



**Corporate Policy and
Resources Committee**

27th June 2024

Subject: West Lindsey District Council Productivity Plan 2024

Report by:

Ian Knowles
Chief Executive

Contact Officer:

Ellen King
Corporate Strategy and Policy Officer
ellen.king@west-lindsey.gov.uk

Purpose / Summary:

To present the Council's first annual Productivity Plan, a new requirement on all local authorities, which must be submitted to the Department for Levelling Up, Housing and Communities by 19th July 2024.

RECOMMENDATION:

Members are asked to:

1. Note the requirement on all Councils to submit a Productivity Plan to the Department for Levelling Up, Housing and Communities (DLUHC) by 19th July 2024;
2. Approve that the Productivity Plan included within this report be submitted to DLUHC for review, noting that the Productivity Plan has been produced in accordance with the guidance issued by the Department.

IMPLICATIONS

Legal:

Following the 2024 Local Government Finance Settlement, DLUHC placed a requirement on all local authorities to submit a Productivity Plan, which will be used to inform future funding settlements for the local government sector. Whilst this is not a statutory requirement, failure to submit a Productivity Plan may trigger a Best Value Inspection, a statutory review which provides the Secretary of State information on how a local authority is performing the Best Value Duty.

Local authorities have not been provided with statutory guidance, or a template for completing a Productivity Plan, however, the Plan included within this report has been produced in accordance with the informal guidance issued to Chief Executives by the Minister for Local Government on 16th April 2024.

Although Parliament was dissolved on 30th May 2024, with a General Election due to be held on 4th July 2024, DLUHC have advised that this does not effect the requirement to produce a Productivity Plan, and that Councils should continue to follow the original guidance and timeline.

Financial: FIN/27/25/SL

There are no financial implications arising from this report.

DLUHC have advised that Productivity Plans will be used to inform future local government funding settlements. Whilst there is no specific guidance at this time, it is understood that this will be done on a sector wide basis, and that Productivity Plans for individual councils will not have a bearing on each Council's finance settlement.

Staffing:

There are no staffing implications arising from this report.

Equality and Diversity including Human Rights:

In producing this Productivity Plan, local authorities are asked to provide information relating to spend and resource allocation for Equality, Diversity and Inclusion Programmes. The Council's response is included in Appendix A of this report.

Data Protection Implications:

There are no data protection implications arising from this report.

Climate Related Risks and Opportunities:

Not applicable in the context of this report.

Section 17 Crime and Disorder Considerations:

Not applicable to this report.

Health Implications:

No health implications arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

Not applicable

Risk Assessment:

According to DLUHC, failure to submit a Productivity Plan by the deadline may trigger a Best Value Inspection. This risk is mitigated by the recommendation in this report for the Council to submit its Productivity Plan by the deadline following member approval at this committee.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

Executive Summary

In announcing the Local Government Funding Settlement for 2024/25, the Secretary of State introduced a requirement for all local authorities to produce a Productivity Plan, which will be used by the Department for Levelling Up, Housing and Communities (DLUHC) to inform future funding settlements for the local government sector.

This report sets out the context and requirements for local authorities in producing their Productivity Plan, and seeks approval from members to submit West Lindsey District Council's Plan, which is attached to this report as Appendix A.

Introduction

In his speech to Parliament announcing the 2024/25 local government finance settlement, the Secretary of State for Levelling Up, Housing and Communities, The Rt Hon Michael Gove MP, outlined plans for local authorities to produce an annual Productivity Plan. This is a new requirement on the sector and forms part of wider government plans announced by the Chancellor, The Rt Hon Jeremy Hunt MP, in the 2023 Autumn Statement to review productivity across all public services.

On 16th April 2024, the Minister for Local Government, Simon Hoare MP wrote to local authority Chief Executives to formally begin the process, and to provide guidance on the timeline and information requirements. In submitting their Productivity Plans, Councils are asked to "ensure that there is member oversight and endorsement of the Plan before it is submitted." This report fulfils that requirement, presenting the Council's first annual Productivity Plan for approval by Corporate Policy and Resources as the appropriate Policy Committee.

In approving the recommendations made in this report, members are asked to note that the Productivity Plan is a government requirement and has been produced in accordance with the guidance provided by DLUHC. As such, the Plan presented before members is based solely on central government's interpretation of local government productivity in response to the defining questions that Councils have been asked to consider when producing their Plan. A copy of these questions is attached for information as Appendix B.

National Policy Context

In response to the complex and increasing financial pressures that local authorities face, the local government finance settlement announced in December 2023 provided additional financial support amounting to an average increase in core spending power of 4.7% in real terms for 2024/25.

Whilst this support was welcomed across the sector, it remains the case that the costs facing local authorities are rising faster than whole economy inflation, as highlighted by the Institute for Fiscal Studies in their analysis of the settlement. Despite the extra financial support, the burden on local authorities remains, with high profile examples in recent months of local authorities declaring Section 114 notices due to an inability to present a balanced budget.

In providing additional funding in the short-term, the government is asking all local authorities to share their plans for increasing efficiency and improving productivity with

DLUHC so that the department can use the information to determine the financial needs of local government in the longer-term. These Plans will therefore be used to inform future funding settlements, and to feed into a wider government review of all public sector services although it is not currently clear whether either of these objectives will be met within this Parliament.

In a letter to local authority Chief Executives, the Minister for Local Government outlined the requirements, process and timeline for local authorities to follow, the details of which are included in the paragraphs below.

Process, Governance and Timeline

All local authorities must submit their Productivity Plan by email to DLUHC by 19th July 2024. This is unaffected by the announcement of the upcoming General Election. Thereafter, Councils are asked to consider how they will update and monitor their Plans on a regular basis, although no further detail has been provided at this time.

Whilst there is no statutory requirement to submit a Plan, failure to do so may trigger a Best Value Inspection, whereby the Secretary of State has powers under section 10 of the Local Government Act 1999 to appoint a person to carry out an inspection into a local authority's compliance with the Best Value Duty.

In their guidance, DLUHC have stipulated that Councils will not be provided with a template or a formal list of criteria to meet. Rather, the Plan should be no more than four pages in length and should consider 35 questions covering the following themes:

1. How you have transformed the way you design and deliver services to make better use of resources.
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.
3. Your plans to reduce wasteful spend within your organisation and systems.
4. The barriers preventing progress that the government can help to reduce or remove.

A full list of the questions which councils have been asked to consider is attached as Appendix B for members information. To monitor progress, Councils are asked to include relevant metrics and key performance indicators.

Before submitting their Plans to DLUHC for review, Councils "must seek member oversight and endorsement." No further guidance is given on this, and so officers have been guided by WLDC's Constitution, bringing the Plan before CP&R for approval as the responsible Policy Committee. Councils are also required to publish their Productivity Plan on their website. Officers will make appropriate arrangements for this, subject to the Plan being approved at this committee.

Reviewing and Assessing the Council's Productivity Plan

The Council's Productivity Plan attached as Appendix A meets the guidelines and requirements issued by DLUHC. As the guidance did not state the time period that the

Productivity Plan should cover, officers have made an assumption and provided information based on the past 12 months, i.e. the 2023-2024 financial year.

It should be noted that, in restricting the Plan to four pages, it has not been possible to provide fully detailed answers or supporting metrics for each of the 35 questions. To mitigate this, links have been provided within the Productivity Plan to other reports produced by the Council, which provide a more thorough and detailed understanding of Council activity, allowing the reader to reach a balanced, objective and evidence-based conclusion as to the Council's levels of productivity and efficiency alongside the information in the Productivity Plan. Links include the latest Medium-Term Financial Plan and Executive Business Plan, the Corporate Plan, the latest Progress and Delivery Report and our most recent quarterly budget monitoring report.

In respect of how the information submitted to DLUHC will be used, in his guidance the Minister for Local Government stated that the Department is in the process of setting up a Productivity Panel, chaired by the Minister and including representatives from the Local Government Association (LGA) and the new Office for Local Government (Oflog), as well as other experts "from the sector and beyond."

The Productivity Panel will convene to consider common themes, issues and opportunities emerging from the Plans which will inform future national policy design, the role of government in supporting change and the role of the sector itself in "going further." The Plans will also be used to inform future local government funding settlements.

More specifically, individual plans will not be rated or scored, and individual councils will not receive any feedback on the information they submit. DLUHC have advised that they will not use the information provided to produce any form of league table. It will not, therefore, be possible to use Productivity Plans to benchmark the Council's position against other local authorities. The Council will continue to use its own robust governance framework to assess productivity, performance and efficiency in the usual way.

At the time of writing this report, no further guidance or information on the Productivity Panel, which is yet to be set up, has been provided. It is not yet clear whether the ongoing requirement to produce a Productivity Plan will continue in the new Parliament.

Summary

In producing a Productivity Plan, the Council has met the requirements set out by DLUHC and will await further guidance as to the establishment of the Productivity Panel and how the information will be used. Should the Department subsequently publish any reports, data or information pertaining to analysis of the Plans submitted by the sector, officers will bring a report back to this committee for consideration.

A copy of the Council's Productivity Plan is attached as Appendix A. Members are asked to approve that this be submitted to DLUHC for review, noting that the Plan has been produced in accordance with the guidance issued by the Department, which is summarised for members information as Appendix B.

Productivity Plan

West Lindsey District Council
July 2024

Contents

Introduction	9
Organisational Structure	10
Transformation of Services	10
Advances in Technology	11
Financial Spend	11
Barriers to Delivery and Productivity	12

Introduction

Welcome to West Lindsey District Council's Productivity Plan for 2024, where we will demonstrate what action we are taking to ensure the Council is an efficient, productive and high performing organisation against an increasingly challenging financial and policy environment for the local government sector.

The Department for Levelling Up, Housing and Communities (DLUHC) has placed a new requirement on all Councils to produce Productivity Plans by July 2024. As required, this plan provides information on our activity across four areas:

1. **Transformation of services** – what is the Council doing to make the best use of resources?
2. **Advances in technology** – how is the Council taking advantage of advances in technology and making better use of data to inform decision-making and service design?
3. **Financial Spend** – how is the Council reducing wasteful spend within systems and programmes?
4. **Barriers to delivery and productivity** – what barriers are preventing Council activity that central government can help to reduce or remove?

A Productivity Review Panel, set up by DLUHC will review the information provided in order to inform future funding settlements for local government and to identify good practice across the sector.

Whilst the government does not intend to review or provide feedback on individual Productivity Plans, or use the information to produce any kind of league tables, West Lindsey District Council has robust governance frameworks and procedures of its own in place to ensure we are an efficient, high performing, value for money organisation delivering high quality services for the residents, businesses and communities that we serve. You can learn more about our approach via the following key documents:

- [Moving Forward Together: Our Vision for West Lindsey 2023-2027](#): As our flagship corporate strategy, our Vision includes our strategic aims and objectives for ensuring we remain a high-performing, efficient, and well-governed Council.
- [Executive Business Plan](#): This acts as a strategic business plan for the Council, setting out what actions we will take over a rolling three-year period to deliver the strategic objectives we have set ourselves. The Executive Business Plan acts as an anchor point for the Council, ensuring every service is working to deliver the same objectives.
- [Medium-Term Financial Plan](#): Linked closely to the Executive Business Plan, our MTFP sets a robust strategic framework for our Financial Strategy, outlining our five year spending plans in support of delivering our strategic objectives. Our robust approach allows us to remain financially stable across all of our operations.
- **Progress and Delivery Reporting** (link to be added to 2023/24 year-end report once available): Our performance management reporting framework helps to assist with our understanding of performance across the authority, allowing us to take early corrective action where required if performance falls below our high standards.
- **Budget and Treasury Monitoring** (link to be added to latest report once available): Our quarterly monitoring reports help us to stay financially sound, providing oversight of our financial performance for revenue and capital spend, and our

Treasury Management. This acts as both assurance, and an early warning mechanism so that corrective action can be taken early on.

Organisational Structure

West Lindsey operates within a committee model of governance. The Council is led by a Liberal Democrat Administration Group under no overall control. To support the implementation of Council decisions and delivery of the Corporate Plan, appropriate officer structures are in place, with the Senior Management structure as follows:

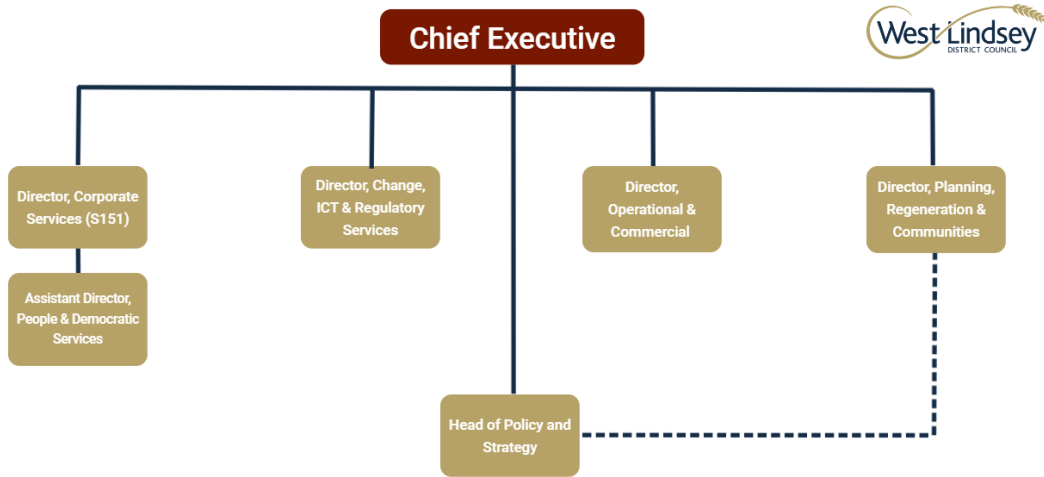


Fig 1: WLDC Senior Management Structure as of 2024

Transformation of Services

As outlined in the introduction, we measure productivity through our robust approach to performance and financial management. In 2020, the Council launched its flagship transformation programme, Together 24 to deliver a central vision that “together, through our staff and technology, we will excel in meeting the needs of our customers through service delivery.” Together 24 is a collaborative programme focused on delivering five key objectives through people led change:

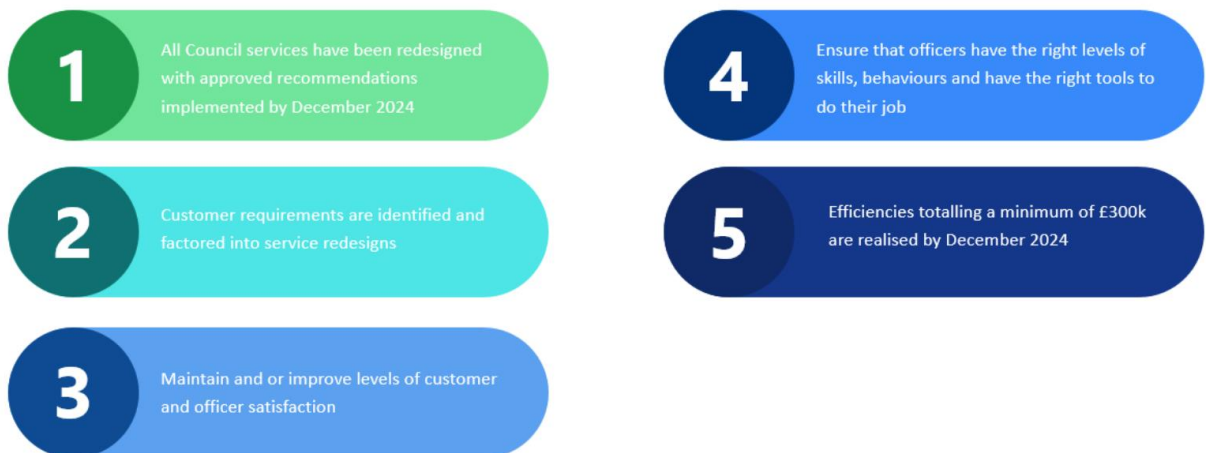


Fig 2: Together 24 Programme Objectives

Despite the challenges of launching this major programme just as the pandemic took hold, we are proud to have delivered a successful programme of transformational change across many of our frontline services, resulting in increased productivity across the organisation. The Programme has led to a number of improvements for our staff and customers, such as significantly decreased turnaround times for processing applications in Local Land Charges, and a streamlined process for delivering Disabled Facilities Grants.

Together 24 has also instigated a number of Digital Change projects, implementing major ICT systems in frontline services that support a modernised way of working. The Together 24 Programme Board is comprised of senior officers from across the organisation, including the Section 151 Officer, to ensure the Programme remains on track to deliver its five main objectives, and that the recommendations from each service review are fully implemented. An audit of Together 24 returned a verdict of high assurance in the Programme, its management and governance arrangements. Planning is well underway to determine the evolution of Together 24 to ensure a culture of continuous learning and improvement remains embedded within the organisation.

Advances in Technology

As a multi-operational organisation delivering hundreds of unique services, we hold a wealth of data and intelligence. We have recently implemented an innovative Enterprise Resource Platform (ERP) and a Customer Relationship Management system (CRM) to integrate data across our services to support evidence-based decision making and to ensure we are delivering a holistic customer experience. The main barrier to our legacy systems is the lack of integration with the CRM and ERP, potentially unsupported systems, ongoing maintenance and upgrade costs. To address this, one of the aims of the Together 24 Programme is to remove the main legacy system within the authority.

To enhance our understanding of the district, benchmark our performance, and in the spirit of embedding a whole-systems approach to decision-making, we constantly share data, both internally across our services, and with other organisations. We work closely with partner agencies including the NHS, Police, and central government. We also collaborate with voluntary and community services, Lincolnshire County Council and the Department for Work and Pensions, all of whom share our office space. Data sharing is always done using appropriate data in an ethical and legally compliant manner. We participate in established corporate and service-based benchmarking groups to create shared learning opportunities and to foster a culture of continuous learning and improvement. This is a useful way of helping to us to benchmark our performance and to identify ways we can learn and improve.

To further mature our approach, and ensure we are keeping pace with advances in technology, we have recently adopted a Digital ICT Vision, a forward-thinking framework that enables us to take advantage of technological and digital solutions that meet the needs of our customers and staff, as identified through our business planning process. We are exploring the use of AI technology which will allow us to refocus our officer resource into value-added tasks.

Financial Spend

Our collaborative approach to business planning, drawing on the expertise of our finance, strategy, performance and project teams allows us to identify and reduce waste at the earliest opportunity. Aligning business planning with budget setting and linking it to our

Project Management Office (PMO) means that we can eliminate the duplication of workstreams across the authority, thus ensuring efficiency.

Like all local authorities, we take financial governance and due diligence seriously. All of our reports require financial sign-off and must clearly set-out all financial implications to support the senior management team and elected members with decision-making. Our project methodology requires a business case to ensure new initiatives deliver value for money and are not wasteful. We have in place a robust value for money framework to evaluate our services, ensuring they operate as efficiently as possible. Meeting the needs of our business from a resource perspective is balanced with financial responsibility. We recognise that consultancy and agency staff can add real value to an organisation, allowing us to buy in skills and expertise for specific project work, or where we cannot fill critical vacancies. However, we aim to keep the use of agency staff and consultancy services to a minimum, and for time-limited periods. Just 2% of our staff budget is currently spent on agency staff, with the majority of those staff working in refuse collection and street cleansing roles within our Operational Services. At the same time, 1.3% of our staff budget is currently spent on consultants whose expertise have supported us with complex strategic bid-writing or the development of specialist documents such as our Commercial Investment Strategy. To mitigate the use of agency staff, we advertise widely, benchmark our salaries to ensure we remain competitive, and offer flexible working to ensure we are an attractive employer.

We are proud to be an inclusive employer, and we are committed to ensuring that our services meet the needs of all the people and communities we serve. Our approach to Equality, Diversity and Inclusion (EDI) has been developed in-house, with all training delivered internally through a one-off module on our Learning Platform that all staff are required to complete. This keeps costs to a minimum, but ensures our staff are trained appropriately. Responsibility for EDI sits with one officer as one function of their wider consultation and community engagement role. Whilst we do not employ EDI champions, we do have an informal EDI staff forum which meets infrequently to ensure our policies and practices remain inclusive and to discuss any issues, challenges and opportunities which may need to be formally raised with senior managers.

Barriers to Delivery and Productivity

Internal Drainage Board levies pose a significant financial pressure for the Council. We have helped to form a Local Government Association Special Interest Group which is lobbying central government on this issue. The Group now includes 30 councils and fully recognises the important work of Internal Drainage Boards in protecting our communities. The significant and ongoing increases in levies charged to the Council by Drainage Boards – a sum that is outside our control – is a concern and is having an impact on our ability to invest in front line services.

The continued lack of multi-year financial settlements from the government has also meant that the Council is unable to take a longer-term approach to service design as funding for the following year is only known in December. Multi-year settlements would give the Council stability in order to plan services around available resources, and also plan investment with a longer-term outlook.

APPENDIX B

In producing a Productivity Plan, DLUHC asked councils to consider the following questions, using no more than four pages in total to answer:

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

1. 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.
2. How do you measure productivity in your organisation?
3. What changes have you made to improve services, and what effects have those had?
4. What are your current plans for transformation over the next two years and how will you measure the effects of those changes?
5. Looking ahead, which service has greatest potential for savings if further productivity gains can be found?
6. What do you estimate these savings to be?
7. What role could capital spending play in transforming existing services or unlocking new opportunities?
8. If you have already used capital spending to boost growth or improve services, we would be interested in learning more.
9. What preventative approaches have you undertaken and can the value of these be quantified?
10. Are there wider locally-led reforms that could help deliver high quality public services and improve the sustainability and resilience of your authority?

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

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

Your plans to reduce wasteful or “gold-plated” spend within your organisation and systems:

16. How do you approach identifying and reducing waste in the organisation?
17. How do you monitor progress?
18. Where have you followed invest to save and what was the result?
19. How much time and money do you spend on staff Equality, Diversity and Inclusion training (internal and external), networks and other programmes?
20. How do you log and report the time and money spent on Equality, Diversity and Inclusion (EDI) related activity?
21. How do you assess the effectiveness of EDI training?

22. What percentage of total staff budget is spent on a) agency and b) consultants?
23. How do you assess value for money on agency and consultancy spend?
24. What are your plans to reduce use and cost of agency and consultancy spend?
25. How many consultants and agency staff have been in place for over a year?
26. What governance structures do you use to ensure accountability of spend?
27. Do you share office functions with other councils and, if so, how useful do you find this?
28. 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?
29. If you have one, what is your assessment and experience of working with an elected mayor, combined authority, or devolution deal?
30. What proportion of your pay bill is spent on trade union facility time?

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

31. What are the barriers preventing you from improving productivity further within your organisation?
32. What are the barriers preventing you from improving services further?
33. Are these barriers consistent across multiple services?
34. What would you need to remove those barriers?
35. What do you need from government, the market or elsewhere?