Committee and Date	Item
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Local Government Productivity Plan

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Cabinet Member (Portfolio Holder):	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 withing 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