Barking&Dagenham

Productivity Plan

July 2024

Introduction

In accordance with the Local Government Act 1999, councils have a duty of Best Value, aiming to "secure continuous improvement in the way in which [it] exercises [its] functions, having regard to a combination of economy, efficiency and effectiveness".

In response to the Local Government Finance Settlement in December 2023, the London Borough of Barking and Dagenham Council has developed a Productivity Plan. This plan outlines initiatives aimed at enhancing service delivery, leveraging technology and data, reducing costs, and overcoming barriers to progress.

It is important to consider the significant [demographic](#) changes within Barking and Dagenham. The population has grown rapidly, becoming more diverse and younger. Since 2010, **Barking and Dagenham's population has grown by 39,000 (21%),** with significant associated increases in demand for services. Over the same period, it is estimated that the London Borough of Barking and Dagenham's Core Spending Power reduced by £39.5m (16%) in real terms from £245.5m to £206m in 2024-25. This means **Core Spending Power per capita is now 31% lower than it was in 2010-11.** Due to budget cuts during the 14-year period of austerity, the Council now employs approximately 17% fewer FTE staff than in 2010.

In addition, the Council has taken on new duties and responsibilities without sufficient or sustained funding. These new duties and responsibilities include:

- the localisation of council tax support in 2013;
- the transfer of public health duties in 2013;
- duties resulting from the Homeless Reduction Act 2017;
- duties resulting from the 2014 Children and Families Act;
- changes to Youth Justice and Health policy that impact children's social care.

In total, it is estimated that **new duties and responsibilities and other new or underfunded burdens have added over £1bn of additional funding pressures to London boroughs.** Furthermore, emerging pressures, such as the accelerated migration to Universal Credit, could adversely affect both community wellbeing and the Council's finances.

The increasing demand for services presents financial challenges. These challenges are exacerbated by reductions in central government funding. Despite this, the Council remains committed to efficient and effective services for residents while optimising resources and maintaining service quality. This plan, aligned with the [Budget Framework 2024/25 and Medium Term Financial Strategy 2024/25 to 2026/27](#) and the [Annual Governance Statement](#) (within the Statement of Accounts), details the Council's commitment to delivering value-for-money.

Strategic Planning

Strategic planning is driven by the Borough Manifesto, [Corporate Plan and Performance Frameworks](#), and Service Plans. The Borough Manifesto articulates a long-term vision for Barking and Dagenham – **a place people are proud of and where they want to live, work, study and stay**. The Corporate Plan outlines the approach to realising this vision over the next few years, aligning priorities and actions with targets through a series of outcome measures to monitor progress. Service Plans further ensure the Council's vision, priorities and strategic objectives are translated from policy to delivery in a cohesive and structured way. The Corporate Plan 2023-26 outlines the approach, supported by guiding principles. The workforce, led by our DRIVE values, focuses on accountability, collaboration, and performance. Transparency and accountability are supported through the Corporate Plan Outcomes Framework and regular reports to Cabinet.

Cabinet, in accordance with Part 2, Chapter 6 of the [Council Constitution](#), is responsible for regular

performance monitoring. Commitment to good governance and rigorous performance management is evident through ongoing evaluation within the existing performance framework. This approach reflects the Council's dedication to achieving best value and continuous improvement.

Transforming Service Design and Delivery

The Council has made continuous improvements to the way it delivers services using opportunities to learn from its practice including changes to its front door and the way residents access services. In the last few years, the Council has developed neighbourhood localities after securing government funding to develop a network of family hubs via the Department for Education.

Recognising the importance of fostering social capital and resilience through enabling people's access to networks and connections is crucial. A significant aspect of this effort involves collaborating with the Voluntary, Community, Faith, and Social Enterprise (VCFSE) sector. This collaboration is evident in the partnerships that played a pivotal role in supporting residents during both the Covid-19 pandemic and the current cost-of-living challenges, highlighting the strength of community resilience.

Key to this is recognising that facilitating and supporting these groups can significantly improve the efficiency of service delivery to communities in Barking and Dagenham, ultimately enhancing residents' overall wellbeing. The community triage approach facilitates early identification and intervention, thereby preventing more acute needs. Looking ahead, leveraging these partnerships and community connections remains essential to effectively meeting the needs of residents.

The context in which the council has been operating has seen increased demand for services and a fall in funding relative to Barking and Dagenham's fast-changing and significantly larger population, with 40,000 more residents in the last 20 years. This is combined with being fast-changing – with significant internal migration and external immigration – as well as becoming one of the youngest communities in the country. This is set out elsewhere in this report.

The latest ONS data together with more recent updates to the 2021 Census – which have been captured by the council's in-house innovation and data insight team – reveal key demographic data that is more reminiscent of metropolitan towns in the north of England together with evidence of widening inequalities since the pandemic and the cost-of-living crisis since then.

A vital part of the Council's work has been the Financial Resilience Programme which was another key initiative aimed at addressing financial challenges. Through this programme, rigorous reviews of operations were conducted, to identify efficiencies and implement measures to provide resilience to the financial position and continued assurance for delivering balanced budgets. A Star Chamber process, a new feature of financial planning, played a crucial role in scrutinising budgets and identifying efficiencies and saving opportunities. These cyclical reviews have become a cornerstone of the financial strategy, helping to navigate financial constraints while maintaining service quality and delivering strategic priorities. The Council will continue to look for different ways to do things including identifying savings, and measure performance through the Financial Scrutiny Board.

By way of embedding improvements and securing sustainable savings which ensure services fit the financial envelope, the Council is currently developing "Our B&D, Our Future" – a blueprint for delivery plans across key strategic areas of focus. Alongside this sits two major initiatives – the My Place Improvement Programme and the People and Resilience Transformation Programme. The focus of these is on preventative activities in high-demand areas such as adult and children's social care.

By embracing digital transformation, including the use of artificial intelligence (AI), streamlining processes, and fostering cross-departmental collaboration, the Council will achieve further efficiencies and enhance service delivery.

Leveraging Technology and Data for Decision Making

In today's data-driven world, leveraging technology and data is essential for making good quality decisions and improving service delivery. This commitment is evident in the current and planned initiatives. A range of tools have been developed, including the [Borough Data Explorer](#) and [Social Progress Index](#) providing insights into community's needs to enable tailored services. In collaboration with health colleagues, the Resident's Matrix, a mini-census providing a really accurate picture of residents, has been created.

The OneView programme brings service data together to create a single view of the resident. This understanding helps better assess 'demand' and identify groups heading towards acute need, enabling preventative work. For example, debt outreach is now business as usual and will run a pilot on homelessness prevention using predictive analytics later in 2024 with the Centre for Homelessness Impact.

Data sharing is an essential part of delivering services. By automating this, using the OneView platform, the Council has 'earned autonomy' status from Department for Levelling Up, Housing and Communities.

To enhance data capabilities, the Council is working on improving data collection processes and integrating new technologies. Predictive analytics and artificial intelligence (AI) are among the tools planned for streamlining workflows and systems. These technological advancements facilitate better decision making, resource optimisation, and ultimately improved services to residents.

In 2021, the Customer Experience team introduced an AI Chatbot aimed at enhancing customer service and alleviating the workload on frontline staff. Since its launch, it has managed over 2000 customer interactions each month, covering a range of services. This innovative application of chatbot technology has yielded tangible financial savings and improved call answering performance.

Despite these successes, legacy systems pose challenges that may hinder the Council's ability to fully leverage new technologies. Addressing these barriers and increasing data sharing with other organisations, in a GDPR compliant way, will be critical to success. The Council is committed to overcoming these obstacles to ensure that services are efficient, effective, and responsive to the needs of the community.

AI offers significant opportunities to improve customer experience, reduce cost, improve staff productivity and derive data insights that have previously required too much manual effort to be cost effective. This will have a significant financial cost, and work is underway to ensure that the business cases for implementing the technology are valid.

Optimising Resources

Efficient resource management is at the core of efforts to reduce spending while maintaining services provision. Several strategies to optimise resources have been implemented across the Council.

The Star Chambers process plays a vital role in identifying areas of reduced spend and potential savings, ensuring that financial planning is both rigorous and aligned with strategic objectives. A comprehensive Asset Management Strategy has also been developed to maximise the value of Council assets and rationalise the asset base, ensuring best use of resources. The [Council's Capital Strategy and Capital programme](#) was approved by the Assembly on 19 February 2024.

Invest-to-save initiatives, either implemented or planned, yield significant benefits. These initiatives involve upfront investments in projects that deliver long-term savings and operational efficiencies.

In addition to these measures, robust governance structures have been established to ensure

accountability and transparency in spending. The Finance Scrutiny Board oversees financial management processes, ensuring that delivery of value-for-money and that working within the Council's budget envelope is key areas of focus. Performance management processes are in place to monitor progress and address any issues promptly and effectively. During 2023/24 management actions were taken to reduce the forecast overspend for the year. These interim measures included a recruitment freeze on non-statutory roles, chief officer control of non-essential spend, a review of vacant posts and a thorough review of Fees and Charges, including benchmarking with other boroughs.

To further reduce costs, the General Fund charges to the Housing Revenue Account (HRA) have been reviewed, leading to more efficient financial management. Measures to reduce agency and consultancy spend by assessing value for money and converting contracts to fixed term or permanent positions where possible have also been implemented. Review of agency continues to have management oversight.

Overcoming Barriers

Despite dedicated efforts, the Council faces significant barriers that impede progress in improving productivity and service delivery. These barriers primarily stem from funding constraints and regulatory limitations.

Funding constraints pose a substantial challenge to operations, hindering capacity to meet the increasing demands for services. Despite marginal increases in core spending power, funding levels remain below those of a decade ago, largely due to cuts in the Revenue Support Grant and the adverse effects of macroeconomic factors such as inflation and interest rate rises. This shortfall places considerable strain on financial resources, making it increasingly difficult to meet the evolving needs of the community.

In addition to funding constraints, regulatory limitations also present significant hurdles, often restricting the ability to implement innovative service delivery methods and respond flexibly to changing circumstances. These constraints can stifle capacity to adapt and innovate, impacting the ability to provide efficient and effective services to residents.

To address these barriers effectively, government support is required in the form of increased funding with a multi-year settlement to enable better informed financial planning, policy reforms, and regulatory flexibility. This support is essential to empower the Council to overcome these challenges and continue enhancing services to meet the evolving needs of the community.

In response to these challenges, strategic initiatives have been developed to manage debt effectively and address the growing demand for housing support and temporary accommodation. Additionally, the performance of the subsidiaries is being optimised to ensure that they contribute effectively to overall financial health.

Conclusion

The London Borough of Barking and Dagenham is committed to enhancing productivity and efficiency through innovative service delivery, leveraging technology and data, and optimising resources. By addressing barriers with the support of the government, the Council can ensure sustainable service provision for residents.

To maintain and enhance these efforts, further investments in modernisation and a fair funding approach are essential. The Council remains dedicated to meeting the community's evolving needs through continuous improvement and strategic planning. By transforming operations and embracing new opportunities, the Council is confident in the ability to deliver value for money to the people of Barking and Dagenham.