

Cabinet

16 July 2024

Government Productivity Plans

Recommendations

That Cabinet

- 1) approves the WCC Productivity Plan attached at **Appendix C**; and
- 2) Approves the Warwickshire Pension Fund Productivity Plan attached at **Appendix D**.

1. Purpose of the Report

- 1.1. This report is to inform and update Cabinet on the requirements and development of Warwickshire County Council and Warwickshire Pension Fund Productivity Plans, as requested by the Department for Levelling up, Housing and Communities (DLUHC).
- 1.2. Cabinet is asked to approve the content of the WCC Productivity Plans attached at **Appendix C** and **Appendix D**.

2. Productivity Plan Requirements

- 2.1. On 5 February 2024, the Government published their Final Local Government Finance Settlement for 2024/25, which reflected the announcement on 24 January 2024 of additional measures for local authorities worth £600 million, including £500 million of new funding for social care.
- 2.2. As part of the settlement, the Secretary of State's letter to all Council Leaders in England set out that DLUHC would be asking local authorities to develop and share productivity plans. These plans must set out how local authorities will improve service performance and reduce wasteful expenditure. The Government will monitor these plans and indicated that funding settlements in future will be informed by performance against these plans.
- 2.3. 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. Plans should be published by 19 July 2024. They must be agreed by Council Leaders and members and published on local authority websites, together with updates on progress.

2.4. Plans are expected to cover four main areas:

1) transformation of services to make better use of resources;

2) opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design;

3) ways to reduce wasteful spend within systems, including specific consideration of expenditure on consultants and discredited staff, Equality, Diversity and Inclusion programmes (this does not include programmes designed to promote integration and civic pride), and counter extremism; and

4) barriers preventing activity that the Government can help to reduce or remove.

2.5. A letter from the Minister for Local Government dated 16 April 2024 formally started the process for submitting plans and set out more detail around the four key themes above, with suggestions of questions to consider. The letter is attached at **Appendix A**.

2.6. The Minister did not issue a formal template but did state that plans should be three to four pages in length and to set out what has been done in recent years, alongside current plans to transform the organisation and services. The letter included some 25 questions to consider in producing the plan.

2.7. The Government at the time indicated its intention to establish a new productivity review panel, made up of sector experts including the Office for Local Government (Oflog) and the Local Government Association. Once DLUHC receive the plans, they will be reviewed to identify common themes and issues across the sector and highlight best practice that others can learn from. Government has indicated that individual plans will not be rated or scored, and the government will not produce any kind of league tables.

2.8. The Council must consider how it 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 the council and residents to monitor progress.

3. WCC's Approach

3.1. The high-level directive from DLUHC is to think broadly and to share current plans to transform services. WCC's approach has been to draft a plan using content it already has available, particularly the Council Delivery Plan and the savings plan contained within the Medium-Term Financial Strategy, supported by key background information on WCC's transformation programme from 2017, and the conclusions, recommendations and subsequent actions following the 2022 LGA Peer Challenge. Where applicable, financial information and governance arrangements are included to provide transparency and assurance of oversight of delivery and effectiveness.

- 3.2. In addition to providing information on delivery, there is an opportunity to highlight areas where barriers to efficiency can be unlocked through central government intervention. We have set out our recommendations in response to this within the plan, with the hope that Government will address some of the key challenges flagged and implement some of the suggested changes.
- 3.3. The Council is required to ensure that there is member oversight and endorsement of the plan before it is submitted to DLUHC, and the plan must also be uploaded to the Council's website, and will sit alongside the Council Delivery Plan, by the deadline.

4. Pension Fund Productivity Plan

- 4.1. On 15 May, the Council received a further letter from the Minister (**Appendix B**) requesting a separate plan covering efficiencies in the management of the Warwickshire Local Pension Fund.
- 4.2. The request covers efficiencies from pooling investment assets, and also seeks views about greater scale efficiencies through potential consolidation of pension funds. The general approach to developing the plan was reported to the Staff and Pensions Committee on 10 June 2024.
- 4.3. Officers have worked on addressing the content of the plan, liaising with partner funds in the Border to Coast Pensions Partnership pool to understand other Funds' views and develop a collective view within the pensions pool. Consultation has also taken place with the Chair of the Staff and Pensions Committee, the Chair of the Pension Fund Investment Sub-Committee and the Chair of the Local Pension Board on its content.

5. Financial Implications

- 5.1. There are no budgetary implications or financial risks arising directly from this report, however there are opportunities to inform government of barriers to efficiency which they have the powers to unlock, including increased certainty over short and medium-term funding for local government.
- 5.2. There are very significant financial risks to the Council, and all upper tier local authorities, should the challenges identified not be addressed and should the suggested changes as set out in section 4 of the WCC Plan not be implemented.

6. Environmental Implications

- 6.1. There are no direct environmental implications of this report. The Council Delivery Plan will set out the actions and activity planned to address climate change and environmental issues.

Appendices

Appendix A – Ministerial request for a WCC Productivity Plan

Appendix B – Ministerial request for a Warwickshire Pension Fund Productivity Plan

Appendix C – Warwickshire County Council Productivity Plan

Appendix D – Warwickshire Pension Fund Productivity Plan

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The following members have been consulted in the preparation of this report: Cllr Seccombe, Cllr Butlin, Cllr Kettle, Cllr Gifford.