

LGA Productivity Programme

Purpose of report

For information.

Summary

This report provides the Board with an overview of the key deliverables for the Productivity Programme during 2019/20. The report also provides an overview of the next steps and key deliverables for 2020/21. The Business plan for the Productivity team will be presented at the May meeting of the Board. The Productivity Team will be responsive to further Government advice about COVID-19 and the LGA's role to support and represent councils through this public health crisis

Recommendations

That Members of the Improvement and Innovation Board note the key outputs of the Productivity team's programme for financial year 2019/20.

Actions

Officers to pursue the activities outlined.

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LGA Productivity Programme

Background

1. The Productivity Programme comprises a range of projects to help councils improve productivity and efficiency by delivering savings, generating income and changing the ways in which services are delivered. The programme helps councils to build capacity and capability and 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 £60 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 commercialising the authorities 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 areas and several of our projects cut across more than one area. Our programme of work complements and supplements the work of other agencies we work with such as the Cabinet Office, Crown Commercial Services and Local Partnerships.
4. The report considers the next steps and proposed deliverables for 2020/21. These proposals may need to be flexed in response to Government advice about COVID-19 and the LGA's role supporting and representing councils through this public health crisis.

A. Transforming Services

MoU commitment:

Innovation and good practice in service design and delivery is encouraged and shared across the sector, including responding to the implications and opportunities of new technologies and digital transformation.

Digital work-stream programme activities 2019/2020

5. There are currently two live digital funded programmes the Digital Housing programme 2018/19 and the Digital Inclusion programme 2019/20. Both these programmes are at a different stage.
6. **The Digital Housing programme** is nearing completion. This programme funded five projects to work with Tunbridge Wells Borough Council to reuse the assets developed by the Kent group of councils to develop and implement a series of on-line forms for homelessness, a self-assessment form for housing and a housing application form. Of the five councils, two have already gone live with their on-line forms and are now collecting data on customer usage. One other council is close to going live, however they are still working out some delivery issues. Visits are planned to all five councils, so that the learning from the programme can be captured and shared. An evaluation of the programme will be produced together with five short videos to share the learning of each project.
7. **The Digital Inclusion programme** is providing £200,000 for 10 councils to better meet the needs of their residents, improve productivity and their livelihoods. The ten councils selected for the programme were announced in October 2019. An initial workshop was held to bring the councils together and to share learning. Contact is being maintained with the councils to provide support, share learning and monitor progress. This programme will continue into 2020/21.
8. The final case study for the **Digital Channel Shift programme** 2017/18 is now on the LGA's website together with the [programme evaluation report](#). The programme has saved £1.69 million and achieved significant benefits in terms of improved ways of working and use of online services.
9. The LGA hosted a **Digital showcase conference** on 4 November. The event brought together councils to share learning on topics including: project management, collaboration on a regional scale, digital leadership and using governance as an enabler. A range of LGA funded digital projects were show-cased. The event was sold out and feedback has been extremely positive.
10. Four **masterclasses for elected members** on the theme of data and digital transformation have taken place across the country: Manchester (24 January); Bristol (31 January); Newcastle (7 February) and London (14 February). 54 councillors attended the masterclasses with 79 per cent of attendees stating that they were "very satisfied" with the course and how it has developed their knowledge and role.

11. The **Local Government Delivery Council (LGDC)** has met four times this year bringing together council Chief Executives, and Transformation officers to hear from councils working on the ethics of data analytics, Internet of Things council projects and the ICT return to work programme. MHCLG have presented their digital work programme to the group.

Next steps and proposed programme activities 2020/21

12. The Digital Inclusion programme will continue to support and work with the 10 funded councils to deliver and share their learning.
13. The LGA is exploring the possibility of delivering a digital connectivity programme to build councils' skills and capacity to take advantage of the opportunities offered by connectivity to their local place and communities. The LGA will support council projects to enhance the digital connectivity (both mobile and broadband) of local areas will help residents interact with their local authority in smarter, easier and more innovative ways.
14. The masterclasses for members will be further developed to focus on transformation within councils, a session on cyber security will also be included.

Behavioural Insights programme activities 2019/20

15. The **2019/20 Behavioural Insights** funding round (phase five) was hugely oversubscribed and the following eight councils have been selected for support:
- 15.1. Derbyshire County Council – reducing the number of repeat applications to the Derbyshire Discretionary Fund.
 - 15.2. Newcastle City Council increasing the number of families taking up early help plans from Children's services.
 - 15.3. North Yorkshire County Council – encouraging more parents to read with their children to assist with speech and language development.
 - 15.4. South Gloucestershire County Council – to deploy a strengths-based approach with adult social care service users in the local hospital in order to prevent, delay or divert demand.
 - 15.5. Sunderland City Council – increasing the rates of breastfeeding to benefit health and educational outcomes.
 - 15.6. Surrey County Council – increasing sustainable travel amongst local business employees.
 - 15.7. The London Borough of Merton – reducing the number of vehicles idling outside schools.
 - 15.8. The London Borough of Redbridge – reducing the demand for on-street prostitution in the local area.
16. **The LGA is working in collaboration with the London School of Economics** to place Executive Masters and PhD Behavioural Economics students to work with councils on

their Behavioural Insight projects. Ten councils have expressed an interest in working with a student and this will start in April 2020.

17. In February the LGA held its third **Behavioural Insights in local government conference**. At the conference we launched our podcast series entitled “Nudges for Social Good” which aims to demystify behavioural insights and provide councils with practical tips to help them to design and run their projects. There have been over 800 downloads in the first month since the podcasts were launched.
18. The **Phase three Behavioural Insights** projects have achieved savings:
 - 18.1. Knowsley Metropolitan Borough Council has saved £184,000 through increasing the uptake of assistive technology by 27 per cent.
 - 18.2. Worcestershire County Council have increased their revenue from adult social care charges by £42,000.
 - 18.3. Warrington Borough Council have saved £145,000 and avoided costs of £585,390 by improving the effectiveness of its decision-making arrangements around undertaking statutory assessments issuing new Education, Health and Care plans.

Next steps and proposed programme activities 2020/21

19. The Behavioural Insights programme for 2019/20 will continue with the eight councils.
20. A further programme (phase six) will be launched in 2020/21 and will be open to groups of councils, or councils and partners to bid for funding. The lessons learned and interventions will be shared widely within the sector.
21. The LGA will also produce guidance to help councils to use Behavioural Insights tools and techniques to address local climate change challenges.

Design in the Public Sector programme 2019/20

22. In the latest phase of the **Design in the Public Sector programme 2019/20**, 16 councils have been selected across England to help address complex challenges and improve outcomes for their residents. The councils are halfway through their training days with the Design Council. The service challenges that councils are working on include: reducing serious youth violence, addressing climate change and delivering sustainable growth, reducing the waste levy and improving recycling rates and improving care for victims of domestic violence.
23. In early March an event was held to bring together all the councils from the previous year’s programme to share their progress and learning. The knowledge captured from the event has been shared on the LGA website for other councils to learn from.
24. The Portsmouth City Council project to improve air quality from last year’s programme was featured in the LGA’s Innovation Zone in July 2019.

Next steps and proposed programme activities 2020/21

25. The LGA will continue to monitor the sixteen councils as they progress their prototype projects from the 2019/20 programme during 2020/21.
26. A further programme will be launched in 2020/21 this will focus on climate change and will be open to groups of councils, or councils and partners to bid for funding. The lessons learned and interventions will be shared widely within the sector.

Shared Services and Collaboration programme 2019/20

27. The LGA **Shared Services map** was relaunched in June and evidenced £1.34 billion in cumulative savings from over 626 partnerships. This demonstrated an increase of £369 million from the previous year across 559 partnerships. Every council across England is involved in a partnership. The LGA also set out to benchmark the annual efficiency savings and found that the sector had made £196 million of efficiency savings from shared services in 2018/2019.
28. Two **Shared Service expert placements** have been undertaken at Hart District Council and at Basildon Borough Council. Both projects focused on an options appraisal exercise to assess the state of existing collaborations, the prospect of growing existing partnerships and looking at potential avenues to start new service delivery partnerships. Reports are currently being progressed with their respective management teams.

Next steps and proposed programme activities 2020/21

29. The LGA Shared Services map will continue together with the benchmarking for in year efficiency savings. Support and advice to connect councils with others in their pursuit of collaborative working and saving money will continue.

B. Smarter Sourcing

MoU commitment:

Help councils become more efficient in the way they procure and deliver services and assist them in embedding innovative practices, managing risks, including having in place sound contingency arrangements for strategic contracts.

Smarter sourcing programme activities 2019/2020

30. The National Procurement Strategy (NPS) diagnostic *Delivering the Ambition* report, published in the summer, identified key areas for the LGA Procurement team to focus attention on and shaped this year's support offer. Areas included social value, member development, contract management and strategic supplier relationship management. These have focused alongside our existing workstreams: children's services, construction, skills, innovation and modern slavery in the local government supply chain.
31. **Social value:** The NPS diagnostic highlighted that District Councils were finding it difficult to implement Social Value. Working with the Social Value Portal the LGA produced a District Council Toolkit which was published in September. The LGA has continued to promote the National Themes Outcomes and Measures (TOMs) as a way of measuring social value. The National 2020 TOMs were launched at the National Social Value Conference in January with more than 800 people attending over two days. The

Task Force continues to grow in numbers and reaches public, private and voluntary sectors.

32. Responding to the findings of the diagnostic our popular **Councillor's Guide** to Procurement was updated and launched in July. It has been downloaded nearly 700 times and used in regional procurement groups and workshops.
33. **Strategic Supplier relationship management:** The LGA continues to develop good relationships with key suppliers to local government. Work has been ongoing throughout the year with regular stakeholder meetings and workshops held with Microsoft, Capita and Care Home providers.
34. The LGA held a well-attended session with Microsoft on *making the most of your Microsoft licensing agreements*. Work continues with Crown Commercial Service and Socitm brokering additional support from Microsoft for councils who are facing high price rises for licenses.
35. A key supplier information template has been developed. Due diligence has been carried out on key providers in the care home market, children's services, waste providers and highways and maintenance.
36. **Children's Services:** The LGA funded work with Hertfordshire County Council to commission an expert to share contractual best practice and share examples of contract documents. This work will feed in to the process of drafting a suite of national contract documents, including a national contract for Semi-Independent/Support Accommodation.
37. Councils have raised the issue of rising placement costs for children in care, and the difficulties in finding appropriate places for children. This information is being shared with policy colleagues who are commissioning a national sufficiency statement.
38. Councils have also raised significant concerns around profits being made by private organisations from residential care and fostering placements. A report was commissioned to identify how much profit is being made by the largest private fostering and residential organisations.
39. **Construction:** The seventh National Construction Conference was delivered in February. A record number of delegates attended and feedback on the day was positive. The delegate feedback will be analysed by the steering group at their next meeting in March, this will help inform preparations for the 2021 conference.
40. The Construction Steering Group continues to support and monitor the work on procurement related matters coming out of the Hackitt Enquiry. The LGA has finalised and consulted upon a set of procurement competencies which should be used by anyone involved in the procurement of in-scope buildings. The LGA also continues to be represented on the Fire Doors Group.
41. Work has commenced on late payments. Initial research has identified that most council's payment information is on a new government website data.gov.uk. Contact has been made to discuss the possibility of this data being shared with the LGA.

42. **Skills:** The LGA has negotiated places on the Government's Commercial *Function's Building contract and supplier management capability across government* contract management e-learning modules. The foundation course aims to help contract managers achieve better outcomes and value for money through informed and timelier contract management decision-making. Nearly 1,000 council officers have enrolled on the course with 500 alone signing up in the latest cohort.
43. Preparatory work continues on the local government skills portal with information being compiled to identify the varying platforms that are being used by councils for staff training and development.
44. **Innovation:** The Procurement of Innovation workstream continues to highlight and share best practice on the procurement of innovation and innovative procurement from across the sector through case studies and presentations at sector conferences. The scope and remit of the group is being reviewed to identify ways of expanding the reach of the recommendations from the report as well as disseminating best practice beyond those in procurement.
45. **Modern Slavery:** The Independent Review of the Modern Slavery Act recommended that councils and the wider public sector be included in Section 54 (supply chain) of any amendments to the Act. The government consulted on this in the summer and the LGA formally backed the decision to include councils in new legislation.
46. The LGA continues to raise awareness and encourage councils to publish Modern Slavery transparency statements through guidance (*Councillor Guide to Modern Slavery*), case studies (*Tackling Modern Slavery: council case studies*) published this year, bulletins and the dedicated website hub.
47. The sector is in a healthy position for any potential changes to the Modern Slavery Act. 98 out of the 15 councils, with a budget over £36 million, that would fall in scope have either already submitted transparency statements or signed up to the Co-op Modern Slavery Charter which goes beyond the requirements of Section 54 of the Act. Overall 132 councils have already submitted transparency statements on a voluntary basis, up from 94 councils the previous year.
48. **Brexit:** The LGA worked closely with the Cabinet Office and MHCLG throughout the year to keep councils abreast with evolving developments on procurement matters relating to Brexit. Updates were provided in the bulletins and monthly NAG newsletters and procurement notices were signposted.
49. A weekly **key suppliers bulletin** was established in the autumn. The bulletin provides council procurement teams with a precis of information about local government's key suppliers, including the share prices, details of recently published contracts and any relevant news about suppliers. Nearly 100 councils are now receiving this bulletin.

Next steps and proposed programme activities 2020/21

50. In addition to the existing programme the National advisory Group has proposed several new areas to explore in 2020/21:

- 50.1. The Sustainable Procurement guidance will be updated as a direct response to the Climate Emergency announced by the most of our member councils.
 - 50.2. Following a successful pilot and deep dive training on cost modelling and 'economic and financial standing' the LGA is looking to develop Outsourcing/Insourcing training on the outsourcing playbook.
 - 50.3. The LGA will look at cyber security in the supply chain to see what support, toolkits and e-Learning modules could be appropriate for the sector.
 - 50.4. Publication of MHCLG's report on fraud in local government procurement is still awaited. The LGA is ready to update our guidance accordingly on *Managing the Risks of Procurement Fraud*.
51. The LGA will be responsive and provide guidance to the sector from any of the procurement implications of the COV-19 pandemic and any changes to procurement legislation after the Brexit transition period ends.

C. Generating Income

MoU commitment:

Help councils to become more commercial through a series of courses, events and sharing good practice.

Commercialisation programme 2019/20

52. **Commercialisation:** This year four commercial skills masterclasses for elected members were once again oversubscribed with 78 councillors attending the sessions held in London, Manchester, Taunton and Birmingham. Three cohorts of the commercial skills training for officers have also been delivered with 50 officers attending the sessions held in Manchester, Taunton and London.
53. The first learning conference for alumni on the commercial skills programme was held. The objective of the conference was to provide the alumni with the latest thinking from the commercial, academic and local government sectors, and enable them to network and share learning. Delegates heard from speakers including: Professor Paul Collier, Ci. Co, Havant and East Hampshire councils, APSE, international investment organisations and Bevan Brittan.
54. "[Profit with a Purpose](#)" was launched at the LGA conference in July. The guidance helps councils to build social value into their commercial activities. The publication includes case studies of the innovative work councils are doing to adopt commercial activity to stimulate local economies, increase jobs and apprenticeships, build houses and reduce fuel poverty in their local communities. This guidance and the LGA's updated commercial good practice map also featured at the CIPFA conference in July.
55. Four meetings of the LGA's Advanced Commercial Group have been convened involving the commercial lead officers from 25 councils. The meetings have featured speakers and workstreams on the following topics: council owned energy companies, social value, public relations advice for councils, governance and scrutiny of commercial activities as well as councils sharing learning from their own commercial projects.

Next steps and proposed programme activities 2020/21

56. The focus will be on targeting those councils that have not previously attended the commercial skills programme. There are also plans to develop commercial training for Financial Directors and to build PR and communications support into the current training offer. A commercial skills training package is also available for individual councils who have been on the national commercial skills officer training.

Cross-cutting offers 2019/20

Productivity Experts programme 2019/2020

57. **The Productivity Experts programme** provides an opportunity for councils to access expertise that will provide them with the skills they need to realise ambitious savings and generate income. The programme offers bespoke support, brokered by the LGA on a specific project or initiative. The LGA committed to work with 25 councils to deliver savings or generate income of another £25 million.

58. This year, experts are working with 44 councils contributing towards efficiency savings and/or income generation of £40 million over the next four years.

59. The LGA has supported nine Shire Districts, four Metropolitan Districts, four Unitary councils, three County Councils and one London Borough, working across eight regions.

60. The experts cover a wide variety of areas to help save money and generate income, including procurement, children's services, environment and waste, regulatory services, digital and the voluntary and community sector. Multiple connections have been made across the country with councils that are looking to complete a similar project to those that have worked with an LGA productivity expert.

Next steps and proposed programme activities 2020/21

61. The case studies from this year's Productivity Experts programme will be completed and published on the website and social media, to share the findings.

62. It is proposed to run the LGA's Productivity Experts programme differently next year, providing 10 councils with £14,000 grant, solely focused on realising savings.

Transformation and Innovation Exchange 2019/20

63. **The Transformation and Innovation Exchange:** Developed with local government, the Transformation and Innovation Exchange features a range of case studies, guidance, tools, performance data, training and other resources to help councils continue to deliver value for money, and better outcomes for communities. It is an interactive space where councils can come together to share learning and support each other.

64. A key feature of the Transformation and Innovation Exchange is the online self-assessment tool which helps councils identify their current capabilities and consider improvement opportunities and useful support. Senior managers and elected members are encouraged to undertake an assessment of their organisation. This can be done on a regular basis or as part of the preparation for a corporate peer challenge.

65. The self-assessment tool considers the following areas of governance and critical success:

- 65.1. Leadership of place and the role of the authority
- 65.2. Financial planning, viability and priority setting
- 65.3. Use of data and intelligence (learning, sharing and understanding)
- 65.4. Use of digital and technology
- 65.5. Procurement and commissioning

66. Since the launch of the Transformation and Innovation Exchange at the LGA conference over 150 councils have expressed an interest and registered to use the self-assessment tool.

67. The LGA has provided support and facilitated sessions to individual councils and has encouraged a number to use the self-assessment tool in preparation for their corporate peer challenge.

Next steps and proposed programme activities 2020/21

68. The LGA will continue to promote TIEx, providing some facilitated sessions with councils, supporting councils to use the self-assessment tool ahead of corporate peer challenges and respond to feedback from councils.

The Cyber Security programme 2019/2020

69. **The Cyber Security programme** is funded, outside of the core MHCLG grant to the LGA, by the National Cyber Security Programme (NCSP) through the Cabinet Office. The programme is approaching the end of the second year, of a three-year programme. The programme provides support to English councils as they work to improve their cyber security.

70. The LGA works collaboratively with representatives from MHCLG, the National Cyber Security Centre (NCSC) and local councils. The programme plays to the strengths of the LGA, and what it already delivers in terms of Sector Led Improvement, by focussing on the people and process aspect of cyber security rather than solely considering it as a technology issue.

71. The programme focuses on delivering sustainable cultural change within councils that both directly improves cyber security and indirectly leads to members and officers viewing it with increased importance. It does so through targeting grants associated with improving leadership, governance and awareness, whilst also pursuing other initiatives intended to be of long-term benefit to the sector.

72. The first year 2018/19, focussed on the Cyber Stocktake, which every council in England completed. This was followed by a series of grants for which councils applied. The grants were focussed on governance and awareness, with most grants being used to undertake a 'gap analysis'. Total funding for the first year of the programme was circa £1.5 million.

73. The second year 2019/20, continues the focus on delivering improvements via grants but moved to an offer-based system rather than an application based one. This reduced the administrative burden placed on councils, their IT teams. It also enabled the LGA team to look holistically across the sector and to target grants where they were most needed with suggested activities that would lead to improvements. Building on the success of Phase one, Phases two and three of the grant process again focussed on the leadership, governance and awareness aspects of the cyber security function.
74. In addition to managing these grant processes the LGA Cyber Security team has also:
- 74.1. Built upon the success of the 2018 Cyber Security Stocktake to develop a Cyber Security Self-Assessment Tool that was open from October to December 2019. 54 per cent of English councils completed the self-assessment. This was used to help inform Phase three of the grant process.
 - 74.2. Delivered two cyber tools workshops (in London and Leeds), with speakers from NCSC, Gartner, Socitm, MHCLG and councils themselves. The aim was to improve shared awareness of the technical security tools that councils use and that are available, and to identify and discuss future challenges the sector faces.
 - 74.3. Delivered a monthly newsletter to the cyber security community within the sector to distil relevant news from NCSC, MHCLG and the wider cyber security community, making it easier for councils to navigate the policy space.
 - 74.4. Began a year-long project with Gateshead Council to deliver a cyber resilience exercising tool specifically aimed at councils.
 - 74.5. Supported the response and recovery of Redcar and Cleveland Borough Council after they were the victim of a major ransomware incident.
 - 74.6. Worked with the LGA resilience peer challenge team to incorporate cyber security into the thinking behind their pilots.
75. In February 2020, the LGA was offered a further £1 million of funding from the NCSP. Although there were some risks associated with only having two months to deliver a fourth phase of grants, whilst still delivering the third phase of grants, we decided that this was of benefit to the sector. Phase four of the grants has been focussed on upskilling IT specialists within the sector by funding them to become Certified Information Systems Security Professionals or Certified Information Security Managers. This will take the funding of the second year of the programme to circa £2.5 million.

Next steps and proposed programme activities 2020/21

76. 2020/21 is currently expected to be the final year of the three-year programme, with funding expected to be circa £1.3 million. The Statement of Work associated with the programme. Currently the Cyber Security team intend to focus on the following five objectives:
- 76.1. Continue to develop a cyber resilience exercising tool for local councils.

- 76.2. Develop a cyber security guide for councillors and officers.
- 76.3. Continue to engage with local councils to raise awareness of cyber security and associated best practices.
- 76.4. Further increase the number of cyber security qualified personnel within the sector.
- 76.5. Develop some exemplar policy tools and frameworks for use across the sector.

Implications for Wales

- 77. There are no implications for Wales. MHCLG grant is for England only. In Wales improvement work is provided directly by the WLGA.
- 78. Case studies, lessons learned, and best practice are shared between the LGA and the WLGA.

Financial Implications

- 79. The Productivity Programme for 2019/20 was funded from grant provided by MHCLG under our Memorandum of Understanding (MoU) with MHCLG.
- 80. The 2020/21 Programme is due to be funded by grant provided by MHCLG under our MoU. In addition, a grant from Cabinet office for the £1.3 million will contribute to the third year of the cyber security programme.

Next steps

- 81. Members of the Improvement and Innovation Board will receive a report at the next meeting of the Board setting out the programme for 2020/21. The Productivity team will also be coordinating the Improvement offer to councils for climate change. This is subject to a separate report at this meeting. The Productivity team will be flexible in response to further Government advice about COVID-19 and the LGA's role supporting and representing councils through this public health crisis.