

Productivity Programme Update

Purpose

For discussion and direction.

Summary

This report updates the Board on the progress being made in the Productivity Programme, including some areas of work being developed for delivery in 2014/15.

Recommendations

Members are asked to:

- i. note the updates to the Productivity Programme; and
- ii. note the list of authorities in paragraph 20 for the extension of the Learning Disability Services Efficiency Project.

Action

- i. To pursue the activities outlined, in light of member guidance.

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One Public Estate Programme

1. Cabinet Office approached the LGA in autumn 2012 with a proposal to run a “capital & assets” programme, subsequently called One Public Estate (OPE). Twelve councils¹ were recruited on to this programme, which began in March 2013, and received base funding of between £40,000 and £50,000 each to cover programme management costs.
2. In June 2013 the Spending Review, *Investing in Britain's Future*, contained a commitment to realise £5bn worth of public sector land between 2015-2020 for more productive economic use in the private sector. It is estimated that the public sector holds up to 40 per cent of developable sites, and industry surveys show that around half of developers continue to identify land supply as a major barrier to development.
3. To support delivery of this target and improve the release of public land to the market, the government announced a series of policy initiatives including a new Strategic Land Review, and have asked the LGA to run this for them.
4. Initially this is to take the form of an extension ('OPEX') to the OPE programme and in January, HMT agreed an additional £1m for this purpose. This would fund a further 15 councils, as well as a continuation for the existing twelve. The LGA are in discussion with Cabinet Office over a transparent bidding/selection process for this programme extension.

Public Service Network (PSN)

Background

5. Members will recall the report to the Improvement and Innovation Board of 21 January 2014. The Public Service Network (PSN) is the public sector wide secure network to enable the sharing of data securely, council to council, and council to government (and vice versa).
6. The LGA responded to a number of emails, letters and calls from council chief executives and leaders last autumn, who expressed their frustrations and concerns regarding their experience of Cabinet Office led PSN compliance process.
7. These councils listed a number of issues with the process including: the significant costs they incurred, the various draconian letters they had received and the appropriateness of the security standards they were being required to implement. The LGA used these examples to lobby Cabinet Office.

Supporting the sector

8. The LGA has worked closely with other sector representative bodies (including SOLACE, Socitm, the District Council Network, the Association of County Council Chief

¹ Bristol, Cheshire West & Chester, Essex, Hampshire, Hull, Leeds, Nottingham, Plymouth, Portsmouth, Surrey, Warrington and Worcestershire.

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Executives, the Society of Metropolitan Chief Executives, the Local Government Delivery Council, and the Local Chief Information Officers (CIO) Council) to co-ordinate a sector-led campaign to get Cabinet Office to engage with us effectively.

9. The LGA has been working with Socitm and Solace colleagues, using regular Cabinet Office meetings with senior PSN officials, to discuss how to better manage the process and support those councils yet to comply. The LGA has also provided regular updates on what was happening to those councils who had directly flagged up issues, as well as more widely via the Chief Executive Bulletin and the Chairman's Bulletin.
10. The LGA also helped individual councils who had specific issues, raising these on their behalf directly with senior PSN officials so these could be given proper consideration. This enabled a number of councils to get through the compliance process before the deadline.
11. The LGA have made direct contact with councils at risk of failing to meet the Cabinet Office requirements and ensured they have engaged with the PSN team. They were also offered support via the Socitm volunteer group of officers.

Summit

12. The LGA organised an LG PSN Summit to bring together senior LG and central government representatives to better understand the different perspectives, issues, and how we might collaborate more effectively to address these issues.
13. The attendees included council chief executives; CIOs/officers leading on ICT; officers leading on Troubled Families, Universal Credits and other multi-agency transformation programmes; officers leading on Open Data and Transparency and officers leading on digital delivery. Senior central government representatives included officials for DWP, DCLG, DH, Home Office, the PSN team at Cabinet Office, the Communications Electronics Security Group (CESG) and the Information Commissioners Office.
14. The facilitated discussions on the day helped create a shared understanding of the issues created by the compliance process, the frustrations and concerns of all involved, as well as agreement that this learning needs to be used to redesign the compliance process and accompanying communications for the coming year so we do not face similar problems again.

PSN Status of Councils

15. As of the end of February 2014 (the deadline is 31 March 2014) there were still almost 50 councils yet to comply. The LGA continues to liaise closely with the PSN team to make sure these councils are fully aware of their situation, are getting the support they need and to check if any have subsequently achieved compliance.
16. The Cabinet Office has invited a number of authorities still to comply to a meeting on 13 March with officials leading on PSN. This is to clarify their position as well as see how they can be supported to achieve compliance (if possible) by the end of March.

Next Steps

17. The LGA is currently developing an outline proposal (in consultation with Socitm, the Local CIO Council and SOLACE) as to how the compliance process, associated communications and governance arrangements might be improved in the future to reduce the burden both on councils and Cabinet Office (as well as for those supporting the sector).
18. The aim is to present the sector's recommended approach to the lead official and Minister and secure agreement to enable us work more effectively in the coming year.

Adult Social Care Efficiency (ASCE) programme: learning disability services project

19. Learning disability services were identified by participants on the ASCE Programme as an on-going challenge to local authorities as they face increasing numbers of users with more complex needs and rising costs. In response to this feedback, the Productivity Team recently hosted a successful event on 'Delivering Efficiencies in Learning Disability Services', which was attended by over 40 local authority representatives. Delegates heard speakers from Barnsley, Croydon and Hackney outline the work they are already doing in this area to promote independence and deliver service efficiencies.
20. As a result of this sector interest, the Productivity Team has just launched the Learning Disability Services Efficiency Project. The project mirrors the current ASCE model with grant funding given to successful authorities to undertake a robust review of learning disability services, which will then be used to inform a two year transformation plan. The plans will be delivered over a two year period, during which time evidence of efficiencies and learning will be shared with the wider sector. Ten bids were received and an evaluation was undertaken by members of the ASCE Steering Group, including representatives from ADASS, TEASC and local authorities. Five authorities were successful: Barking and Dagenham, Cumbria, Darlington, Kent and Wiltshire. Grants of £20k will be awarded to each authority and they are expected to appoint an external consultant over the coming weeks.

Shared Services map

21. A key function of the shared services map is to provide councils with an interactive way to learn from others who have already shared services, rather than reinventing the wheel in what can be complex arrangements to set up.
22. The numbers of council shared services, and the savings that they are achieving, being reported to the LGA continues to rise across the country, according to the recently updated LGA Shared Services Map.
23. The map shows that **337 councils** across the country are engaged in **383 shared service arrangements** resulting in **£346 million** of efficiency savings to date, an increase of **£83 million** since last year. We believe that in practice the number of shared

service arrangements in place is likely to be significantly higher than the number indicated on our map.

24. Local government already has an impressive track record of achieving efficiencies by sharing services between themselves but are now increasingly sharing with other parts of the public sector. As 96% of councils are already sharing services, opportunities for future growth and financial savings will come through greater collaboration across the public sector on a local level.
25. As a new development for this year's map, councils were asked to record which services they share with local public sector partners aside from councils. This year's map shows savings of over £11 million have been achieved by councils in this way, particularly through shared services and shared management with health partners. This is almost certainly an underestimate.
26. The majority of the savings come from environment, waste and transport (£84,473,610) and back office shared services such as shared legal, audit and human resources (£75,269,879). The biggest increases over last year were in adult services, and culture, leisure and tourism.
27. The numbers of shared service arrangements are growing fastest in London and the South East with an increase of 26 and 37 arrangements respectively in the last 12 months. For example, LB Havering and Newham Councils are about to share their back office support services, bringing together 21 different services, including human resources, payroll, ICT, finance, council tax and housing benefits.
28. Please visit www.local.gov.uk/shared-services-map to access the LGA Shared Services Map.

Delivering Differently Programme

29. Delivering Differently, is a joint programme between Cabinet Office, DCLG, the LGA, and the Society of Local Authority Chief Executives (SOLACE). The programme is designed to support a small number of pioneering local authorities, either individually or in partnership, to select and implement new models of delivery for some of their services.
30. Drawing on a £1m fund, the 10 successful local authorities participating will have access to bespoke professional support to enable them to review which model is right for the service and decide how to implement it.
31. The programme has proved extremely popular with over 135 councils applying. The LGA took an advisory role in the shortlisting of applications and interviewing of the shortlist of 20 councils. The following 10 successful councils were chosen by Cabinet Office and DCLG.

Manchester – Domestic Violence	The council is keen to investigate new models of delivery for their Domestic Violence and Abuse services to shift resources to early intervention with 16-19 year olds.
NE Lincolnshire - Environment	Creating new delivery mechanisms for most of the environment functions, totalling £28.4m and 500 staff, comprising: grounds maintenance, street cleaning, waste collection, recycling, cemeteries, safer communities, neighbourhood development, community learning.
Nottinghamshire County Council – Children’s Disability Services	The council is looking to investigate different models of service delivery with partners for their children’s services.
Cheshire West and Cheshire Council in partnership with Wirral MBC – School Support	There is potential for creating a collaborative organisation in conjunction with local schools and local parents. The model they want to explore would deliver services to schools and parents, and would incentivise them to use the services through co-ownership models.
Hull City Council – Social Care	Looking at a new model for in-house adult social care services with the exception of safeguarding, commissioning and contract compliance. Services in scope include: <ul style="list-style-type: none"> • reablement, assessment for long term support • OT and sensory assessment and provision • direct provision including in-house residential and day domiciliary services.
Kirklees Metropolitan Borough Council - Environment	Drawing upon ideas from staff members, Kirklees held a “Dragons Den” initiative in Autumn 2013. The successful team, ‘Inspire’, presented a unique way to jointly take ownership, maintain and manage public open spaces in perpetuity, partnership or collaboratively with local communities. The authority is committed to fully exploring sustainable alternatives to the future delivery of maintenance and management of open spaces and community facilities including parks, landscape, property, investment and regeneration.
Dover District Council - Heritage	Dover District Council wants to unlock the potential of the district’s unique portfolio of heritage assets to drive economic growth and regeneration. Working with English Heritage, they were the first local authority to develop a heritage strategy and want to build on this work by exploring sustainable operating models for our museum and tourism service.
Portsmouth City Council – Community Safety	They would like to explore new delivery models for a number of community safety services currently delivered by a range of responsible authority partners within Portsmouth. The services that they would like to consider include: <ul style="list-style-type: none"> • CCTV • anti-social behaviour unit • early intervention project (domestic abuse)

	<ul style="list-style-type: none"> • support for young people at risk of offending • research and analysis.
Devon County Council – Libraries, Youth and Day Care	<p>Devon County Council (DCC) will utilise the support of Delivering Differently to accelerate co-production and delivery of a new local service ‘offer’ led and developed by Devon’s communities. In doing so, DCC will support new roles for local communities as part of changing models of service delivery for the following:</p> <ul style="list-style-type: none"> • Youth Services • Library and Information Services • Day Opportunities for Older People and People with a Learning Disability.
Walsall – Adult Learning	<p>Their proposal is to explore the transformation of Walsall Adult and Community College (WACC), a Division within Neighbourhood Services Directorate of Walsall Council. WACC is focused on community-based learning and training, providing post-sixteen learning for around 5,500 residents per year. This will contribute to the growth and skills agenda locally.</p>

32. To ensure that this programme has an impact on more than just the 10 councils listed above, the LGA will be setting up a Delivering Differently group on the Knowledge Hub for all councils who applied to the programme to join up to share the learning as the projects progress. In addition, the 10 councils will feature in the Innovation Zone and the LGA Conference in July. We are also investigating a “buddying” system whereby officers from outside of the 10 are able to assist with the delivery of the new models in the successful 10 councils and then take that learning back into their own organisations to progress their own service redesign.

Investment in Housing

33. As reported at the January Board meeting, the Productivity Team is developing a support offer to help councils access funding for new housing from institutional or other corporate sources. The intention is to form a consortium of local authorities who have land and wish to access significant development funds for new housing development, with the LGA procuring financial and legal expertise to undertake the necessary due diligence, produce a go-to-market bid and arrange a funding competition.
34. We have been testing the proposition informally with a number of networks and contacts, and have received positive responses from financial and legal experts and in principle interest from authorities.
35. A key emphasis of the offer would be supporting the consortium through what we know can be a complex and expensive process to secure additional funding for housing development. Getting the process right can provide much needed homes but also play a significant part in a council’s income generation and growth strategy.

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36. Overall, therefore, the offer aims to:

- 36.1 help councils achieve the best value for money – building a consortium enables sufficient scale to access competitive rates, and organising a funding competition ensures the best price of money.
- 36.2 de-risk the process for councils – by procuring the necessary expertise upfront, and supporting the consortium through the process.