

19 January 2016

Productivity Programme

Purpose

For information.

Summary

This report briefs the Board on the progress being made in the Productivity Programme. A similar report will come to all future meetings of the Board.

Brian Reynolds, Head of the One Public Estate Programme, will be present at the meeting to update members on progress and the recent extension of the scheme.

Consideration of this item will also include presentation of a short video made to promote the Productivity Expert offer.

Recommendation

Members are asked to note the updates and progress on the Productivity Programme and to provide such guidance as the Board considers necessary to ensure that the programme meets its objectives.

Action

Officers to pursue the activities outlined in the light of member guidance.

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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. This report provides a briefing on the current position of the Programme for 2015/16.
2. Local authorities can reduce their financial dependence on government and their call on local taxpayers in three ways, by:
 - 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 services, goods and works that contribute to local outcomes more effectively and, where possible, more cheaply, and 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.

Transforming Services

Digital workstream

4. **Cyber security**: The LGA is co-hosting a cyber resilience exercise with the Cabinet Office. A group of councils will participate in this on 20th January at the LGA offices. The aim of this exercise is to put each of the councils participating through a series of scenarios which will test their ability to respond to a hypothetical cyber-attack. These are based on real life threats. As well as benefiting those councils who are directly involved the objective is also to use the lessons from the day to develop guidance for the sector overall.
5. On 16 February, the LGA and DCLG are hosting a conference *Think Cyber – Think Resilience – Cyber Impacts Leadership Briefing Day*. This is free for LGA members and will:
 - 5.1. Raise awareness about the National Cyber Security Programme, explain the role of key national strategic partners and increase understanding of the importance of Cyber Resilience in localities;
 - 5.2. Provide local leaders, policy makers and practitioners with guidance on developing a cyber-aware culture within their organisations and across their partnerships; and

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- 5.3. Offer guidance on where to go for further advice or training.
6. *Digital Experts funded projects:* The LGA funded 27 digital expert projects involving 42 councils following an application process which resulted in 65 bids from councils. The objective was to help councils apply digital tools and solutions already used by other councils. This is to help mainstream good practice and enable more councils to benefit from work already done.
7. We are about to start the evaluation for those projects that are ready to share their learning. 13 of the 27 will be part of the first phase. We will produce case studies for each of these plus an interim report looking at the learning from the programme overall so far. We are working with all the funded projects, monitoring their progress and will capture their case studies which will be published on the LGA website.
8. *Funding digital projects supporting Transformation:* 108 submissions have been received for the above fund and we are now assessing these. The aim of this programme is to support a small number of councils (6 to 10) who are already transforming their services to use a digital tool or solution to accelerate their work. The aim is to support work on a national programme already underway, for example, those councils working on the Troubled Families programme or as one of the Health and Social Care integration pilots or on Public Health. Funding will be used specifically for digital tools to support their work, for example to invest in a digital solution to support the capture and sharing of information across the partner organisations working together to support a troubled family.

Innovation

9. The LGA's Innovation programme aims to share good practice examples of council innovation across local government and also to equip councils with the tools and confidence to use innovative approaches to solve their challenges.
10. To help equip councils with the skills and confidence to innovate we are currently working with the Design Council to part fund Design in Public Services pilots in regions across the country. The [Design in the Public Sector](#) programme increases the knowledge and use of strategic design skills across local authority public services, exposing teams to new ways of working and enabling them to do something practical to meet their challenges in a relatively short period of time. The first two pilots in the South West and East of England have now finished with highlights including a partnership between Mendip, Somerset CC and Police, Probation to create cost effective, cross sector support for people with complex needs. In addition Cambridge City Council is working on a project to reduce fuel poverty using the council's customer insight. Case studies are being produced and will feature on the LGA's Innovation Database for dissemination.
11. The Design in Public Services programme is now expanding into the West Midlands with a launch event held in Birmingham on 8th January 2016.
12. A new LGA social media campaign entitled "Innovation Tuesdays" has been launched with the LGA twitter handle @LGAcomms promoting examples from the LGA Innovation Database every Tuesday in order to raise awareness of local government innovation.

Demand Management

13. In recognition of the fact that cost reductions are not only to be found from savings (the “supply side”), the Productivity Programme also focusses on the importance of being able to manage demand. Demand management is not about removing entitlements from citizens, but is concerned with interventions that, for example, redesign services to limit future demand or encourage behaviour change to prevent demand from arising in the first place.
14. The LGA has commissioned a piece of work to create an online resource which will bring together existing reports, case studies and other useful information on Managing Demand so that this is all accessible in one place. This will create an easy to use online resource which will enable more councils to access this useful information which will in turn help them apply this learning to their services.

Shared Services Map

15. The LGA has launched an updated version of the popular shared services map. The map showcases 416 shared service arrangements occurring between councils across the country resulting in £462 million of efficiency savings in browsable form – and has been accessed 4,300 times since the last review. This year we will commission a partner organisation to undertake the field research and data analysis elements of updating the shared services map to ensure an accurate record of the current number of shared service taking place. The updated map will be launched in May 2016.

Health & Social Care Projects and Programmes

16. Adult social care and children’s services protect and support some of the most vulnerable people in our society. The Productivity Programme Team works with councils, health, voluntary, community and other partners to develop new and innovative practice to transform services and ensure they are sustainable for the future, sharing learning for the benefit of the whole sector.
17. Current projects include:
 - 17.1. *Efficiency opportunities through health and social care integration*: Newton Europe was commissioned at the start of last year to work with councils and partners in five areas to undertake a robust assessment of the efficiency opportunities of integration across the health and social care system. Fieldwork is now complete in Kent, Greenwich and Swindon and is currently underway in Blackburn with Darwen. Further assessment work will be undertaken in a fifth area and evidence and learning also drawn from some of the areas focusing on developing integrated models of care as part of the LGA Adult Social Care Efficiency Programme.
 - 17.2. Newton Europe presented early findings from the project at two workshop sessions at Speakers Corner at the National Children and Adult Services Conference in October. Since then an Interim report has been published on the LGA website at www.local.gov.uk/productivity. Findings to date suggest that efficiency savings of 7-9% of the budget areas assessed could be realised and up to 40% of social care users would have benefited from a preventative service that they did not receive.

Findings will continue to be refined as more evidence is gathered. A final report will be published in March 2016.

- 17.3. *Learning Disability Services Efficiency (LDSE) Project*: The Learning Disability Services project and comprises five authorities (Barking and Dagenham, Cumbria, Darlington, Kent and Wiltshire). Each was given grant funding to undertake a diagnostic review of their learning disability services in order to inform a transformation plan, to be delivered by July 2016.
- 17.4. Following a visit to each of the participating councils by Professor John Bolton an Interim report was published, setting out the progress to date in meeting their efficiency objectives. A learning exchange is planned for February 2016 where each council will showcase their developing practice and share learning in transforming services.
- 17.5. *Developing and promoting efficient Public Health Services*: A focus group of Directors of Public Health were engaged to scope out a project to support the sector in promoting efficient and effective public health. Current projects include:
- 17.5.1. *Commissioning services*: A project is underway to further develop commissioning skills for public health professionals to improve outcomes and make efficiency savings. Dr Janet Atherton has been commissioned to undertake the work, developing guidance on commissioning for those delivering public health which builds on other national material and draws on examples from public health. A round table event attended by Directors of Public Health and those commissioning services has been arranged for January to help develop the outline format of the guidance. The final guidance will be published in March 2016.
- 17.6. The project will be launched at the LGA Public Health Conference in February, where we will consult on the outline guidance. We will also promote development opportunities through the Commissioning Academy. Sector support will be available via the Commissioning Academy Alumni and on-line through a new Knowledge Hub group. Tailored support in the form of Productivity Experts will also be available to those areas that are more challenged.

Smarter Sourcing

Commissioning Academy

18. The Commissioning Academy brings together senior commissioners from across the public sector to learn from the example of the most successful commissioning organisations, developing a cadre of professionals that are progressive in their outlook to how the public sector delivers outcomes to local communities. The Academy is delivered in partnership between the LGA and the Cabinet Office and is now in its third year. To date 400 local government officers and members have been through the programme.
19. There are three Commissioning Academy offers: one for Elected Members, one for senior officers and a local academy where alumni of the central Commissioning Academy from across the country set up regional and policy themed Academies, targeted to the needs of their local partners.

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20. Learning more about commissioning is essential for any councillor, especially so for those who define policy and shape the future of public services. The Commissioning Academy for elected members could also be very useful to those newly elected members with a role to play in the commissioning of public services, for example portfolio holders and members of the Overview and Scrutiny Committee. The next Commissioning Academy for elected members will be held on the 21st & 22nd January 2016 at Warwick University and is fully booked.
21. Early indications from the Cabinet Office show that post the Comprehensive Spending Review the Commissioning Academy offer will continue from April 2016 but without central government subsidy. The LGA will continue to have discussions with high level civil servants at the Cabinet Office as this process develops.

Procurement

22. The procurement offer to councils is based around our National Procurement Strategy (NPS) for Local Government 2014 which responded to a call from the sector to produce a guide and benchmark for all councils in relation to procurement. The strategy is based around four themes Making Savings, Supporting Local Economies, Leadership and Modernisation. There have been a number of updates on the dedicated microsite since the last Board update, including publications on e-invoicing and a new category strategy for social care. A decision has been made to publish and circulate a monthly newsletter rather than quarterly.
23. We launched the findings of our NPS one year on survey on 18th November and we have been asked by councils to provide a self-assessment tool for councils to measure themselves against the recommendations in the NPS. We are working with councils in the East of England on this.
24. As part of the spending review we have been working closely with the National Advisory Group (NAG), DCLG and the Crown Commercial Service to set out a work plan for next year to help councils exploit procurement opportunities. The plan includes working on national category strategies, innovative projects in procurement, procurement skills and commissioning, contract management and strategic supplier management. On the latter we are working with a number of key suppliers to local government to identify areas of common spend, working across councils to ensure a more strategic view of their needs is captured, identify areas for cost savings and being the focal point for strategic supplier issues and supplier innovation.
25. All the work identified above will be underpinned by focussed spend analyses.
26. In addition to the above we are pleased to report that the short guide to the Public Contracts Regulations 2015 aimed at senior managers and elected members has now been published and proved popular with delegates to the Local Government Procurement Expo in November.

Waste and Recycling

27. Our waste and recycling innovation programme identified 11 projects involving 60 councils who highlighted potential savings of some £4million. We have now identified the impact

assessors, Shared Intelligence, who are working alongside the 11 projects to draw out the learning that will be published in time for the LGA conference in June 2016.

Generating Income

Commercialisation

28. In response to councils expressing concerns to the LGA that they are spending significant amounts of money accessing expert legal, procurement and financial advice to undertake due diligence on their new commercial ventures, the LGA is discussing setting up a dynamic purchasing system (DPS) with the public buying organisations. The aim is to ensure that councils can access commercial advice at a fairer rate.

One Public Estate

29. *Phase 3 launch:* As advised at November's Improvement and Innovation Board the One Public Estate Programme, the joint LGA and Cabinet Office Government Property Unit land and property programme, announced a £6 million expansion to the programme. Over the summer a recruitment process commenced encouraging councils and partnerships of councils to apply for funding to work with public sector partners on ambitious land and property initiatives across their localities in a third phase of the programme.

30. At the close of the application process on 16th October 2015, 29 applications involving 128 councils had been received and an assessment process to select applicants to join the programme commenced. The selection process has now been finalised and on 3rd December a Ministerial announcement was made confirming that 24 partnerships involving 108 councils would join the programme. The partnerships which were successful in joining the programme and the funding provided are listed in the document attached at **Annex A**.

31. A One Public Estate Phase Three launch event will be held on 29th January 2016 in Manchester. Chief Executives from all 108 councils on the programme are invited to attend.

32. *Additional £31 million funding secured over next 2 years to expand One Public Estate further:* Officers have also been working with Cabinet Office partners to secure additional funding to extend the programme even further. As part of the Comprehensive Spending Review in November it was announced that an additional £31 million funding had been secured over the 2016/17 and 2017/18 financial years to further expand One Public Estate.

33. Initial discussions on the expansion are planned for January 2016 with the aim of launching a fourth phase of the programme early in the 2016/17 financial year. Officers will keep the board informed of developments at future board meetings.

Energy Programme

34. At its meeting on 14 July 2015 the Improvement and Innovation Board took the decision to allow the LGA's collective energy switching framework to come to a natural end at the end of 2015. This decision was taken in light of the fact that the collective switching market has now developed to the point where LGA sponsorship is no longer required and to enable resources to be redirected to other energy interventions. The framework came to a natural

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end on 16 December 2015. Councils have received advice from the North East Procurement Organisation (NEPO) to support them through the transition, including details of their individual call-off arrangements, some of which extend beyond the natural end of the framework.

35. The Board also asked officers to collate and publish details of the various schemes and options available to councils wanting to support their residents in reducing their energy bills, linking to good practice across the country. Officers have been collating a range of good practice and publishing details on the LGA Innovation Database. Additionally, the LGA has commissioned a video case study of Bristol City Council's energy programme at the end of their year as European Green Capital. This will include details of their new service and the energy supply company.

Cross-cutting programmes

Economic Growth Advisers

36. Phase three of the economic growth adviser programme was launched in July 2015. Councils have been invited to submit project proposals to receive a £7000 grant and access to our 'pool' of local growth experts to help them deliver economic growth in their area. So far this financial year, nine experts are working with 21 councils to implement local economic growth priorities.

Productivity Experts

37. The LGA Productivity Expert programme provides funding to councils to enable them to engage an expert in their field to provide the necessary skills and expertise to help deliver ambitious efficiency savings or generate significant income. So far this year we are supporting 11 experts to work in 16 councils.
38. Since launching in 2012 the Productivity Expert programme has seen 44 experts working with 69 councils contributing to savings in excess of £80 million.
39. To highlight this success the LGA has commissioned a short podcast featuring three councils that have received Productivity Expert support. The podcast demonstrates the impact the Productivity Experts can have for the councils they work with, shows the ease of the application process and provides top tips for councils thinking of applying for Productivity Expert support. The podcast will be screened at the Improvement and Innovation Board meeting.
40. An evaluation report for the Productivity Expert programme has been commissioned.

Next steps

41. LGA officers will continue to keep the Improvement and Innovation board informed and provide regular updates to the sector via various established networks and bulletins.

Financial Implications

42. Costs of delivering the programme will be contained within available programme budgets.

**ANNEX A:
ONE PUBLIC ESTATE PHASE 3 PARTNERSHIPS**

Partnership	Region	Local Authorities in partnership	Lead Authority	Total Funding Awarded
Bedford and Central Bedfordshire	East	Bedford Borough Central Bedfordshire	Bedford Borough Council	£500,000
Cambridgeshire MAC Partnership	East	Cambridge City Cambridgeshire County East Cambridgeshire Fenland Huntingdonshire South Cambridgeshire	Cambridgeshire County Council	£ 280,000
Cheshire and Warrington LEP	North West	Cheshire East Borough Cheshire West and Chester Warrington Borough	Cheshire West and Chester Council	£ 250,000
Cornwall	South West	Cornwall	Cornwall Council	£ 470,000
D2N2 *	East Midlands	Derby City Derbyshire Nottingham City Nottinghamshire Council	Derbyshire County Council	£ 75,000
East Sussex and Surrey *	South East	Brighton and Hove East Sussex County Eastbourne Elmbridge Borough Lewes Surrey County Council Surrey Heath Woking	Surrey County Council	£ 100,000
Greater Manchester	North West	Bolton Bury Manchester Oldham	Manchester City Council	£ 250,000

		Rochdale Salford Stockport Tameside Trafford Wigan		
Hampshire	South East	East Hampshire Eastleigh Borough Fareham Borough Hampshire Havant New Forest Test Valley Borough Winchester City	Hampshire County Council	£ 400,000
Leeds	Yorkshire and Humber	Leeds	Leeds City Council	£ 100,000
Lincolnshire	East Midlands	Boston East Lindsey Lincoln Lincolnshire County Council North East Lincolnshire Council North Kesteven District Council North Lincolnshire Council South Holland South Kesteven District West Lindsey District Council	Lincolnshire County Council	£ 340,000
Liverpool City Region	North West	Halton Knowsley Liverpool City Council Sefton St Helens Wirral	Liverpool City Council	£ 340,000
LB Barnet and WLA	London	Barnet Brent	London Borough of Barnet	£ 350,000

		Harrow		
LB Bexley *	London	Bexley Lewisham	London Borough of Bexley	£ 130,000
LB Croydon	London	Croydon	London Borough of Croydon	£ 250,000
Norfolk	East	Breckland Broadland Great Yarmouth Borough King's Lynn and West Norfolk Norfolk County North Norfolk Norwich City Council South Norfolk Council	Norfolk County Council	£ 115,000
North East Partnership *	North East	Gateshead Newcastle North Tyneside Northumberland	Newcastle upon Tyne	£ 130,000
Place Partnership	West Midlands	Redditch Borough Council Worcester City Council Worcestershire County Council	Place Partnership	£ 150,000
Plymouth	South West	Plymouth	Plymouth City Council	£ 420,000
Sheffield City Region*	Yorkshire and Humber	Barnsley Bassetlaw Bolsover Chesterfield Derbyshire Dales Doncaster North East Derbyshire Rotherham Sheffield	Sheffield City Council	£ 140,000
Solent LEP	South East	Portsmouth		£ 400,000

		Southampton		
West Midlands Combined Authority*	West Midlands	Birmingham City Cannock Chase Coventry Dudley Nuneaton and Bedworth Sandwell Solihull Tamworth Walsall Wolverhampton	Sandwell Council	£ 150,000
Suffolk and West Suffolk	East	Forest Heath St Edmundsbury Suffolk County Council	West Suffolk Council	£ 230,000
Wiltshire	South West	Wiltshire	Wiltshire Council	£350,000
City of York	Yorkshire and Humber	York	City of York Council	£250,000

**Part funding in 2015/16, part earmarked for 2016/17*