

16 July 2018

## **Productivity Programme**

### **Purpose**

This report provides the Board with a high level summary of the key deliverables during 2017/18 and presents the business/work plan for the productivity team for 2018/19.

**Appendix A** provides a summary of the key outputs for financial year 2017/18

**Appendix B** provides a summary of the business/work plan for 2018/19.

### **Recommendations**

That the Improvement and Innovation Board;

1. Note the key outputs of the productivity team's programme for the financial year 2017/18.
2. Note the business/work plan for the productivity team for financial year 2018/19.
3. Note the current situation with regard to the Digital Declaration (paras 9/11).
4. Provide such guidance as the Board considers necessary to ensure that the programme meets its objectives in 2018/19.

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## **Productivity Programme**

### **Background**

1. The Productivity programme comprises a range of projects to help improve productivity and efficiency in councils through delivering savings, generating income and making better use of assets. The programme is devised by reference to the Memorandum of Understanding agreed with the Ministry of Housing, Communities and Local Government (MHCLG).
2. Local authorities can reduce their financial dependence on government and their call on local taxpayers in three ways;
  - 2.1 **Transforming services** either to make them more efficient and less wasteful or to find more effective ways of delivering to local people's needs.
  - 2.2 **Smarter sourcing** commissioning and buying the goods, works and services (with a combined value of £55 billion) that contribute to local outcomes more efficiently and effectively. Managing the resulting contracts to optimise value from them.
  - 2.3 **Generating income**, which involves generating a greater proportion of funding locally, such as by commercialising the authority's existing skills, assets or commodities or investing to grow the local economy to generate wealth for the area.
3. The productivity programme contains work that will support local authorities in each of these three areas and several of our projects cut across more than one. Our programme complements and supplements the work of other agencies we work with such as the Cabinet Office, Crown Commercial Services and Local Partnerships.

### **Productivity programme - summary of key outputs during financial year 2017 – 2018**

4. An update on progress on the productivity programme for quarter four was reported at the last meeting of the Board on 24 May. For ease of reference a summary of the key achievements and outputs for the last financial year is attached at **Annex A**. It is worth noting that all of the deliverables contained within the MOU were achieved.

### **Productivity programme Business Plan for financial year 2018 – 2019**

5. The Business Plan for 2018 – 19 has been developed with reference to feedback from councils during the past year, the LGA's Business Plan and the Memorandum of Understanding agreed with MHCLG. The Business Plan is attached at **Annex B**. For ease of reference key new areas of work are highlighted below.

#### **Transforming Services**

6. New deliverables for the year include: the Digital Housing Pilot which is seeking to re-use assets developed by a group of Kent councils, if this is successful we will look to mainstream across the country. The stock-take of councils' existing cyber security arrangements, a key output will be the development and implementation of an improvement plan to support the sector so that it is better able to prevent and respond to cyber-attacks. Work with MHCLG to synthesise data to develop a better understanding of the characteristics of intelligent and efficient councils.

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#### Smarter Sourcing

7. The National Procurement Strategy 2018 will be launched in July, this includes a procurement maturity model enabling councils to undertake a self-assessment and plot their improvement through five stages of maturity. Work will also be undertaken to support councils who have high value or strategic spend on specific suppliers and to help reduce the risk for councils if a supplier gets into financial difficulty.

#### Generating Income

8. A refreshed Commercial Skills training offer for officers will be delivered in partnership with the Institute of Directors. This will provide officers with the skills and confidence to undertake larger scale income generation activity. Three Commercial Skills Masterclasses for members will be run, following the successful pilots earlier this year.

#### Digital Declaration

9. Following the last Board meeting officers have continued to negotiate with civil servants regarding the concerns raised by members about the declaration. Further discussions took place at the LGA Conference as officers were advised that the Minister wanted to spend a considerable amount of his speech focussing on the Digital Declaration. A meeting was arranged with the Minister, Councillor Fleming, officers and civil servants. At this meeting the Minister was very clear that he needed a decision before his speech.
10. An urgent meeting was therefore convened of the Chairman and Group Leaders. Officers were able to take Group Leaders through the issues and to advise that sufficient change had been made for the LGA to agree. The Group Leaders agreed with the advice provided and that the LGA should support the Digital Declaration. <https://localdigital.gov.uk/declaration/>
11. Members of the Improvement and Innovation Board are asked to note this decision.

#### **Financial Implications.**

12. The Productivity Team's Programme for 2017/18 was funded from grant provided by MHCLG under our Memorandum of Understanding with Department.
13. The 2018/19 Programme will be funded by grant provided by MHCLG under our Memorandum of Understanding. In addition a grant from Cabinet Office for £1.5m will contribute to the cyber security programme of work.

#### **Implications for Wales.**

14. There are no implications for Wales. MHCLG grant is for England only. In Wales improvement work is provided directly by the WLGA.

#### **Next steps**

15. The productivity team will progress the work programme in the light of members' comments.