

Local Productivity Programme

Purpose of report

For discussion

Summary

This report updates members of the Improvement Programme Board with the progress made on the Local Productivity Programme.

Recommendations

The Board is asked to:

1. note the outcomes from the recent workshop held to discuss productivity gains in the area of Children, Adults and Families and note the plans and preparations for the Futures Summit
2. agree the next steps for the LG Group with Local Partnerships and others to roll out the next phase of the Capital & Assets Programme (paragraph 19).

Contact officer: Andrew Hughes
Position: Local Productivity Programme
Phone no: 07909 534 185
E-mail: andrew.hughes@local.gov.uk

Local Productivity Programme – Update

Background

1. Phase one of the Local Productivity Programme has now drawn to a close and work is underway on establishing the shape and focus of phase two. The initial nine phase one workstreams have been consolidated down to three ‘big win’ areas:
 - 1.1 Children, Adults and Families;
 - 1.2 Procurement, Capital and Assets; and
 - 1.3 Future Ways of Working.

Children, Adults and Families

Background

2. Services provided to children, adults and families by councils comprise a significant spend. It is estimated that in 2009/10 £14bn was spent on adult services and £6.5bn on children’s services (excluding education). These costs are expected to increase by 4 per cent per annum due to demographic and cost pressures.
3. While councils provide these services increasingly other bodies and organisations are involved, particularly for adult services. The Departments for Education and Health, and the NHS, also play a significant role in the direction and provision of these services.

Progress so far

4. A high-level workshop, facilitated by the LG Group, was held on 18 April with representatives from councils, government departments, sector groups, members from the relevant Programme Boards and one of the member champions from the phase 1 workstreams. The workshop met to identify how strong member leadership should be provided in this area, the three or four interventions the Programme should concentrate on in the coming year and how to integrate the work within the LG Group structure.
5. The attendees had wide ranging and productive discussions on the issues. It was generally agreed that there needed to be closer integration between the services provided to children, adult and families and that this should be reflected in the Group’s approach to improving productivity in this area. The ‘*Think Family*’ approach was considered a good model to follow. *Think Family* practice centres on making sure that the support provided by children’s, adults’

Item 4

and family services is co-ordinated and focused on problems affecting the whole family.

6. The attendees' discussions centred on a number of intervention strategies to improve productivity by:
 - 6.1 Reducing demand for services;
 - 6.2 Diverting people away from social care;
 - 6.3 Partnership working;
 - 6.4 Better management;
 - 6.5 Driving down costs; and
 - 6.6 Raising monies.
7. In considering these options the workshop thought it appropriate to adopt an approach that:
 - 7.1 Identifies detailed examples of tried and tested productivity opportunities within councils (both within the UK and abroad);
 - 7.2 Raises awareness of these opportunities with members and officers;
 - 7.3 Actively promotes the take-up of these productivity opportunities with councils, by providing clear route maps to adoption, tools and being explicit about the risks of non-adoption; and
 - 7.4 Considers radical new models of service delivery and how they may be implemented (Note: this is being taking forward in the future ways of working summits).
8. The attendees considered that it may be appropriate for the relevant Local Government Group Programme Boards to lead in this area or for a single Programme Board to lead because of the need to take a joined-up approach.
9. Attendees also identified the need for further workshops of this nature to explore and agree an approach in cross-cutting areas such as the relationship with health and transitions.
10. The Community Well Being Programme Board and the Children and Young People Programme Board will take the issues arising from the workshop forward.

Item 4

Future Ways of Working

Background

11. The scale of spending cuts facing local authorities is too great for efficiency savings alone to bridge the gap. New and radical ways of working are required to enable councils to be more productive. The Local Government Group is leading the way on developing future ways of working through a series of Future Summits.

Progress so far

12. The first of the Futures Summits (The Productive Council of the Future: 2021) has been arranged for 23 May 2011. We intend to bring together leading councillors, top managers from the public, private and third sectors and expert commentators to design the robust working arrangements for a productive council capable of meeting the challenges of the next five to ten years. Further summits will be held during the rest of the year.
13. A Member Design Group met in early April to select the invitation list, guide the development and shape of the summits and to explore the role that members will play during the events.
14. A report will be presented to the July Improvement Programme Board detailing the outcomes of the summit and proposals for the remaining summits.

Procurement and Capital Assets

Background

15. This aspect of the Local Productivity Programme builds on the work of the procurement and capital assets work-stream. The last meeting of the Improvement Programme Board received a presentation from Andrew Smith, Hampshire County Council Chief Executive, setting out thinking to date.
16. A key part of the work includes the Capital & Assets Programme (CAP) which the sector established with the Department for Communities & Local Government. Working with 11 Pathfinder areas (Cambridgeshire, Durham, Hackney, Hampshire, Hull, Leeds City Region, Leicester/shire, Solihull, Swindon, Wigan, Worcestershire) the programme has sought to establish that greater efficiencies and wider benefits could be obtained from local areas working together to rationalise their land & property assets, than by agencies, either central or local, working independently of each other. Local Government

Item 4

took the lead in forming and leading partnerships across the public sector in order to:

- 16.1 map all public sector land & property;
 - 16.2 map customer service needs, and
 - 16.3 produce specific business cases, and wider long term (10 year) strategies to progress this work.
17. Business cases ranged from delivering cross sector customer access points, through to joint fire and police stations, to major town centre regeneration schemes. The Long Term Strategies suggest some impressive predicted outcomes:
- 17.1 c20 per cent reduction in operating footprint;
 - 17.2 10-20 per cent reduction in running costs;
 - 17.3 20 per cent plus reduction in carbon footprint; and in some cases
 - 17.4 significant capital receipt generation.
18. Cash savings potential is substantial: one of the larger Counties has estimated that its 20 per cent reduction in running costs amounts to a saving of £280m net present value (NPV) over 10 years.
19. The intention is to roll out the programme to the wider local government sector, and initial interest has already been established with two counties and a number of their districts. The LG Group are looking to provide a resource (funding, support, staff) together with Local Partnerships, other sector led support infrastructure including the NIEP and the RIEPs and some pro bono private sector technical expertise (legal, procurement, etc.). A prospectus will be issued around the time of an intended Ministerial announcement scheduled for late May/early June, which will be accompanied by a supporting media programme.

Financial Implications

20. The business plan for 2011/12 includes resources to develop the programme to support councils including providing support to the next stage of the Capital & Assets programme. Capacity to support the programme has also been built into the new LG Group structure and accompanying budgets.