



Date: Monday, 15 July 2024

Time: 2.00 pm

Venue: Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

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## TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

### TO FOLLOW REPORT (S)

#### **9 Local Government Productivity Plan (Pages 1 - 16)**

To consider the Councils proposed response to the Minister for local Government's request that councils produce Productivity Plans

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## Committee and Date

Transformation & Improvement Scrutiny  
15<sup>th</sup> July 2024

Cabinet  
17<sup>th</sup> July 2024

Item

Public



## Local Government Productivity Plan

<b>Responsible Officer:</b>	Andy Begley		
email:	<a href="mailto:andy.begley@shropshire.gov.uk">andy.begley@shropshire.gov.uk</a>	Tel:	01743 258911
<b>Cabinet Member (Portfolio Holder):</b>	Lezley Picton, Leader		

### 1. Synopsis

This report outlines a proposed response to the Minister for Local Government's request for all local councils to produce productivity plans.

### 2. Executive Summary

- 2.1. On 16 April 2024, the Minister for Local Government, Simon Hoare MP, wrote to all council chief executives requesting councils to produce productivity plans (see Appendix 1)
- 2.2. A draft Shropshire response to this request has been compiled. This can be found at Appendix 2.
- 2.3. Shropshire's financial position, and thereby productivity levels, could be improved with the following interventions by Government:
  - A revised national funding system for local government with greater alignment to local demand.
  - Multi-year settlements, enabling local government to plan for future years knowing the financial resources at their disposal with a move away from competitive bidding for grant funding.
  - Freedom to raise more income locally through a revised system to set Council Tax.

### **3. Recommendations**

- 3.1. Cabinet is asked to approve Shropshire Council's response as detailed in Appendix 2.

## **Report**

### **4. Risk Assessment and Opportunities Appraisal**

- 4.1. This report provides an opportunity to confirm the progress made by Shropshire Council in terms of productivity gains over recent years. Furthermore, opportunities to identify existing barriers to future productivity gains are set out in the report and appendix.
- 4.2. The report identifies no significant risks, given it is a summary of existing information managed and reported elsewhere.

### **5. Financial Implications**

- 5.1. The report identifies no financial implications, given it is a summary of existing information managed and reported elsewhere.

### **6. Climate Change Appraisal**

- 6.1. The report identifies no climate change implications, given it is a summary of existing information managed and reported elsewhere.

### **7. Background**

- 7.1. On 16 April 2024, the Minister for Local Government, Simon Hoare MP, wrote to all council chief executives requesting councils to produce productivity plans (see Appendix 1). The Government's intention to request these plans had been announced earlier in the year as part of the Local Government Finance Settlement.
- 7.2. Whilst not issuing councils with a formal template or a detailed set of criteria to follow, the Minister indicated in his letter '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.' The letter also outlines four themes which councils are asked to consider. They are:
- 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; and

- The barriers preventing progress that the Government can help to reduce or remove.
- 7.3. The letter indicates that individual plans will not be rated or scored and will not be used to produce any kind of league tables. However, a panel is to be set up to consider the overall themes and evidence that comes from the plans submitted. Chaired by the Minister, this will bring together 'experts from the sector and beyond, including Oflog and the LGA'.
- 7.4. A draft response to the Government's response can be found at Appendix 2.
- 7.5. Plans must be submitted to the Department of Levelling Up, Housing and Communities by 19 July and there must be member oversight and endorsement of the plan before it is submitted. Councils are also required to upload their plans onto their website.
- 7.6. It is important to note that Governments requirement for the Productivity Plan does not reflect the depth and scale of the programmes and planning underway within the council to deliver the MTFs and key council policies and strategies. In addition, the council is working with wider partners such as the Marches Forward Partnership to broker growth and devolution deals with government.

### **Current Achievements**

- 7.7. In the years following the pandemic, we have made significant changes to the Council and the way we work:
- We have successfully delivered savings of £42m in the last twelve months (£271m since Unitary status in 2009) while maintaining service delivery in key areas.
  - We have transformed the way we operate, with a remote working model underpinned by modern IT hardware and systems. Through our New Ways of Working project, we have driven widespread cultural change following behaviour changes experienced in response to the pandemic. This approach has prioritised outcomes and business needs over working at set locations, enabling appropriate roles to work in multiple locations. It has helped reduce our environmental impact, including through reducing our estate, and secured financial savings whilst providing staff a better work/life balance and the council with opportunities to deliver services differently to better meet the needs of our residents.
  - We have adopted AI and we are learning from the 300 licenses in active use across the Council.
  - We have digitised many processes, with more in train, to increase efficiency and reduce costs.
  - The Council is actively adopting a preventative approach, supporting the management of future demand for services targeting to local need
  - The social care transformation programme aims to improve the quality, efficiency, and sustainability of our social care provision, based on the principles of prevention, personalisation, integration, and innovation. The programme has achieved some positive outcomes and impacts for example;
    - We are transforming our front doors to a self-serve model and enhanced website linked to a Digital Delivery programme.

- We are making efficiencies to foster carer processes to increase sufficiency of placements through quicker processes and self serve approach.
- We are supporting more people at home with the use of technology in people's homes.
- The council are working with the Marches Forward Partnership to develop a manifesto for growth and investment that will form the basis for some form of growth and devolution deal, which will set out a series of offers and asks of government including support for alternative structures for local delegations and flexibilities This is due for launch at the end of July this year.

### **Priorities for 2024/25**

- 7.8. Our short-term priority is simple: Financial Survival. We have the greatest financial challenge we have ever faced as a Council in the current financial year, delivering £62.5m recurrent savings leaving a net budget of £262m.
- 7.9. Working with our Strategic Transformation Partner (PwC) we are tackling this challenge across three themes:
- Developing a new operating model for the Council which, in the short-term, involves the resizing of the Council's current workforce
  - Reviewing all Third Party Spend to to renegotiate and recommission the contracts and key interventions we prioritise
  - Creating a new digital model for the customer journey, build around the approaches set out in our new operating model.

### **Assurance**

- 7.10. Shropshire Council strives to deliver excellent council services for all. In our most recent LGA Peer Reviews – Finance, Communications and Scrutiny Function, undertaken in June 2022, the peer teams found us to be open to challenge with newfound confidence in our future; this despite an acknowledgement that "Shropshire Council's finances are not immediately catastrophic – but they are in a precarious position".
- 7.11. Our quarterly performance reports to Cabinet are aligned, through our Performance Management Framework, to our priorities and strategic outcomes as set out in The Shropshire Plan. We have worked hard to develop Service Improvement Plans and Personal Development Plans for all areas and employees of the Council and taken 350 of our most senior officers through an extensive, comprehensive and bespoke 'Getting Leadership Right' programme. Our performance monitor for quarter 4 of 2023-24 can be found on our website here [The Shropshire Plan Performance Dashboard](#). Key highlights include:
- HP35 – Rate of people with learning disabilities that live in their own home or with family. This enables people with learning disabilities to remain within their community and increase their self-confidence and independence whilst reducing reliance on others. Shropshire has high performance in achieving the targets set and exceeding national averages.

- HEc23 – Planning Applications – major. Planning permission is a legal process of determining whether a proposed development should be approved with Shropshire aiming to assess applications efficiently and effectively ensuring local and national policies are adhere to. Shropshire is performing well above target with over 80% approved within thirteen weeks.
- HO7 - % of Council Tax Collected. Reductions in central government funding places greater importance on the need to collect Council Tax to support the delivery of essential services. Shropshire Council is achieving the targets set and remain in line with the national average.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:** All

### **Appendices**

Appendix 1 - DLUHC letter to Chief Executives - Productivity Plans in Local Government

Appendix 2 – Shropshire Council Productivity Plan

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## 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](mailto:productivityplans@levellingup.gov.uk).

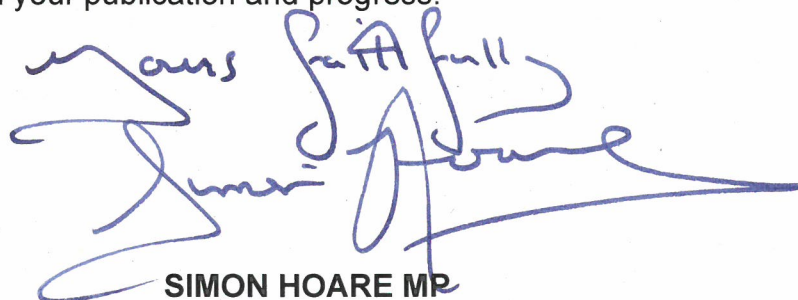
You must ensure that there is member oversight and endorsement of the plan before it is submitted, and the plan must also be uploaded to your website so that residents can see it. You should consider how you will update the plans and report on progress on a regular basis. The plans should also contain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

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# Productivity Plan

July 2024



## Current Achievements

In the years following the pandemic, we have made significant changes to the Council and the way we work. We have transformed the way we operate, with a remote working model underpinned by modern IT hardware and systems. Through our New Ways of Working project, we have driven widespread cultural change following behaviour changes experienced in response to the pandemic. This approach has prioritised outcomes and business needs over working at set locations, enabling appropriate roles to work in multiple locations. It has helped reduce our environmental impact, including through reducing our estate, and secured financial savings whilst providing staff a better work/life balance and the council with opportunities to deliver services differently to better meet the needs of our residents.

- **Work Bases** – office-based staff now work from home, using Teams meetings as default and embracing working hours and patterns resulting in significantly reduced travel time across a large rural authority. Commute time can be included within the working day.
- **Spend** – delivery of £42m savings in 2023/24.
- **Adoption of Artificial Intelligence (CoPilot)** – use of this developing aid to reduce admin time, improve productivity and effectiveness, and enhance accountability.
- **Use of Data**
  - *Data Quality Strategy* being embedded across core service areas.
  - *Dashboards and Knowledge Banks* for statutory returns, performance management, information and insight for decision making.
  - *Data Sharing* available to residents such as the Shropshire Plan Performance Dashboard.
- **Customer Front Door Project** – to increase efficiency organisation wide to respond with increasing speed and quality and reduce failure demand effects such as FOI requests and complaints.
- **Digitalisation**
  - *Financial dashboards and improved data sharing* – clear, single version of the truth provided for decision making across multiple audiences.
  - *Risk Environment* – digitalised strategic, operational and project risk environment to enable self-serve and availability of risks 24/7 with PowerBI reports overlaid.
  - *Revenues & Benefits* - online information, over 4,500 records per month negating requirement to manually punch data.
  - *Claim Forms* - extracted from the claims handling system to pre-populate forms.

- *Online Training* - reduces the need for face to face training programmes and travelling for delegates.
- **Managing Demand** – The social care transformation programme aims to improve the quality, efficiency, and sustainability of our social care provision, based on the principles of prevention, personalisation, integration, and innovation. The programme has achieved some positive outcomes and impacts for example:
  - We are transforming our front doors to a self serve model and enhanced website linked to a Digital Delivery programme
  - We are making efficiencies to foster carer processes to increase sufficiency of placements through quicker processes and self serve approach.
  - We are supporting more people at home with the use of technology in people's homes
- **Partnership Working** – The council are working with the Marches Forward Partnership to develop a manifesto for growth and investment that will form the basis for some form of growth and devolution deal, which will set out a series of offers and asks of government including support for alternative structures for local delegations and flexibilities This is due for launch at the end of July this year.

## Priorities for 2024/25

Our short-term priority is simple: Financial Survival. We have the greatest financial challenge we have ever faced as a Council in the current financial year, delivering £62.5m recurrent savings leaving a net budget of £262m.

- **Strategic Operating Model for the Council** – adoption of this new model, building on evidence from a Time to Change survey in 2023. Aim to change the manner in which customers are managed and services set up to meet demand. Resizing of the organisation in to remove duplication and reduce costs.
  - Resizing of the Council in the short term (delivery 2024)
  - Development of a new operational model (delivery 2025)
  - Review of Third Party Spending (TPS) and Commissioning models (delivery 2024/2025)
  - Development of a new customer journey model for the Council (delivery 2024 – 2026)
- **Expanded use of AI** – increasing focus on the use of AI to enable colleagues to concentrate on where they can add value to the processes we employ. More time can be spent on improvements rather than transactional work.
- **Expanded use of PowerBI** –
  - *Financial forecasting models* are being developed for activity and financial forecasting including mitigation activities in the form of a dashboard for demand modelling. Correlating and predicting activity and financial forecasts to understand effectiveness of mitigation activity or whether this needs to be increased.

- *Insurance claim form* - Finalise the PowerBI and web-based claim form to speed up setup of claims and claims reporting.
- *Potholes* - To make pothole information readily available and reduce the number of requests being processed.
- **Installation of Mod.gov Extension** – to enable self-service for Councillors (unitary and town/parish) to log and update declarations of interests. Significant reduction in staff time manually processing declarations - avoiding need for additional resource after local elections. Increased ownership and responsibility by individuals and local councils.

## Efficiency and Reduced Waste

- **Financial Management** – increase visibility of a single version of the truth across all senior managers so dependence is less on a data “push” and more on a data “pull”. Monthly financial reporting to Members in place from April 2024 automated from introduction of PowerBI dashboards on savings and budget, as well as other areas (debt, capital receipts, organisational scorecards).
- **Claims Reporting** – regular claim reporting to identify areas of risk resulting in payment of claims. Use of risk control days to support avoidance of potential claims.
- **Digital Communications to Members** – removal of paper as standard communications to save cost and time with the removal of printing and postage. These are sent via Gov Delivery and members are encouraged to use the self-service platform,
- **Invest to Save** – programme in place for several years resulting in repayments to fund future cyclic investment.
- **Benchmarking** – through LGInform website, use of CIPFA benchmarking (eg resilience index), peer benchmarking etc. Links to the LGInform reports provided in the Councils Financial Strategy to help frame the wider position and provide comparison to secure a sense for residents and members of how the authority is performing relative other authorities.
- **Reduction of Agency Staff** – programme to reduce and insource since 2023, current agency spend is 8% of all pay costs. Contracted provider from October 2024 to overhaul recruitment and retention approach, and minimisation of agency usage.
- **Use of Consultants** – contract with PwC from March 2023 to provide capacity, capability and insight to support the delivery of £34m (full year effect) of planned spending reductions (5:1 RoI).
- **Governance** – Directorate Workforce Board, chaired by Executive Directors review all workforce related spend to ensure this represents value for money, is lawful and in line with financial sustainability priorities.



## Assurance

Shropshire Council strives to deliver excellent council services for all. In our most recent LGA Peer Reviews – Finance, Communications and Scrutiny Function, undertaken in June 2022, the peer teams found us to be open to challenge with newfound confidence in our future; this despite an acknowledgement that “Shropshire Council’s finances are not immediately catastrophic – but they are in a precarious position’.

Our quarterly performance reports to Cabinet are aligned, through our Performance Management Framework, to our priorities and strategic outcomes as set out in The Shropshire Plan. We have worked hard to develop Service Improvement Plans and Personal Development Plans for all areas and employees of the Council and taken 350 of our most senior officers through an extensive, comprehensive and bespoke ‘Getting Leadership Right’ programme. Productivity is measured by KPIs, which are set against statutory timescales for the delivery and receipt of information. Workflow statistics are monitored to ensure deadlines are being achieved and to see the volume of work being dealt with. Our performance monitor for quarter 4 of 2023-24 can be found on our website here [The Shropshire Plan Performance Dashboard](#). Key areas for consideration include:

- HP35 – Rate of people with learning disabilities that live in their own home or with family. This enables people with learning disabilities to remain within their community and increase their self-confidence and independence whilst reducing reliance on others. Shropshire has high performance in achieving the targets set and exceeding national averages.
- HP24a - % of children accessing free early education at 2 years. High take up of education helps support the child’s education and social development skills for better long-term outcomes. Performance remains high achieving higher than targets set and is above the national average.
- HEc23 – Planning Applications – major. Planning permission is a legal process of determining whether a proposed development should be approved with Shropshire aiming to assess applications efficiently and effectively ensuring local and national policies are adhere to. Shropshire is performing well above target with over 80% approved withing thirteen weeks.
- HO8 – Average number of days to process new housing benefit claims. Efficient processing of claims demonstrates good working practices and supports our most vulnerable households. Shropshire Council’s performance is on target and significantly higher than the national average.
- HO7 - % of Council Tax Collected. Reductions in central government funding places greater importance on the need to collect Council Tax to support the delivery of essential services. Shropshire Council is achieving the targets set and remain in line with the national average.
- HEn6 - % of household waste sent for re-use, recycling and composting. Increasing recycling helps preserve natural resources for future generations. Shropshire is performing above targets and again is significantly higher than the national average.

## Unlocking Opportunities – Asks of Government

- **Local Freedoms** – Greater short term flexibilities to enable fundamental transformational change without the requirements for Exceptional Financial Support or specific capitalisation directives.
- **New Funding Model** – A revised national funding system for local government taking account of the unsustainable arrangements across health and social care, reducing duplication with greater alignment to local demand.
- **Multi-year settlements** – enabling local government to plan for future years knowing the financial resources at their disposal
- **Efficient Grant Systems** – A change in emphasis away from competitive bidding for grant funding, which reduces productivity and dilutes alignment to local priorities.
- **Council Tax Freedoms** – Ability to raise more income locally through a revised system to set Council Tax. This could include removal of the current referendum threshold or linking it to underlying inflation rates.
- **DSG Resolution** – Setting a policy on the treatment of DSG deficits and dealing with the growing financial implications of the current statutory override.
- **PFI Freedoms** – Power to renegotiate long standing PFI contracts that no longer represent best value, tying the Council into arrangements unfit for future requirements.
- **Shropshire Priorities** – Clear, written confirmation of funding intent for the Shrewsbury North West Relief Road.
- **Virtual Decision-Making** – provide primary legislation to the Local Government Act 1972 to allow decision making member meetings to be held virtually, increasing access and reducing cost and travel time for members, staff and public.
- **Carbon Monitoring** - a standardised national reporting mechanism for emissions in the public sector would allow an efficient approach to local management of carbon reduction and for comparison between Local Authorities.

