



**Council**

**Thursday, 18 July 2024**

**Productivity Plan**

## **Report of the Director – Finance and Corporate Services**

**Cabinet Portfolio Holder for Finance, Transformation and Governance,  
Councillor D Viridi**

### **1. Purpose of report**

- 1.1. This report presents the Council's Productivity Plan, which is a new requirement from Government. The Productivity Plan is based on the Council's Transformation and Efficiency Plan (TEP), already approved by Full Council in March 2024, as part of the Medium-Term Financial Strategy.
- 1.2. This report seeks Councillor endorsement of the Productivity Plan, which is to be submitted to Government by 19 July 2024.

### **2. Recommendation**

It is RECOMMENDED that Council adopts the Productivity Plan and supports its submission to Government.

### **3. Reasons for Recommendation**

- 3.1. The Department for Levelling Up, Housing and Communities has requested that all Local Authorities submit a Productivity Plan by 19 July 2024.
- 3.2. The Council sought approval for the content of the Productivity Plan in March 2024, as part of the adoption of the Transformation and Efficiency Plan. For transparency, Council is being asked to formally adopt the Productivity Plan, prior to its submission.

### **4. Supporting Information**

- 4.1. The Government is currently reviewing productivity across all public services, including local government. The requirement to submit a Productivity Plan was announced as part of the Local Government Finance Settlement.
- 4.2. Although Government did not, at this stage, set out its requirements for the Productivity Plan, it did provide an overview and the four key themes:
  - Transformation of services to make better use of resources
  - Take advantage of advances in technology

- Reduce wasteful spend within systems (The Council has taken the decision to use the term 'reducing discretionary expenditure' moving forward, which is felt to be more appropriate than 'reducing wasteful spend,')
  - Barriers preventing activity that the Government can help to reduce or remove.
- 4.3. The Transformation and Efficiency Programme was revised to align with these key themes, ahead of being adopted by Full Council in March 2024, and to serve as the Council's Productivity Plan. The TEP has been condensed and put into the format required for the Productivity Plan to be submitted to Government.
- 4.4. There have been two changes to the content already approved as part of the TEP. Firstly, there is the Council's response to the fourth key theme regarding barriers. These can be viewed in full in section 4.1 of Appendix A. Barriers listed include:
- Government wide/legislation changes - not yet fully aware of implications, we will await further information from the Government, examples include potential changes to waste collection and planning and the overall future financing of local government
  - Timescales associated with bidding for and spending grant funding
  - Volume of new burdens on local government without proportionate funding
  - Referendum limits on Council Tax
  - Lack of freedom and flexibilities with regards to raising income (i.e. a desire for less statutory charges)
  - Internal Drainage Board levies not having a separate precept
  - Resource shortages in the labour market resulting in pay inflation
  - Challenges in recruiting to a number of key professions and disciplines including Finance, ICT, Planning and Environmental Health
  - Lack of consistent data with which to benchmark costs of services against performance.
- 4.5. The second change is contextualising the environment the Council has been working in. The graph at paragraph 1.4 of Appendix A, demonstrates that the Council's Core Spending Power (i.e. the funding it receives to provide services from Council Tax, Business Rates and Government Grants) in real terms has reduced as the increase is less than inflation. This is over a period of time when population and housing have increased, and the Council has reduced staffing levels. There has been no obvious diminution in service provision or the quality of services.
- 4.6. As with the existing TEP, the Productivity Plan will be fluid and evolve each year as the Council's Medium Term Financial Strategy is updated.

## **5. Alternative options considered and reasons for rejection**

The Council could choose not to adopt the Productivity Plan; however, this is not advisable as Government requires local authorities to submit a Productivity Plan.

## **6. Risks and Uncertainties**

There are no risks directly associated with the submission of the Productivity Plan; however, the Plan is based on the adopted TEP, so there is an inherent risk in the deliverability of that programme. This risk is managed through the governance reporting process for the budget and Medium-Term Financial Strategy.

## **7. Implications**

### **7.1. Financial Implications**

There are no financial implications directly associated with this report; however, the savings targets set out in the TEP are included in section 3.2 of Appendix A – Productivity Plan.

### **7.2. Legal Implications**

There are no legal implications associated with this report.

### **7.3. Equalities Implications**

There are no equalities implications associated with this report.

### **7.4. Section 17 of the Crime and Disorder Act 1998 Implications**

There are no Section 17 implications associated with this report.

### **7.5. Biodiversity Net Gain Implications**

There are no biodiversity net gain implications associated with this report.

## **8. Link to Corporate Priorities**

The Environment	No direct impact
Quality of Life	Ensuring that we remain able to delivery services which enhance the quality of residents' lives.
Efficient Services	Ensuring the Council remains productive is essential to delivering on our commitment to efficient services.
Sustainable Growth	No direct impact

## 9. Recommendation

It is RECOMMENDED that Council adopts the Productivity Plan and supports its submission to Government.

<b>For more information contact:</b>	Peter Linfield Director – Finance and Corporate Services 0115 914 8439 <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers available for Inspection:</b>	Report to Cabinet 7 March 2024 - 2024/25 Budget and Financial Strategy – Appendix 7 Transformation and Efficiency Plan 2024/25-2028/29
<b>List of appendices:</b>	Appendix A – Productivity Plan