

Appendix A – Corporate and Resources Scrutiny – 19th June 2024

Somerset Council – Local Authority Productivity Plans 2024 & Draft Structure

Key Points

- Local authorities are required to produce and submit to DLUHC productivity plans, detailing ways to ‘improve service performance and reduce wasteful expenditure’ by Friday 19th July 2024.
- The plan will cover the following high-level areas:
 - Strategic Planning & Performance Framework
 - Assurance Framework
 - Approach to Efficiency & Productivity
 - Financial Position
 - Completed Key Transformation Work
 - Upcoming Key Transformation Work
 - Data & Technology Use in Local Government
 - Barriers to Action
 - Specified Spending: consultant, agency, trade union facility time and Equality, Diversity & Inclusion (EDI) spending).

Local Authority Productivity Plans Policy Context

- 1.1 On 24th January 2024, to accompany additional funding measures for the Local Government Finance Settlement for 2024/25, the Government announced a new efficiency drive for local government as part of the effort to ‘return the sector to (financial) sustainability in the future’. Local authorities have been asked to produce ‘Productivity Plans’ setting out ‘how they will improve service performance and reduce wasteful expenditure’.
- 1.2 The plans scope is all council activity, including the HRA, if an authority has one. DLUHC has encouraged authorities to take a wide view of productivity. The plans are expected to cover productivity in relation to:
 - How the organisation is run.
 - Service delivery.
 - Place leadership.
- 1.3 The plans are expected to be submitted before the parliamentary summer recess (23rd July 2024).
- 1.4 The plans will be reviewed by an expert panel, to be established by the Department of Levelling Up, Housing & Communities (DLUHC), which will include the Office for Local Government (OFLOG) and the Local Government Association (LGA). The exact composition of the review panel is currently unknown. The reviewed plans will be monitored, and future funding Settlements will be informed by performance against these plans.¹ This panel will also consider emerging themes and issues from the plans and advise the government and the sector on future national policy design.

¹ [Written statements - Written questions, answers and statements - UK Parliament](#)

- 1.5 On 5th February 2024, DLUHC provided further details. The plans should be ‘short and draw on work councils have already done, identifying ways to unlock productivity improvements, and setting out the key implementation milestones’; published with progress updates on council websites, and agreed by council Leaders and elected members.²
- 1.6 DLUHC expect the plans to cover four main areas³:
- Theme 1 - Transformation of services to make better use of resources.
 - Theme 2 – Opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design.
 - Theme 3 - Ways to reduce wasteful spend within systems, including specific consideration of expenditure on consultants and discredited staff Equality, Diversity and Inclusion (EDI) programmes.
 - Theme 4 - Barriers preventing activity that Government can help to reduce or remove.
- 1.7 On 16th April 2024, DLUHC provided full guidance. This guidance set a three/four-page expected length for the plan and contained twenty-four prompting questions to inform content.
- 1.8 The guidance stressed that after publication councils should update the published plans and report on progress on a regular basis. This will involve including relevant metrics and key performance indicators in the plans.

This requirement is to effectively monitor whether the transformation projects stated in the plans are being carried out and the anticipated benefits realised. For Somerset this means monitoring the delivery of the service improvement plans that are being developed.

Document Plan (post-DLUHC guidance)

- 1.9 The guidance establishes six key objectives for the productivity plan. The plan must within 3-4 pages communicate the following information to the reviewing panel:
- Upcoming key transformation projects
 - Completed key transformation projects over the last few years
 - Use of data/technology in local government
 - Barriers to action
 - Data on specified subjects: spend on consultants, agencies, equality, diversity & inclusion (EDI), and trade union facility time.
 - Monitoring mechanisms for delivery of the productivity plan
- 1.10 Further to enable the published document to be accessible to a non-specialist audience and to contextualise the content for the panel, the plan must answer the following additional questions:
- What is the plan, why does it exist, what is its scope and what is its objective.
 - How does Somerset understand and approach productivity.

² [Written statements - Written questions, answers and statements - UK Parliament](#)

³ [Written statements - Written questions, answers and statements - UK Parliament](#)

- What is the context of the Council e.g. financial position, reserves, has an HRA etc.
- What is the strategic planning framework of the Council: the golden thread, Service Improvement Plans, performance & monitoring mechanisms.
- What is the assurance framework and the Council's recent continuous improvement journey: LGA Corporate Peer Challenge, Scrutiny Review etc.

1.11 The proposed structure keeping within the four-page limit and addressing all twenty-four prompt questions with zero appendices is:

Page 1

Introduction & Background

- What is the Productivity Plan, scope, objective, council's understanding of productivity.

Basic Context of Council – Paragraph to Detail:

- Financial position
 - Financial Emergency Discussion with Executive⁴
- Move to unitary timeline
 - The need for transformation had been identified prior to financial emergency

Strategic Planning Framework – Paragraph to Detail:

- Golden Thread – Council Plan, Medium Term Financial Plan, Service Plans, Appraisals.
- Council Plan monitored by KPIs.
- Service Improvement Plan development

Monitoring Mechanisms - For Productivity Plan – Paragraph to Detail:

- How we will monitor the service plans –
 - Benefits tracking
 - Key performance indicator monitoring
 - Service improvement plan reviews
 - Performance, Risk and Budget Board
 - Budget monitoring on key programmes

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Key Completed and Ongoing Transformation Projects 2020/21-23/24

- Move to unitary – vesting day successes in bring organisation together
- Financial Control Boards
 - Spend Control Board⁵
 - Commercial & Procurement Board⁶
 - Establishment & Recruitment Board⁷

⁴ [Financial Strategy Update - Nov 23 \(somerset.gov.uk\)](https://www.somerset.gov.uk)

⁵ [Spend Control Board \(sharepoint.com\)](https://sharepoint.com)

⁶ [Commercial and Procurement Board \(sharepoint.com\)](https://sharepoint.com)

⁷ [Establishment and Recruitment Board \(sharepoint.com\)](https://sharepoint.com)

- 5 Point Action Plan⁸
- My Life My Future (MLMF) with Newton Europe to review Adults spend
- Work within Childrens on Homes and Horizons
- Feedback from the Equalities Peer Review⁹
- Feedback from the Adults Peer Review

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Key Upcoming Transformation Projects 2024/5

- Whole Council Transformation Programme¹⁰ - *paper on update due to be at June Executive*
 - Role of the Design Authority
 - Benefits Tracking
- Medium Term Financial Plan (MTFP) 2025/26 to 2029/30¹¹
- Evaluating Governance and working/meeting practices

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Data & Technology – Paragraph to Detail:

- Creation of the Digital, Data and Technology workgroup (DDaT)
- Current use of benchmarking data from Office of Local Government (Oflog) and LG Inform (part of the Local Government Association) and Publication of data
- Data Challenges
 - Data Sharing with partners
- Data Opportunities – AI opportunities and Programmes to develop, for example, the use of Microsoft Co-Pilot
- The use of the Transform Family App produced by the Supporting Families program to support Social Care

Specified Expenditure

- Consultancy and Agency Spend
- Equality, Diversity & Inclusion (EDI) Spend
- Trade Union Facility Time Spend¹²

Barriers to Action - Paragraph to Detail:

- Key barriers to productivity growth within organisation
- Key changes to remove barriers and enable activity.
 - Link to collective conversations with networks to identify consistent issues

⁸ [Staff and Managers Action Plan 1 \(3\)](#)

⁹ [Equality Objectives and Action Plan - covering report.pdf \(somerset.gov.uk\)](#)

¹⁰ [Future Council - Transformation Approach Report.pdf \(somerset.gov.uk\)](#)

¹¹ [Medium Term Financial Strategy 2425 \(somerset.gov.uk\)](#)

¹² [Trade Union facility time \(somerset.gov.uk\)](#)