

<b>Report title</b>	<b>Local Government Financial Settlement – Productivity Plan</b>
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<b>Department</b>	ACE 151/ CEX Office
<b>Exempt?</b>	No

**Purpose of report:**

- **To resolve**

**Synopsis of report:**

**The report provides the Council’s proposed Local Government Productivity Plan at Appendix A that is required to be submitted to the Department for Levelling Up, Housing and Communities (DLUHC) as part of the final Local Government Financial Settlement for 2024/25.**

**Recommendation(s):**

**1. To endorse the Productivity Plan set out at Appendix A for submission to DLUHC ahead of the deadline of 19th July 2024**

**1. Context and background of report**

- 1.1 The final Local Government Financial Settlement (LGFS) for 2024/25 was communicated in a Statement from Michael Gove, Secretary of State for Levelling Up, Housing and Communities on 05 February 2024 and announced additional measures for Local Authorities (LAs) worth £600 million. The Council received an additional £100,000.
- 1.2 This statement introduced the new requirement for LAs to produce and submit Productivity Plans. It is intended for Government to monitor delivery, and funding settlements in future may be informed by performance against these plans.

**2. Report**

- 2.1 The Chief Executive Officer received a letter from the Department for Levelling Up, Housing and Communities (DLUHC) on 16 April 2024 (the Letter) laying out the details of what is expected in a Productivity Plan. The deadline for submission of the plan to DLUHC is 19 July 2024.
- 2.2 The Letter outlined the following guidance in producing the Productivity Plan:
  - No set format or template; max 4 pages in length.
  - Set out what has been done in recent years, alongside current plans, to transform the organisation and services.
  - No set list of metrics to report but need to convey how plans will be monitored and assessed and provide assurance that plans will be delivered.
  - A list of four ‘Themes’ and questions that LAs may consider in their response:

1. How you have transformed the way you design and deliver services to make better use of resources.
  2. How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
  3. Your plans to reduce wasteful spend within your organisation and systems.
  4. The barriers preventing progress that the Government can help to reduce or remove.
- 2.3 Since receipt of the Letter, Officers have taken part in sector-wide discussions to inform the format and information to be included in productivity plans including discussion at Surrey Treasurers, Surrey Policy Officer Group and through the LGA Improvement and Performance knowledge hub group.
- 2.4 Further information shared by DLUHC Director, Nico Heslop, with Surrey Treasurers in May was for Local Authorities to ensure to highlight key barriers to productivity improvements.
- 2.5 Runnymede Borough Council's Productivity Plan for 2024/25 has been largely produced from materials and resources that form elements of the Council's response to the non-statutory Best Value Notice (N-S BVN).
- 2.6 As this is the first submission of a productivity plan to DLUHC, a section has been included to provide an introduction and background information to the Council. Whilst this may be duplication of information previously submitted to DLUHC, it cannot be assumed that the same civil servants will be reviewing the productivity plan and therefore it is prudent to include this section.
- 2.7 In a similar vein, as this is the first submission, the productivity plan serves to highlight the improvements made in the recent past as well as highlight what is planned in the next 12-18 months, the short-term focus being responding to DLUHC's NS-BVN.
- 2.8 Therefore, the main areas highlighted in the plan that will deliver the Council's continuous improvements and improve productivity are the workstreams and planned activity that are being delivered through the already established non-statutory Best Value Notice response programme, the Service Review programme including Digital transformation, and the Savings and Efficiency programme.
- 2.9 As this activity is added to the relevant Service Area Plans (SAPs) for delivery, the main mechanism for monitoring and ensuring achievement of improvements is through the established 'golden thread' - activity set-out in SAPs are delegated to teams and individuals as objectives and progress is regularly reviewed and performance measured against.
- 2.10 The Letter requires Councils to seek Member endorsement for the Productivity Plan prior to submission to DLUHC by the deadline of 19 July 2024. This report and Appendix A provide Members with oversight of the Plan to be submitted.

### **3. Policy framework implications**

- 3.1 Central government funding provision for LAs is based on allocations made within the Local Government Finance Settlement on an annual basis. As DLUHC has indicated that future LGFS may be determined on the performance against submitted Productivity Plans, this report and the proposed Productivity Plan included at

Appendix A is an important part of the policy framework of the Council, to secure this funding stream for future budget setting and financial resilience.

#### **4. Resource implications**

4.1 Covered in 3.1 above.

#### **5. Legal implications**

5.1 Under the Local Government Act 1999, local authorities must legally deliver what is termed 'Best Value' – a council must be able to show that it has arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The actions set out in the Productivity Plan demonstrate some of the ways in which the Council strives to deliver this duty.

#### **6. Equality implications**

6.1 None arising from this report.

#### **7. Environmental/Sustainability/Biodiversity implications**

7.1 None arising from this report.

#### **8. Risk Implications**

8.1 There is financial risk in either not submitting or not providing sufficient information in the productivity plan as DLUHC has indicated that future LGFS may be dependent on performance against productivity plans. This has been added to the Risk Management System as F039.

8.2 There is financial risk of a reduction to future central government funding if we were unable to deliver on the plan submitted. This has been added to the Risk Management System as F040.

#### **9. Other implications**

9.1 Not applicable

#### **10. Timetable for Implementation**

10.1 The deadline for submission of the Council's productivity plan is 19 July 2024.

#### **11. Conclusions**

11.1 Committee is asked to endorse the productivity plan to be submitted to DLUHC by 19 July 2024.

#### **12. Background papers**

[Statement 05 Feb 2024 - Final LGFS announcement](#)

#### **13. Appendices**

- Appendix A: Runnymede Borough Council's Productivity Plan 2024/25