



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	East Staffordshire Borough Council Productivity Plan 2024/25	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team 15/05/2024	X
	Pre Cabinet 23/05/24	X
	Leader's 30/05/24/ Leader of the Opposition's Advisory Group 05/06/24	X
	Cabinet 17/06/24	



<p>Is this an Executive Decision:</p>	<p>YES</p>	<p>Is this a Key Decision:</p>	<p>NO</p>
<p>Is this in the Forward Plan:</p>	<p>YES</p>	<p>Does this report contain Confidential or Exempt Information:</p> <p>If the report Contains Confidential Information, please provide reason.</p> <p>If the report contains Exempt Information, please state relevant paragraph from Schedule 12A LGA 1972:</p>	<p>NO</p>

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE



Monitoring Officer: **John Teasdale**

Date Signature

Chief Finance Officer: **Lloyd Haynes**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 17 June 2024

REPORT TITLE: East Staffordshire Borough Council Productivity Plan 2024/25

PORTFOLIO: Finance

CHIEF OFFICER: Lloyd Haynes

CONTACT OFFICER: Lloyd Haynes **Ext. No. x1399**

WARD(S) AFFECTED: All

1. Purpose of the Report

- 1.1. Productivity Plans are required to have member oversight and endorsement prior to their submission to the Department for Levelling Up, Housing and Communities (DLUHC). This report therefore sets out for members the Council's proposed Productivity Plan for 2024/25, and seeks their endorsement of it.

2. Background

- 2.1. Local authority productivity plans are a new requirement introduced by the Department for Levelling Up, Housing and Communities (DLUHC) as part of the local government settlement for 2024/25.
- 2.2. Further guidance has now been provided by DLUHC which sets out details of what Council's should include in their Productivity Plans, and a proposed plan for the Council has now been produced based on that guidance.

3. Contribution to Corporate Priorities

- 3.1. The Productivity Plan summarises existing work that the Council has or is undertaking, and feeds from other plans – such as the Corporate Plan and

Medium Term Financial Strategy. As such it contributes to and underpins all corporate priorities.

4. Productivity Plans

4.1. Details provided by DLUHC which sets out details of what Council's should include in their Productivity Plans are summarised below:

- i) There is no formal template or list of metrics to report on.
- ii) Individual plans will not be scored or rated, and DLUHC will not produce any kind of productivity plan league tables.
- iii) Plans should not create an excessive burden, and are expected to be no more than 3-4 pages in length.
- iv) Plans should set out what the authority has done in recent years, and their current plans, to transform the organisation and services.
- v) Plans should also set out how they will be monitored and assessed to assure the authority, and residents, that they will be delivered.
- vi) Plans should consider the below themes and where relevant reference work the Council undertakes alongside other public services:
 - a. How you have transformed the way you design and deliver services to make better use of resources.
 - b. How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
 - c. Your plans to reduce wasteful spend within your organisation and systems.
 - d. The barriers preventing progress that the Government can help to reduce or remove.
- vii) Plans are required to have member oversight and endorsement prior to their submission to DLUHC.
- viii) Plans must be returned to DLUHC by 19 July 2024, and must also be uploaded to the Council's website so that residents can see it.

4.2. Taking in to account this guidance, a proposed 2024/25 Productivity Plan for the Council is set out at Appendix 1.

4.3. It should be noted that there is no formal legislative power which requires Council's to produce a Productivity Plan, however DLUHC has set out that it intends to monitor plans, and funding settlements in future will be informed by performance against them. DLUHC has also not yet set out what penalties it may seek to impose if authorities fail to produce and submit a plan.

5. **Financial Considerations**

This section has been approved by the following member of the Financial Management Unit: Lloyd Haynes

- 5.1. There are no direct financial issues arising from this Report. The Productivity Plan summarises existing work that the Council has or is undertaking, and feeds from other plans – such as the Corporate Plan and Medium Term Financial Strategy, and any financial implications applicable to those are already set out within the relevant reports.

6. **Risk Assessment and Management**

- 6.1. There are no risks arising from this Report. The Productivity Plan summarises existing work that the Council has or is undertaking, and feeds from other plans – such as the Corporate Plan and Medium Term Financial Strategy, and any risks applicable to those are already set out within the relevant reports.
- 6.2. However it should be noted that if the Council chooses not to approve and submit a Productivity Plan then this may impact future funding as DLUHC has set out that it intends to monitor plans and funding settlements in future will be informed by performance against them – albeit with no consistent template or performance metrics provided it is difficult to understand how DLUHC will achieve that in an objective and formulaic manner. Additionally DLUHC may seek to impose a penalty, although they have not yet provided any detail of potential penalties that they may seek to impose.

7. **Legal Considerations**

This section has been approved by the following member of the Legal Team: John Teasdale

- 7.1. There are no significant legal issues arising from this Report. It should be noted that there is no formal legislative power which requires Council's to produce a Productivity Plan.

8. **Equalities and Health**

- 8.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.
- 8.2. **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.
- 8.3. There are no direct equality or health issues arising from this Report. The Productivity Plan summarises existing work that the Council has or is undertaking, and feeds from other plans – such as the Corporate Plan and

Medium Term Financial Strategy, and any equality or health issues applicable to those are already set out within the relevant reports.

9. Data Protection Implications – Data Protection Impact Assessment (DPIA)

10.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

10.2 Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA.

10. Human Rights

10.1. There are no Human Rights issues arising from this Report.

11. Environmental Impacts

11.1. Does the proposal have any positive or negative environmental impacts? No

11.2. There are no environmental impacts arising from this Report. The Productivity Plan summarises existing work that the Council has or is undertaking, and feeds from other plans – such as the Corporate Plan and Medium Term Financial Strategy, and any environmental impacts applicable to those are already set out within the relevant reports.

12. Recommendation(s)

12.1. That Cabinet endorses and approves the proposed East Staffordshire Borough Council Productivity Plan 2024/25, attached at Appendix 1, and notes that this will be submitted to the Department for Levelling Up Housing & Communities by the required deadline of 19 July 2024.

13. **Background Papers**

13.1. None

14. **Appendices**

14.1. Appendix 1: East Staffordshire Borough Council Productivity Plan 2024/25

East Staffordshire Borough Council Productivity Plan 2024/25

Section 1 - How has the Council transformed the way it designs and delivers services to make better use of resources?

Guidance from DLUHC:

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 the 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 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?*

Response:

Like the majority of council's, East Staffordshire Borough Council has been impacted by unprecedented reductions in settlement funding from Government totalling 78%, or £6.4m, on a like for like basis between 2010 and 2019, and has therefore had to deliver significant savings and efficiencies, and become more productive in response to that.

This has been achieved through a focus in the Corporate Plan of implementing and monitoring the delivery of clear performance metrics in services which are a priority for the Council, within the funding that is available to the authority.

This has meant that the Council has had to make difficult decisions to deliver savings in lower-priority areas, and increase productivity in higher-priority areas. From a productivity perspective has included changes to structures (such as the delivery of a middle management review, seeking to increase the use of apprenticeship posts, restructure of service reporting lines at Chief Officer level to move from a generic to a more service based approach, and a review of waste staffing capacity to reduce use of expensive overtime), and operating models (with the council's leisure offer is currently managed under contract through Everyone Active and its Grounds maintenance provision with Idverde), alongside other efficiencies.

The Council also seeks to work effectively with local partners to deliver collectively against its priorities, for example the Council leads on the Better Health Staffordshire Partnership that has the objective of reducing levels of obesity across Staffordshire, on a District/Borough basis. By working with partners e.g. ICB, Staffs CC, Everyone Active, Everyone Health, Burton Albion Community Trust, GP Practices etc, prevention mechanisms are created to address the issue of obesity, ideally before it can impact on front line health services. As a further example, the Councils Enforcement team attend weekly ASB meetings with the Police, with officers from both organisations attending/supporting each other on various enforcement initiatives throughout the year, again providing a mechanism for addressing ASB issues at an early stage.

The impact on this productivity based approach can be evidenced in the latest Corporate Plan for 2024/25 (which is available here - [CCL 240318 10 Corporate Plan Refresh 24-25.pdf \(eaststaffsbc.gov.uk\)](#)) which includes measurable performance metrics across a range of areas which support the key objectives set out in plan such as planning, parks, fly tipping, street cleansing, waste collections, waste reduction, recycling, homeless applications, play areas, benefit applications, debt, payment of invoices and staff sickness. The corporate plan also retains a number of original Best Value indicators which focus on productivity, and also incorporates all required OFLOG indicators.

This synergistic approach of joining together financial planning with delivery of corporate objectives and clear productivity metrics has enabled the council to continue to set a balanced budget whilst ensuring the delivery of its key objectives – with the latest publicly available corporate plan monitoring, as at quarter 3 of 2023/24, showing 93.65% of Corporate Plan targets as Green.

Plans to continue this trajectory going forward are also clearly set out in the Council's Medium Term Financial Strategy (MTFS) (which is available here - [EAST STAFFORDSHIRE BOROUGH COUNCIL \(eaststaffsbc.gov.uk\)](#)), which includes the outline position for 2025/26 and 2026/27.

The MTFS highlights further revenue investment in Council key objective areas such as planning, leisure, marketing and tourism, licencing and enforcement, fly tipping, the green agenda, and effective IT systems.

It also highlights significant capital investment across the period from 2023/24 to 2027/28, including a £27.8m Towns Fund programme alongside further council investment in support of regeneration, investment in the Uttoxeter town centre masterplan, sports and leisure development, fly tipping and waste collection and council building modernisation and decarbonisation.

Given the ongoing pressures on council funding that are expected over the same time, these investments are in the main expected to be funded by the delivery of further savings, reviews of fees and charges and other income areas, and further improvements in the efficiency of council services.

These include changes to car parking charges, application of the councils fees and charges policy across other chargeable areas, reductions in staff hours and costs, improved processes for monitoring and allocating S106 funding, implementation of digital processes and the consideration of a new subscription based service for garden waste – which represents the single biggest area of potential saving and has been highlighted by the council’s external auditor in its latest Value For Money assessment as an opportunity with the scope to significantly increase income. Additionally the council also continues to consider other savings opportunities that present themselves during the year, for instance a review of cultural services and options relating to the operation of the Civic Function Suite.

Finally, in terms of locally led reforms, whilst we do not operate to an elected mayor or combined authority model within Staffordshire, the Staffordshire Leaders Board is the local conduit which leads on wider locally-led reforms to support the delivery of high quality public services and improved sustainability and resilience.

In summary the Council has had to, and continues to, transform the way it designs and delivers services to make the best use of resources available to it.

Section 2 - How does the Council plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources?

Guidance from DLUHC:

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?*

Response:

As set out in Section 1, the Council has significant plans in place for investment, linked to the delivery of key objectives, which includes taking advantage of technology to improve delivery of services, against key objectives, whilst reducing the use of resources.

Specific examples within the Corporate Plan 2024/25 and the Medium Term Financial Strategy that seek to improve the quality of data and also availability to residents include embedding livestreaming into Council Committee meetings, investigating a digital solution to promote and encourage walking and cycling, implementing an electronic system to support a charging scheme for garden waste subscriptions (subject to consultation and a formal decision to implement a charge) and upgrading the Council's finance system to ensure it remains fit for purpose and appropriately supported.

Additionally in terms of the use of new technology to improve workflows and systems the Council will also seek to develop and install upgrades to its Revenues and Benefits systems to support a digital customer portal (including consideration of the use of analytics and AI where appropriate) and associated electronic forms and electronic communications, which will improve customer access and reduce manual intervention ensuring resources can be allocated toward higher value added areas of the service.

There are specific examples of barriers from legacy systems, for example within planning, however in relation to this the Council is in the process of upgrading from that legacy system to a web based system which will support increase productivity in that area.

Finally the Council will also complete a review of ICT requirements across all service areas to inform wider opportunities and needs, and the outcomes that these will deliver toward key objectives, which will be used to inform the next update of the Corporate Plan and MTFS.

In summary the Council continues to identify and invest in areas that will allow it to take advantage of technology to improve delivery of services, against key objectives, whilst reducing the use of resources.

Section 3 - What are the Council's plans to reduce wasteful spend within the organisation and its systems?

Guidance from DLUHC:

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 EDU 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 you 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 pay bill is spent on trade union facility time?*

Response:

Section 1 already highlights how the council has responded to unprecedented reductions in settlement funding from Government and has delivered significant savings and efficiencies, and become more productive in response to that.

The main financial process to identify opportunities to reduce waste in the organisation in support of that outcome is managed through the annual budget process. This includes a Star Chamber process which brings together Cabinet members with the managerial leadership and allows identification and peer challenge of service expenditure against delivery of corporate objectives, potential costs of legislative changes or risks to services going forward, and opportunities to reduce costs or become more efficient – including any associated invest to save options.

The outcome of the Star Chamber process then feeds in to the updated MTFs and budget report to full Council, with progress on delivery monitored throughout the year as part of the monthly financial monitoring and then quarterly financial reporting to Cabinet.

The Council also has effective processes in place to manage spend, with a scheme of delegation and financial regulations set out within the Council's constitution, and in year monitoring that highlights any financial pressures and allows the Council to put in place corrective actions to address those. The Council has also had a Peer Review within the last few years, which further highlighted the robustness of its financial controls.

As part of in year financial monitoring the costs of interim / agency and consultancy staff are also regularly reviewed. The council has continued to see an increase in these costs over the medium term, with the costs representing 12.83% of employed staff costs for 2022/23 and 14.9% of employed staff costs as at quarter 3 of 2023/24 (the final figure for 2023/24 is not yet available).

The council is mindful that there will always be a need for the efficient use of interim staff (for example where they can bring specialist knowledge for one off pieces of work, or can add additional time limited capacity at specific points of the year rather than on an ongoing basis). However it does continue to seek ongoing opportunities to reduce costs in this area and to recruit permanent members of staff where it is appropriate to do so, or to progress other opportunities, such as increasing the use of apprenticeship posts or identifying posts which may be appropriate to share across councils – for example emergency planning.

However the sector as a whole has been impacted by the ongoing reductions in funding and pay freezes, or below inflation pay rises, over the last 10-15 years which have resulted in a significant real terms reduction in pay for permanent staff over that period. This has seen a corresponding increase in the use of agency staff as either less individuals are attracted to a career in local government or more opt to work via the interim market, and this has meant that the Council is not able to successfully recruit to all vacancies on a permanent basis.

As set out above, in terms of experience of an elected mayor or combined authority model, we do not operate these within Staffordshire, however the Staffordshire Leaders Board leads on wider locally-led reforms to support the delivery of high quality public services and improved sustainability and resilience.

In summary the Council has effective processes and controls in place to reduce wasteful spend within the organisation and its systems.

Section 4 - What are the barriers preventing progress that the Government can help to reduce or remove?

Guidance from DLUHC:

There will be barriers preventing you from going as far or as fast as you would like to. Your plans should 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?*

Response:

The Council has robust arrangements in place to invest in its key objectives, whilst delivering increased productivity and delivering savings to reduce the use of resources, however the area that provides the biggest barrier to continued delivery is certainty around the financial position of the organisation over the medium term.

This is in the main due to the fact that funding settlements for local government have continued to be single year, rather than providing certainty over a longer period via multi-year settlements. Support from government to achieve this would therefore be useful to remove this barrier.

As part of that move to multi-year settlements it should be noted that there are significant financial uncertainties specifically relating to the timing and nature of any reset to the national business rates system, the continuation or not of standalone New Homes Bonus Funding and the timing of any wider funding needs re-assessment.

The cumulative impact of those uncertainties has a detrimental impact on the Council's ability to understand the funding that will be available to it, and therefore to plan to reshape services, over the medium term. Providing clarity on the timing and impact of those changes within any multi-year settlement is therefore key, and again government support to achieve that is needed.

As noted in Section 3, the ongoing reductions in funding and pay freezes, or below inflation pay rises, over the last 10-15 years have resulted in a significant real terms reduction in pay for permanent staff over that period and a corresponding increase in the use of agency staff as either less individuals are attracted to a career in local government or more opt to work via the interim market.

Support from government to address this situation, with funding to support that, would directly impact on attracting more individuals to consider a career in the public sector

and would help Council's to be able to further tackle and reduce the use of expensive agency staff and consultants.

At the same time that Councils have seen unprecedented funding reductions since 2010, they have also seen increases to the services that they are responsible to deliver. Whilst the government has followed a 'New Burden's' approach of seeking to provide additional funding for these increased responsibilities, it is noted that the funding provided is not always sufficient to fully fund the required services. A recent example of this is in relation to initial capital allocations provided for the implementation of food waste collections, where the authority has raised a challenge to highlight the potential material variance between its allocation and the potential costs of implementation.

This challenge obviously takes time and resource by the authority, and therefore government support to review the process for identifying and allocating appropriate amounts of New Burdens funding would have a direct impact on reducing the amount of unproductive time Councils have to allocate to this area.

Finally, it is noted that Productivity Plans themselves are a new burden, and no 'New Burden's' funding has been allocated in relation to them. Whilst the Council understands that government do not intend for the production of these plans to be onerous, they do still take officer time away from other productive tasks, and current guidance that has been issued does not clearly explain how these plans will be used by government in a way which will add value.

We note that the guidance does set out that government intends to monitor plans and funding settlements in future will be informed by performance against them, however with no consistent template or performance metrics provided it is difficult to understand how that will be achieved that in an objective and formulaic manner.

As such we would suggest that government reviews its approach to Productivity Plans so that it is either clearer how they will add value and more detail is provided to confirm how they will be utilised to inform future funding settlements (so that Councils can ensure they include any data required to support that), or the requirement is removed so that Council resources are not directed away from other work which could seek to improve efficiency and delivery of improved services.

Section 5 - How will this plan be monitored and assessed to assure the authority, and residents, that plans for improving productivity will be delivered?

The Productivity Plan summarises existing work that the Council has or is undertaking, and feeds from other plans – such as the Corporate Plan and Medium Term Financial Strategy. As such there are already existing mechanisms in place to monitor the delivery of those associated plans, for instance both the Corporate Plan performance and the Council's financial performance are reported publicly to Cabinet on a quarterly basis.

In addition, the Productivity Plan will be approved by Cabinet and will be refreshed on an annual basis (whilst there remains a requirement to produce one) to provide a formal update on delivery and any new opportunities that have been identified.