

## **Place Based Productivity Programme – Workforce and Skills Workstream**

### **Purpose of report**

For discussion.

### **Summary**

This report provides a brief summary of the findings from the research undertaken as part of work on the Place Based Productivity Programme - Workforce and Skills Workstream and informs members on the conclusions reached and next steps.

### **Recommendation**

Members discuss the research findings and next steps presented in this report.

### **Action**

Officers to action as advised.

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## **Place Based Productivity Programme – Workforce and Skills Workstream**

### **Background**

1. At the September 2010 meeting of this Board, the Department for Communities and Local Government (DCLG) and Local Government Group's Place Based Productivity Programme<sup>1</sup> was introduced, providing an overview of the nine work streams and highlighting the work of the Workforce and Skills workstream. This workstream is led by Nick Walkley, chief executive of Barnet LBC and Councillor Roger Phillips of this Board and is focused on delivering improvements in workforce productivity and delivering efficiency savings in terms of reducing workforce costs.

### **Research findings**

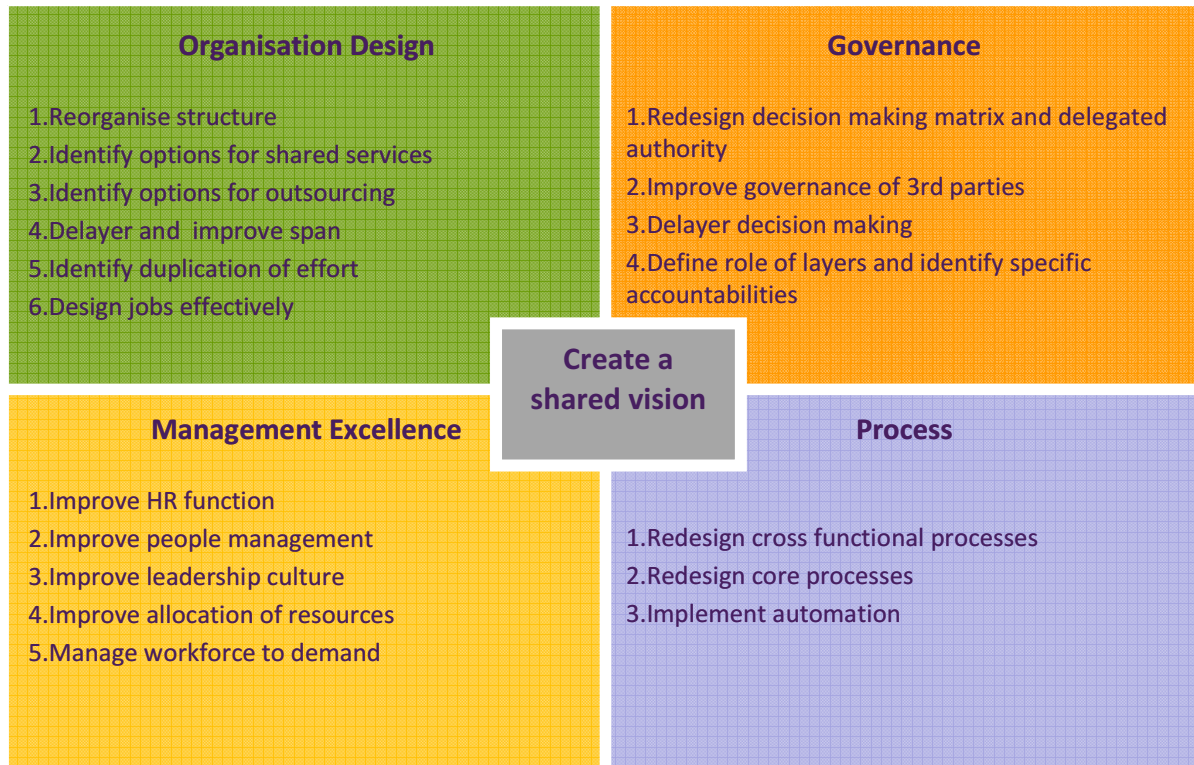
2. Research was undertaken into workforce productivity and efficiency, drawing together evidence from across the public and private sectors, in particular the work of the Regional Improvement and Efficiency Partnerships and that of the national public sector improvement agencies, including LG Improvement and Development (LGID). This research was undertaken by the Institute of Employment Studies (<http://www.employment-studies.co.uk/>) and Maxxim Consulting Ltd (<http://www.maxximconsulting.com/>), supported by LGID.
3. The research identified five key areas that organisations focus on when addressing workforce efficiency:
  - 3.1 Creating a shared vision;
  - 3.2 Organisation design;
  - 3.3 Management excellence;
  - 3.4 Process improvement;
  - 3.5 Effective governance.
4. A series of 'quick-wins' was produced to highlight to councils what action to take to improve workforce productivity and make workforce efficiency savings (which were presented to this Board in January 2011). The detailed examples are available on the LG Group's on-line communities of practice.

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<sup>1</sup> See <http://local.gov.uk/lgv2/core/page.do?pagelId=579930> for updated details of this programme of work

**Item 4**

5. A ‘how to’ guide was also produced and is currently being adapted for the web. The guide, targeted at chief officers and HR directors, includes over a dozen practice examples and uses the five key areas identified in the research to provide councils with tools for action.



**Conclusions**

6. The research findings have confirmed that there is no single ‘best practice’ answer to delivering improvements in workforce efficiency and productivity. Taking the right action significantly depends on each organisation’s own starting position – its cost base, resource profile, and the budget challenges faced - ultimately the local context.
7. The research has shown that reducing workforce head count and reducing the costs of reward/terms and conditions will not be singularly sufficient to bridge the current funding gap. Councils will need to make fundamental choices to either reduce or stop certain services, both internally and/or externally.

**Next steps**

8. A dissemination event is currently being planned to share the learning from pilot work on ‘delaying’ and ‘spans for control’ and further practice examples from this work stream will be delivered in late May/early June 2011.