

CABINET

23 July 2024

Title: Productivity Plan	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Richard Caton, Head of Strategy and Performance	Contact Details: Richard.Caton@lbbd.gov.uk
Accountable Executive Team Director: Sal Asghar, Director of Strategy	
Summary <p>As part of the <u>Local Government Finance Settlement</u> announcement on 24 January 2024, local authorities were asked to produce Productivity Plans setting out how they will improve service performance and reduce wasteful expenditure to ensure every area is making best use of taxpayers' money. A letter from the Minister for Local Government on 16 April 2024 formally began that process.</p> <p>Attached at Appendix 1 is the Council's draft Productivity Plan, which outlines strategies to enhance efficiency and resource utilisation. Structured under key headings, the plan addresses service transformation, technology utilisation, expenditure reduction, and removal of barriers to achieve productivity improvements.</p> <p>The Government's deadline for returning Productivity Plans was set as 19 July 2024 (brought forward from the original "summer recess" date of 23 July). The letter from the Minister for Local Government confirmed Productivity Plans must have member oversight and endorsement of the plan before it is submitted, and the plan must also be uploaded to the Council's website so residents can see it, ensuring accessibility, accountability, and transparency.</p>	
Recommendation(s) <p>The Cabinet is recommended to approve the Council's Productivity Plan as set out at Appendix 1 to the report.</p>	
Reason(s) <p>To assist the Council in demonstrating that it is a "well run organisation" and to meet the requirements of the Department for Levelling Up, Housing and Communities</p>	

1. Introduction and Background

- 1.1 On 24 January 2024, Michael Gove, Secretary of State for Levelling Up, Housing and Communities, and Minister for Intergovernmental Relations, announced in a [written statement](#) on Local Government Finance, that councils would be required to publish Productivity Plans by the summer recess.
- 1.2 The process formally began with a letter from Simon Hoare MP, Minister for Local Government to Chief Executives on the 16 April 2024 detailing the specific requirements relating to the Productivity Plan with a submission deadline of 19 July 2024.
- 1.3 The purpose of this report is to present London Borough of Barking and Dagenham's Productivity Plan in response to the Department for Levelling Up, Housing and Communities' (DLUHC) requirement.
- 1.4 The Productivity Plan aims to demonstrate how Barking and Dagenham enhances service performance while effectively managing expenditure. It is informed by the Medium-Term Financial Strategy which demonstrates productivity gains in processes and services.
- 1.5 The final Local Government Finance Settlement outlined expectations for Productivity Plans. These include transforming services to optimise resource utilisation, leveraging technology and data for informed decision-making, and addressing barriers hindering productivity. It was advised that plans should be concise and published publicly.
- 1.6 The Council's Productivity Plan will be submitted to DLUHC as required and published on the Council's website, ensuring accessibility, accountability, and transparency.

2. Proposal and Issues

- 2.1 The Government's deadline for returning Productivity Plans is 19 July 2024. The Council's Productivity Plan will be published on its website on 15 July, via the agenda for this meeting.
- 2.2 The Productivity Plan is structured under areas defined by the Minister for Local Government which they identify as key areas critical to enhancing efficiency and resource utilisation within the Council. These headings are:
 - transformation of services to make better use of resources;
 - opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design;
 - ways to reduce spend;
 - barriers preventing progress that Government can help to reduce or remove.
- 2.3 Local authorities are required to ensure that the productivity plan has Member oversight before publication. In line with other local authorities, this requirement is met by recommending the Productivity Plan to Cabinet.

- 2.4 DLUHC will establish an expert panel to advise the Government on financial sustainability in the sector which will include the Office for Local Government and the Local Government Association. The panel will review local authority productivity plans and advise the Government on best practice in this area. The Government will monitor these plans and use them to inform funding Settlements in future years.
- 2.5 While individual productivity plans will not be rated or scored, DHLUC will identify common themes and good practice for shared learning across the sector.
- 2.6 There is an expectation that plans are updated and progress is reported on. The Council will therefore need to interpret what relevant metrics and key performance indicators would evidence productivity and efficiency. These may need to be drawn from existing performance frameworks or we might need to consider developing metrics for this purpose. The expectation is metrics/KPIs included in the Productivity Plan would need to be made available for public scrutiny. It is noted that Oflog measures relating to elements of corporate health are already accessible to the public via the [Local Authority Data Explorer](#) tool.

3. Consultation

- 3.1 Local authorities are required to ensure that the productivity plan has member oversight before publication. This oversight is provided via this Cabinet meeting.
- 3.2 The Productivity Plan was considered and endorsed by the Executive Management Team at its meeting on 20 June 2024.
- 3.3 The requirement for the Productivity Plan and its contents have been discussed with the Deputy Leader and Cabinet Member for Finance, Growth and Core Services in the process of bringing the report to Cabinet.
- 3.4 The Council's Medium Term Financial Strategy (MTFS), which forms a central source for the Productivity Plan, has undergone consultation.
- 3.5 The Productivity Plan does not necessitate public consultation because it primarily serves as a concise summary and compilation of existing strategies, policies, programmes, and projects and to collate these through the lens of questions posed by DHULC. Significant information is drawn from reports that have previously been approved by Cabinet. A requirement from DHULC is that the plan is published to the Council's website in order that residents can see it and this will provide accessibility and transparency to and of the Plan. Therefore, there is no formal requirement for prior public input or feedback in the Plan's development.
- 3.6 Discussions have also occurred with the LGA and London Councils, related council networks and via direct conversations with some councils. Through this, we know our approach is in line with the rest of the sector.

4. Financial Implications

Implications completed by: Jo Moore, Interim Strategic Director, Resources

- 4.1 There are no direct financial implications associated with this report.

5. Legal Implications

Implications completed by: Dr Paul Feild, Principal Standards and Governance Lawyer

- 5.1 As a report on productivity, while the Productivity Plan is tied in with central Government funding, there are no specific legal implications. There is no legal definition, so it is going to be about planning to hit and exceeding the Secretary of State's metrics, although as local government is predominately about services it is inevitably a challenge to measure the qualitative aspect of the actual service delivery. Potentially one outcome would be a return to the era of Best Value Performance Indicators. That regime would paradoxically run contrary to the thinking behind 'localism' and letting each local authority determine what its priorities are. Nevertheless, there is a legal basis for improvement or greater efficiency in that the Local Government Act 1999 as amended by the Local Audit and Accountability Act 2014 together with supporting legislation, requires the council to work to achieve continuous improvement and best value. The intention to improve productivity reflects good practice in terms of corporate governance as it articulates progress to outcomes and assists in highlighting areas where improvements are needed. A productivity plan, its objectives and, in time, how the delivery measures up in terms of outcomes, can therefore be one of the signifiers of a well-run local authority.
- 5.2 Furthermore, the Accounts and Audit (England) Regulations 2015 Regulations oblige the council to produce an Annual Governance Statement for each accounting year evidencing how the council has performed. This is to be done in accordance with proper public sector accounting practices. The CIPFA / Solace Delivering Good Governance in Local Government Framework 2016 guidance sets out the required practice and that includes a clear statement of the Councils purpose and intended outcomes. The productivity plan thus plays a vital role in the legal duty to ensure sound governance of the Council.

6. Other Implications

- 6.1 **Risk Management** – There are no direct risks to services or residents associated with the Productivity Plan. The Government has indicated that it will monitor councils' productivity plans and use them to inform future years' funding settlements, so failing to meet DLUHC's requirement may negatively impact the Council in future years.
- 6.2 **Staffing Issues** – There are no specific implications relating to workforce matters that arising from agreeing the recommendation set out in the report. The productivity plan sets out service improvement and resource optimisation measures.
- 6.3 **Corporate Policy and Equality Impact** - The Council acknowledges the significant demographic changes within Barking and Dagenham, including a rapidly growing and increasingly diverse population. The Council is aware it has the highest proportion (26.1%) of residents under 16 years old, the highest proportion of households in London with a disabled resident (29.8%), and the highest increase in residents born outside the UK (10.4%) leading to greater ethnic diversity.

In line with the Equality Act 2010, the Council gives due consideration to the potential impacts of its decisions and proposals on these protected characteristics. The Council is committed to ensuring that its services are accessible and beneficial to all residents, irrespective of their age, disability status, gender, or ethnicity.

The Productivity Plan considers the demographic profile and aligns with the Budget Framework 2024/25 and Medium-Term Financial Strategy 2024/25 to 2026/27 and Corporate Plan, both of which already have Equality Impact Assessment's. Therefore, a separate assessment is not necessary.

- 6.4 **Safeguarding Adults and Children** – This Productivity Plan is based on the Budget Framework 2024/25 and Medium-Term Financial Strategy 2024/25 to 2026/27 and Corporate Plan, both of which already consider the safeguarding of Adults and Children.
- 6.5 **Health Issues** – ‘Residents lead healthier, happier lives’ is a core priority; and ‘Health in all Policies’ is a key principle of the Corporate Plan. The Budget Framework 2024/25 and Medium-Term Financial Strategy 2024/25 to 2026/27 align with the STAR chamber process, assuring value for money in the use of the Public Health Grant aligned to strategic objectives. Joint working to address local challenges with health and wider partners is realised through the Barking and Dagenham Place Partnership and the Committees in Common, which is the collective governance vehicle established by the Integrated Care System partner organisations including the Health and Wellbeing Board to collaborate on strategic policy matters and oversee joint programmes of work relevant to Place. This enables the strategic management of finite resource across both organisations aided by insight. Additional work on Health in all Policies will strengthen this process.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1 – LBBD Productivity Plan