

# Warwickshire County Council Productivity Plan

## Introduction

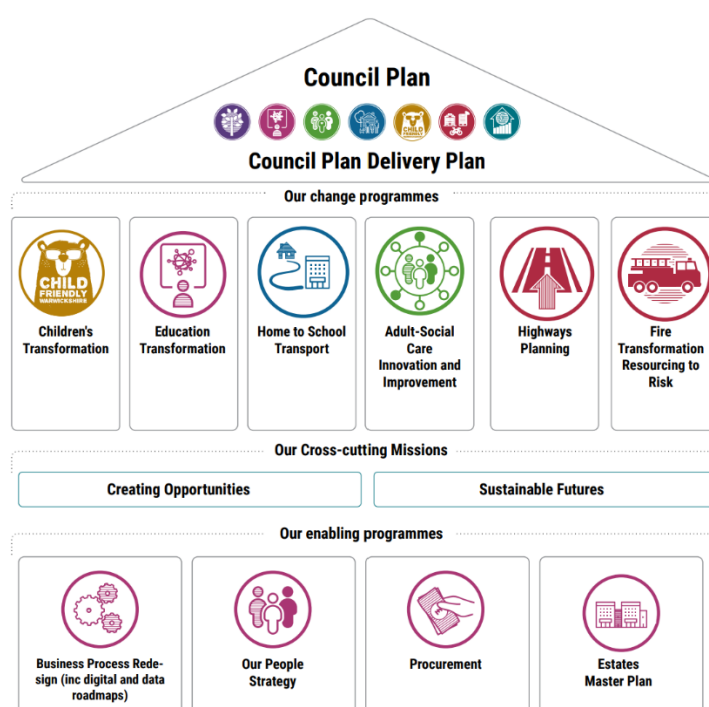
1. Warwickshire County Council serves a growing population of 608,000 through 4,400 staff, with a net budget requirement of £607m (gross budget £930m) in 2024/25. In March 2024, the Government announced a Level 2 devolution framework agreement with the County. Our response to Minister Hoare's letter of 16 April is summarised as follows:

### **Theme 1 – How have you transformed the way you design and deliver services to make better use of resources?**

2. Warwickshire County Council's ambitious transformation programme, delivered between 2017 and 2020, has enabled savings of £87m by 2026/27. This restructured the Council by implementing a new, leaner target operating model, implemented demand management initiatives, cut costs through digitisation and data, and transformed our organisational culture as shown by recent staff survey results.
3. In 2022, an LGA Peer Challenge concluded that *'There is a strong sense of the council being a very different organisation from a few years ago, with people reflecting it has changed for the better. The authority's transformation agenda and revised approaches demanded by the pandemic have been two of the primary drivers behind this.'* The key elements of our transformation are set out below:
  - Our new target operating model has enhanced our strategic and delivery capabilities through a strong 'one Council' approach. Our culture and ways of working have evolved, investment in our digital and data infrastructure, estates rationalisation and new ways of working have enabled savings delivery and improvement.
  - We have strong service delivery in most areas and focus on prevention and early intervention in our service transformation work; our Children's Transformation Programme took our Children's Services from 'Requires Improvement' in 2017 to a 'Good' Ofsted rating in 2022; Adult Social Care Services are low-cost and good quality, and our highways condition scores are consistently amongst the highest nationally.
  - We have significantly improved our workforce metrics with staff engagement increasing from 74% in 2021/22 to 79% in 2023/24.
  - We have sharpened our already strong financial management with 'green' ratings from the external auditor on financial sustainability and governance and strong performance against the Cipfa resilience index and Oflog financial metrics. We continue to deliver strongly on our savings targets despite challenges. Since 2014 we delivered £127.7m savings, achieving 82% of our saving target in the 5 years since 2019.
  - We have used our balance sheet to drive revenue savings, such as creating our Warwickshire Property and Development Group, which is scheduled to deliver a recurring annual revenue contribution equivalent to a 1% Council Tax increase. Our Warwickshire Investment Fund is making loans to local businesses to support their growth, to contribute towards the local economy whilst also growing and securing our taxbase We also provide significant traded services to schools and other public bodies, generating turnover of £25.6m pa and a net surplus of £1.4m pa.
4. Warwickshire's definition of 'productivity' focuses on value for money – **economy** (doing things more cheaply), **efficiency** (getting more output from the same inputs or the same output for lower input), and **effectiveness** (getting the intended results).
5. We use a suite of benchmarking sources to gauge our relative financial and service performance, using Oflog, LG Inform, local measures and other insight to set out clear metrics of our cost effectiveness and performance. We provide a wide suite of performance data and data about place-level indicators through our [State of](#)

[Warwickshire dashboard](#) and [Warwickshire Insights](#) website, and PowerBI dashboards available to the public and Councillors, which support oversight, scrutiny and performance management.

6. Despite our strong track record of transformation, high quality service delivery and financial management, the Council recognises the fundamental challenges ahead which are putting this position at risk and requires even greater improvement in 'productivity'.
7. Our Council Plan 2022-27, 5-year Medium Term Financial Strategy (MTFS) and [Council Delivery Plan 2024-2026](#) set out specific and trackable actions and responsibilities for delivery through both our portfolio of change and enabling programmes, our two long-term cross-cutting missions (creating opportunities/levelling up and sustainable futures), and our planned £64 million MTFS savings over 5 years over the period 2024/25 to 2028/29.
8. Using investment funds held on our balance sheet, our change portfolio for the next two years aims to tackle sustainably our major financial and demand challenges, supported by clear measures of the benefits within the Council's performance framework:



9. **Children's Transformation:** through continuous improvement we will embed good practice and deliver savings; our transformation focus is to implement change from our recent selection as a pathfinder for national children's services reform from the McCallister Review and *Children's Social Care: Stable Homes, Built on Love*.
10. **Education Transformation:** this programme will drive change that enables children and young people in Warwickshire to access high quality education and fulfil their potential; there is a major focus on the SEND system, supported by DfE Delivering Better Value funding; a key focus is to expand Resource Provision to increase our low percentage of SEND pupils in mainstream provision, with significant WCC capital investment planned to create over 500 places over the next five years.
11. **Adult Social Care:** this programme includes a range of change work to deliver more effective and efficient social care services, responding to the demographic growth in adult social care, and support delivery of £28.9m of savings.
12. **Home to School Transport:** this programme aims to improve value for money by delivering planned financial savings of £4.4m.
13. **Highways Planning:** we are redesigning our approach to highways planning to improve timeliness and flow, deliver better service and support more development and growth.

14. **Fire transformation:** this programme seeks to improve productivity by implementing recent inspection recommendations and strategic changes to ensure that fire resource provision is aligned most effectively to the risks and demands in all parts of Warwickshire, thereby improving the service's productivity and performance.
15. Our **enabling programmes** support our objectives to be a great Council and partner:
  - **Digital and Data** – see section 3;
  - our **People Strategy** focuses particularly on strategic workforce planning to ensure a sustainable workforce in the medium-term;
  - our **Estates Master Planning** programme will continue to rationalise our estate, increasing rental income and reducing running costs on top of annual savings of £1.246m delivered to date with £2.5m more planned over the next 5 years; notably, our Integrated Care Board will shortly co-locate with Council staff, and we provide head office facilities to one of our district councils, providing financial and value for money benefits across local public services; and
  - adopting more **commercial approaches** both in terms of procurement, contract management and using our balance sheet to generate revenue, setting clear financial return and payback targets and continuing to support investment that provides for a buoyant business and residential taxbase.
16. We have two long-term, cross-cutting missions: *Creating Opportunities* and *Sustainable Futures*; we aim to spread opportunity, tackle disparities and improve long-term outcomes, delivering against our [Countywide Approach to Levelling Up](#) and local *Creating Opportunities* plans developed with our district and borough councils; through our Sustainable Futures [strategy](#) and [action plan](#) we aim to become a net zero council by 2030 and county by 2050.
17. The actions in our Council Delivery Plan and MTFs will deliver improved Value for Money, improving Efficiency and Effectiveness through plans for Demand Management and Service Redesign and Economy through plans for Better Procurement, Income Generation and Rightsizing. Of our £64.0 million savings plan, we have assessed that £44.9 million (70%) will contribute towards improving productivity through transformation to make better use of resources.
18. The Council has also identified, through a case for change submitted to Government in 2020, the significant opportunity to improve productivity through wider local public service reform, which offers very significant financial savings and service improvements.
19. The Council recognises the capital investment required to deliver the various changes set out above. Our Capital Investment Fund exists to achieve the Council's objectives and has enabled significant investments for example the purchase of an RNIB facility and conversion into a new special school for 80 pupils, creating 4 new Children's Homes within the county to provide additional capacity, improve outcomes and reduce cost.

### **Opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design**

20. The pace of societal and technological change continues to increase citizens' expectations of digitally enabled services. We have used data and digital solutions to improve service delivery through implementation of our Digital and Data Strategy and the associated digital and data roadmaps. So far, our digital and data programmes have saved the Council £14.6m over the last five years.
21. This year we launched our new customer platform which enables customers to leave feedback, report issues and track progress, initially for complaints and highways. We have digitised numerous services, rationalised our applications and moved to Cloud-based solutions. Our current digital focus will be the re-procurement of a number of our major systems and further expansion of services covered by the customer platform.
22. Through our business process redesign programme, we will drive cost reductions through investment in digital technologies and data, reducing demand through targeted prevention. Fundamentally, our approach is to improve process design saving money by getting things right first time, and then to digitise these improved processes, with £2.1m of savings to be delivered over three years.

23. We use data as a core asset to provide simple, effective solutions and underpin our ability to use Artificial Intelligence to improve service and reduce cost. Our data roadmap has seen significant investment in PowerBI reporting and a Data and Analytics Platform covering all aspects of the Council's services. These provide real-time data and performance reporting, supported by corporate data standards and data matching tools. An audit against the LGA's Data Maturity framework has informed priorities for improved data, which for the next year will centre on data sharing with partners and a data ethics framework to support appropriate exploitation of Artificial Intelligence. Our Business Intelligence team was highly commended in this year's British Data Awards.
24. Our Council Delivery Plan and MTFs contains specific actions and savings on digital and data. Of our £64.0 million savings plan, we have assessed that £17.4 million (27%) will contribute towards improving productivity via taking advantage of advances in technology and make better use of data.

### **Reducing wasteful expenditure**

25. The Council has a rigorous and comprehensive business and financial planning process. Like all local authorities the serious financial risks facing us mean that the MTFs process is relentless in pursuing all opportunities for further cashable savings. Benchmarking data from sources including Oflog, LG Inform and Cipfa informs our MTFs process. The Executive has also established a Budget Delivery Oversight Group to oversee progress.
26. The Council has a robust performance framework encompassing place-based outcomes, key business measures of Council performance, and service indicators. Progress against these, actions in the Council Delivery Plan and our financial plans is reported quarterly to Cabinet and Overview and Scrutiny Committees. Our Audit and Standards Committee, with two independent members including the Chair, plays a critical role in governance, financial oversight and risk management, ensuring accountability for spend.
27. Equality, Diversity and Inclusion: Our budgeted expenditure on Equality, Diversity and Inclusion in 2024/25 is £0.150 million, 0.02% of the Council's net budget funding three EDI advisors, including training costs. This activity arises directly and solely from the Council's statutory duties (the Equality Act and Public Sector Equality Duty).
28. Agency/Consultancy/Overtime: Our revenue expenditure on consultancy (excluding capital consultancy) has consistently remained around £4.6 million, 1% of our net budget over the previous five years, which is largely one-off IT investment in using data and digital solutions to improve service delivery. We have a single contract for agency staff with Pertemps which maximises value for money. Nevertheless, expenditure on agency staff has gradually increased from 2019/20 by £5.6 million to around £19.2 million, 3% of our net budget in 2023/24 and is reflective of national and local issues in the market for care staff, particularly in Adults and Children's Social Care which incurred agency costs of £2.3 million and £4.0 million respectively in 2023/24. Additionally, we spend on average £2.9m on overtime, 0.5% of our net budget in 2023/24. Mitigations have been put in place for the next two years, including market forces supplements, which are already improving the staffing position, and our strategic workforce planning programme.
29. Trade Union facility time: 0.06% (£65,000) of our total pay bill is spent on this.

### **Barriers preventing activity that the Government can help to reduce or remove**

30. In order to deliver these plans successfully, there are a number of key barriers to improve Value for Money/productivity.

### **Deliver long-term policy solutions in key areas:**

31. Systemic reform of the SEND system is our top priority because the High Needs Block deficit is our most significant financial risk which Government's own consultants concluded we cannot mitigate or recover even if we implement all recommended actions:
  - a) Adequately fund the system the Government created;
  - b) Fully repay cumulative deficits created by Government policy, which would release significant resource to invest in improved productivity;

- c) Develop an inclusive education system which meets the needs of all children, as set out in the ADCS paper, [A future vision for the education system](#), revisit the Schools White Paper [Opportunity for all](#) and the [Timpson Review of school exclusions, and act upon a forthcoming CCN-commissioned report on SEND](#);
  - d) Amend the Children and Families Act 2014 to enable changes to the SEND Code of Practice including requiring mainstream schools to put support in place before an EHCP assessment can take place, and reforming the Ofsted inspection framework to consider schools' inclusiveness.
32. In Children's social care: implement the workforce changes upon which DfE consulted last year; address profiteering by providers by implementing national bandings for residential placements and/or banning sales of places to councils outside the local area; and provide additional capital investment for Council-run children's homes.
  33. Adult Social Care – clarify the long-term direction of reform of the system and provide adequate funding to run it effectively given increasing long-term demand.
  34. Home to School transport – it is imperative to deliver rapid national reform of a system designed in the last century to one that is proportionate and affordable in the modern world, reviewing entitlement and systemic levers available to Councils, implementing the recommendations of a recent CCN review undertaken by ISOS.
  35. In areas of high growth, provide sufficient capital for school places both SEND and mainstream, the escalating costs of which are preventing capital investment in other opportunities to improve the Council's productivity. Reform planning systems so that developers properly fund infrastructure and respond to consultation feedback from the sector on the potential impact on county councils' infrastructure duties arising from proposed changes to funding infrastructure.
  36. Develop more joined-up policy making across Government, recognising the impact of decisions on Council's productivity, for example conflicts between housing, health and social care policy.
  37. Resolve long-term reform of local government funding, including the much-delayed fair funding review.

#### **Devolution and long-term public service reform:**

38. End the culture of bidding for funding – bidding for numerous grants from Government costs significant time and money, reduces productivity and creates considerable waste. Bids are often required in unreasonable timescales, conflict with other funding streams, carry excessive, disproportionate bureaucracy and restrictive conditions reducing impact.
39. Devolve more funding and powers – local government has a proven ability to deliver and meet local need. Government should enhance the role of upper-tier local authorities in devolution by ensuring that they can access new powers and resources, removing the requirement of an elected Mayor to access the highest benefits of devolution.
40. Provide multi-year funding settlements – the recurrent pattern of late, single year financial settlements, and one-off allocations, acts against effective long-term financial planning. The sector needs Government to move to longer-term, more stable settlements, and fewer bureaucratic conditions applied to funding. Government should also make permanent the Better Care Fund and improved Better Care Fund.
41. Rationalise and simplify the tiers of local public service delivery – there are significant opportunities to improve the effectiveness, efficiency and economy of local public service delivery, which require Government support to progress effectively.
42. Facilitate adoption of AI through reusable technology, and improved data sharing, for example by compelling DWP to share their data to enable more automated processing in areas such as blue badges, benefit claimants and court of protection cases.