFP and Capital Strategy, IT / Digital, Customer Contact and Workforce Development.
- Implementation of the recommendations of the review by Grant Thornton into the relationship with Rossendale Leisure Trust.
- Value for Money External Audit Report recommendations for 22/23.

Looking ahead, the services / areas which have the greatest potential for savings if further productivity gains can be found are as follows.

- Expanding the use of technology and reviewing general working processes, such as how we better use Bartec within Operations.
- Continuing to explore options to provide suitable and affordable accommodation for residents who present as homeless by purchasing property to use as temporary accommodation instead of using expensive and unsuitable B&B's

The Council has an ageing managed Estate which requires maintenance and repairs to ensure continued occupation/let ability of premises, which provide an annual income. If the existing Managed Estate is not maintained it will become a diminishing Asset and a cost burden rather than an income generator. A long-term R&M and Capital Improvements budget is required. Continued Government support is also required for Decarbonising the Estate. This is managed extensively by the in house Facilities team.

There has been significant investment on the Council's Cyber Security arrangements and infrastructure.

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

The Customer and Digital strategy transforms the delivery of council services and embraces the changing landscape of technology and opportunities. The strategy sets out a roadmap of digital change to support the overall vision and goals of the Council – some examples of key projects delivered that have taken advantage of technology include:

- Hybrid Cloud operating model utilising key providers such as Oracle Cloud Infrastructure, Amazon Web Services, specialist Tier 3 Data Centres using Infrastructure as a Service (IaaS) has enabled Council Data Centres to be removed along with onsite physical infrastructure.
- Adoption of Defence in Depth approach including the Cisco Onion model to Cyber Security arrangements and infrastructure. Along with key security certifications such as ISO27001 and PSN. Rossendale have used DLUHC Cyber Resilience Funding for staff training programmes.
- A brand new Council website utilising a customer focused approach provides easy access to data, streamlines processes and enables full integration and automation to a number of key services.

Data is shared with other organisations as detailed below; however, it is important that the data being shared is put into context if being used for comparative purposes.

- Statutory returns which need to be completed and submitted to various organisations / agencies via strict deadlines, such as DLUHC, DEFRA, HMT (DLUHC), DfT, DWP, FSA, ONS, EC
- Networking groups, such as District Chief Executives, Lancashire Chief Executives and Lancashire Chief Finance Officers (CFO's).
- Responding to requests from the Press and Freedom of Information requests and MP enquiries.

3. Your plans to reduce wasteful spend within your organisation and systems.

Due to the many years of funding cuts very little in the budget can be deemed to be wasteful. However, some discretionary services still exist.

As referred to in Section 1, numerous service reviews have been undertaken and where these identified inefficiencies in working practices, ways to increase productivity, etc. they were addressed. However, it is likely that 'waste' can be linked to other inefficient systems and processes.

Business Cases precede all investment decisions for example in-cab technology, vehicle leasing and Planning.

In relation to EDI training, networks, and other programmes, we ensure we comply with the minimum statutory requirements of the Equality Act 2010 and nothing more given resource and capacity issues.

The percentage of total staff budget spent on agency workers and consultants are provided below.

- Agency Spend equates to 8.29% in 2023/24 (9.54% in 2022/23 and 8.77% in 2021/22).
- Consultant Spend equates to 10% in 2023/24 (4% in 2022/23 and 4% in 2021/22).

We have effective governance arrangements in place to ensure accountability of spend, such as the monitoring of the Medium-Term Financial Plan (MTFP), budget monitoring, and Internal / External Audit Reviews.

Currently there is little to no appetite for sharing services and / or systems with neighbouring councils. Conversations are ongoing to consider future appointments.

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

Most wasteful spend is incurred due to Government and legislative requirements.

The most significant barrier being the absence of multi-year funding settlements that provide realistically for growth in spending year-on-year. No public organisation can efficiently plan for its future with such uncertainty.

Financial constraints are significant as we operate under tight budgets, limiting our ability:

- To effectively invest in technology, training, and infrastructure upgrades necessary for productivity enhancements / service improvements further exacerbated by digital and IT landscape changing. Also, to ensure we have the necessary technical skills in place.

- To maintain resilience – e.g. where key staff members can become single points of failure, costs to prevention of becoming victim to cyber security threats which are ever-changing and increasing, etc.
- Update / replace legacy systems and processes.
- To address staffing Challenges such as, recruitment and retention of appropriately skilled staff, resistance to change among existing staff, skills gaps (e.g. capacity for innovation, commercialisation, data analysis, business process re-engineering, etc.), and capacity issues restrict ability to review ways of working and deliver change to increase productivity, Council's ability to be competitive in the recruitment market, aging workforce, etc.

It would be beneficial to introduce reforms that would reduce bureaucracy and burdens for central and/or local government or allow council services to be put on a more sustainable footing. Some examples are provided below:

- The operation of numerous specific grants schemes, each with its own criteria and reporting requirements
- Insufficient New Burdens funding where it does not cover the cost incurred in taking on new areas of work resulting in a lasting pressure on our budgets. New Burdens funding should consider long-term costs and implications on the authority.
- The provision of one-off grants with long term commitments for LAs, the main issue being the cost of large projects can often rise after grants have been received. It can see us moving into new areas of business and leave us exposed to future financial pressures.
- The need for councils to acquire the services of consultants to deal with all the bids required to access Government funding.
- Review the regulatory and compliance burdens placed on local government which create administrative burdens and limit powers, flexibility in decision-making and operations. Reviewing the current regulatory and statutory guidance would allow simplification of processes, removing unnecessary steps and facilitate lower cost service delivery; and ensure that any expectations in respect of service standards remain realistic and are aligned with available resources. For example:
- Regulation of rented properties is increasingly more complex. There is an increasing requirement for standards to be met by landlords but overall, there is an absence of a system whereby properties are checked/certified before they can be let. The system relies too heavily on landlords adhering to legal obligations and tenants reporting issues that arise.
- The planning system and the legislation which surrounds it have become increasingly complex.
- Reduce the information that must be provided in the accounts or must be published under the Transparency Code.
- Review the requirements of / for the Freedom of Information Act 2000 as, in our experience, it is not used for the purpose it was intended.
- Allow Revenues and Benefits teams to use all council and Government data to which they have access / is available to pursue effective recovery. For example, change legislation to permit use of HMRC employer data to support recovery from individuals who are in employment.
- Legislate the removal of the numerous statutory requirements to place notices in newspapers when far more people are reached via free, social media channels.
- Increase powers at a local level to allow us to operate in the best interests of the borough / district. For example, in the case of taxi appeals we decide to revoke their licence and they can carry on driving/operating pending appeal.

- Review activities / operating practices of other bodies that impact on how LAs can effectively and efficiently deliver services. For example:
- The Food Standards Agency seek 'to the letter' compliance with their statutory codes. This may require a review of the codes, so they become less onerous / burdensome.
- The Court Service and long dates set for prosecutions. This creates inefficiencies in abortive case management work.

The Government should consider how it can support the capacity of LAs to sustain services, particularly in how new regimes, initiatives, funding opportunities, etc. are introduced. For example:

- Influence an improvement in the image of working in local government i.e. the promotion of local government roles within secondary education.
- New regimes, initiatives, funding opportunities, etc. are usually introduced with extremely short deadlines and implementations timescales, which can pose a burden on the LA to respond and impact on productivity and delivery of statutory services, lack of clarity on funding available (e.g. waste reforms) and without the necessary guidance / criteria, etc. readily available.
- What Government interventions can be put in place to influence the providers of IT applications, systems, licensing, and support / maintenance contractors in terms of costs charging models in place?

Other barriers include:

- Political and Stakeholder Pressures: Political considerations, competing interests among stakeholders, and public scrutiny can influence decision-making and resource allocation, potentially diverting attention away from productivity improvement initiatives, such as removing discretionary services.
- Limited access to timely, accurate and contextual data in the public domain can produce a negative image of the Council, cause reputational damage and hinder efforts to identify inefficiencies, track progress, and make data-driven decisions.

Addressing these barriers requires assistance and support via a multi-faceted approach involving central government, strategic investment, organisational change, leadership commitment, and collaboration with external partners and stakeholders.