

Productivity Plan

Report of the Director of Performance and Partnerships

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

1) Recommendation

It is recommended that Cabinet agree that the Productivity Plan be submitted to the Department for Levelling Up, Housing and Communities and published on the Council's website.

2) Introduction

The Minister for Local Government wrote to local authority chief executives on 16 April 2024 requesting the preparation of a "Productivity Plan" and its submission to the Department for Levelling Up, Housing and Communities (DLUHC) by 19 July 2024. DLUHC officials confirmed that that deadline remains in place despite the change of Government.

3) Productivity Plan

The Secretary of State for Levelling Up, Housing and Communities announced in January 2024 that the Government would be asking local authorities to produce productivity plans which "set out how they will improve service performance and reduce wasteful expenditure to ensure every area is making best use of taxpayers' money". He also said that "The Department for Levelling Up, Housing and Communities will be establishing an expert panel to advise the Government on financial sustainability in the sector which will include the Office for Local Government and the Local Government Association. The panel will review local authority productivity plans and advise the Government on best practice in this area. The Government will monitor these plans and use them to inform funding Settlements in future years".

The purpose of productivity plans is to "set out what you have done in recent years, alongside your current plans, to transform your organisation and services". Whilst there is no template for them, the plans are expected to be three to four pages in length and address the following four themes:

- "1. How you have transferred 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".

Productivity plans must have member oversight and endorsement before they are submitted to DLUHC and be available on the authority's website.

4) Strategic Plan

One of the Strategic Plan 2021 – 2025 commitments is for the authority to be a learning organisation – continually evolving, adapting, and transforming so that it can deliver the best possible services for the people of Devon.

5) Financial Considerations

The agreement and submission of the Council's Productivity Plan does not have any direct financial implications.

6) Legal Considerations

All local authorities have a duty to make arrangements to secure continuous improvement in the way in which their functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

7) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

There are no direct environmental related issues arising from the recommendation in this report.

8) Equality Considerations

The recommendation has no specific equality impacts.

9) Risk Management Considerations

The recommendation is not associated with any specific risks.

10) Conclusions

The then Minister for Local Government stated that productivity plans will not be rated or scored, nor will any kind of league table be produced.

Keri Denton

Director of Performance and Partnerships

Electoral Divisions: All

Cabinet Member for Policy, Corporate and Asset Management: Councillor James McInnes

Local Government Act 1972: List of background papers

Nil

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Devon County Council - Productivity Plan July 2024

Introduction

This document is Devon County Council's "Productivity Plan". It follows the four themes set out by the Minister for Local Government in his 16 April 2024 letter to Chief Executives and was approved by the Council's Cabinet on 10 July 2024.

Transforming the design and delivery of services to make better use of resources

Over the last 18 months, a new Chief Executive, Director of Children and Young People's Futures, Director of Integrated Adult Social Care, and Director of Legal and Democratic Services joined the authority. The Team also now includes a Director of Performance and Partnerships and a Director of Transformation and Business Services. The Strategic Leadership Team is configured to reflect the Council's focus on becoming stronger and more financially sustainable.

The Council has adopted the following operating principles:

- **Governance and assurance** – ensuring grip and control aligned to the Council's Governance Review, ensuring that the Council is resilient, safe and compliant.
- **Financial sustainability** – ensuring delivery of the Council's agreed savings plans, monitoring spend and evidencing best value in everything we do.
- **People First** – embedding the Council's People Strategy to create a culture that supports and enables high performance, helping us to become a trusted, inclusive and innovative Council.
- **Partnerships** – being clear on roles and accountability with our partners.
- **Digital self-service** – maximising the use of technology to improve access to services and information, to reduce costs and operate more efficiently.
- **Evidence informed** – using data to inform decision making and improve performance.

The Strategic Leadership Team and senior managers have established three Change, Performance and Improvement Boards to improve governance, monitor financial and service performance, and sign off new programmes to support the Council's objectives and priorities. Their work is aligned to the operating principles and focuses on areas where there will be the most significant productivity improvements.

The authority continues to perform well financially and achieved a balanced outturn position for 2023/24 despite the challenge of meeting the cost and complexity of needs-led people services in the care sector.

Capital expenditure in 2023/24 totalled £158.6 million which delivered structural maintenance across the county's 8000 miles of roads; flood defences; street lighting; improvements to the Atkinson Secure Children's Home; maintenance of 90 schools; the expansion of five mainstream schools and three new/expanded special schools; and investment in the authority's ICT.

In March 2020 children's services were judged inadequate overall following an Ofsted inspection. Children's services were prioritised in setting the 2024/25 revenue budget with a 10.4% rise. While there remains much to do, outcomes for children are beginning to improve. Children's services have been prioritised corporately by the County Council and strong leadership is reflected in the most recent Ofsted monitoring visit and an uptick in some of the core performance indicators.

In March 2024, the Council concluded a Special Educational Needs and Disabilities (SEND) Safety Valve agreement with Government that included the allocation of £95 million of funding over nine years to contribute to the elimination of the SEND deficit. The SEND Action Plan includes:

- Focussing on improving early intervention through strengthened universal and targeted support.
- Supporting young people from 14 to 25 to access appropriate education and training and ensure a planned transition into employment, independent living and their next steps into adult life.
- Ensuring sufficient special school places along with the establishment of Specialist Resource Provision and improved use of Alternative Provision.
- Working with partners to improve the inclusive capacity of Devon's mainstream schools.
- Working with partners to improve the way services in Devon – including health and schools – work together to provide seamless support for children and families.

In May 2024, prudent financial planning meant that the Council was able to allocate an extra £12 million of funding (£10 million capital and £2 million revenue) to invest in the highway network. This will enable the restoration or replacement of highway components which are dilapidated due to traffic loading, weather impacts or aging of assets, as well as increased levels of maintenance and repairs.

Looking ahead, the Council's medium-term financial plan will:

- Balance the pressures of rising demand, increasing costs, and impacts of the increasing cost of living with the resources available.
- Forecast the need for services to support vulnerable people aged 18 and over with their mental health needs, physical and or learning disabilities.
- Ensure that the requirements of the Safety Valve agreement with Government are met.
- Create efficient and effective children's services.

The centralisation of functions such as workforce development, recruitment, project management and change/transformation has streamlined the authority's workforce. This has enabled the rationalisation of posts, the removal of duplication and making the best use of staff capacity. Work is underway to create a more agile workforce by reviewing terms and conditions and describing some job roles more generically to create job families.

Taking advantage of technology and making better use of data to improve decision making, service design and use of resources.

The Council uses its data and intelligence capacity to report to the Department for Education, Ofsted, CQC, provide statutory data returns and meet its statutory duties. It also uses tools including software and data products such as LG Inform, CIPFA, and Mosaic to benchmark with comparator local authorities taking account of differences such as demographics, rurality and deprivation. Work is underway to establish an authority wide single view of the citizen.

The Council is transforming its estate by disposing of some properties and land to generate capital receipts and reduce maintenance costs. There are opportunities to repurpose some of its buildings for care leavers' accommodation, SEND provision and children in care placements.

The authority is replacing its legacy general ledger system, FINEST, with the cloud-based ERP financial management system Unit 4. The project began in August 2023 and the new system will go live in August

2024. The new system will deliver a transformative, new approach to organisational financial management by replacing the current finance system which has been used over the last 30 years.

The integrated adult social care case management and children's case management systems will be replaced by a single system to make services more efficient, maximise resources and share expertise.

The highways service is trialling the use of artificial intelligence (AI) in the capture and monitoring of road condition to establish how this technology could add value to decision making.

The Council's three scrutiny committees' work over the last year has included a focus on the impacts of proposed service changes to ensure that the right decisions are made to support the financial sustainability of the Council. The Children's Scrutiny Committee's review of recruitment and retention made important recommendations about staff induction, supervision caseloads and career pathways.

The Council recognises the value of external challenge and provided by the Local Government Association and looks forward to its December 2024 Corporate Peer Challenge.

Ensuring value for money and reducing wasteful expenditure.

The Council's overall focus is on meeting the needs of the young, old and most vulnerable. It works with the NHS to support and develop the local health and care system. It is a member of the One Devon integrated care system which comprises three local authorities (Devon County Council, Torbay Council and Plymouth City Council), four NHS trusts, five local care partnerships, and thirty-one primary care networks. The Council's Cabinet Member for Integrated Adult Social Care and Health in Devon leads the partnership that is addressing the challenges facing the Devon health and care system.

The Council continues to work as part of Team Devon to help support the local economy, improve job prospects and housing opportunities for local people, respond to climate change, champion opportunities for our young people, and address the impacts of the rising cost of living. The establishment of the Team Devon Joint Committee will increase the opportunities for sharing and integrating services across the three tiers of local government.

Devon County Council is committed to eliminating discrimination, providing equality of opportunity and challenging prejudice in order to advance the achievement of equality and foster good relations between diverse groups in Devon. Equality brings quality for everyone and the creation of a fairer society where everyone can participate and achieve their potential. In July 2023, the Council was awarded Bronze Trailblazer status by Race Equality Matters for its work on anti-racism.

Devon County Council and Torbay Council agreed a devolution deal with Government in January 2024. In May 2024, following a consultation, the Councils submitted a final proposal to Government for the Devon and Torbay Combined County Authority. When it comes into being, the CCA will make decisions locally on priorities for jobs and skills, housing, and the environment.

The contribution that voluntary, community and social enterprise organisations can make to social, economic and environmental wellbeing will be maximised through a Civic Agreement that will be concluded in July 2024.

The Council has completed a comprehensive governance review to ensure that its processes, decision-making arrangements and procedures are fit for purpose.

The Council's Audit Committee keeps under review the Council's financial and information systems; oversees stewardship of its resources; monitors internal and external audit performance and risk management

systems; and ensures compliance with codes of practice and policies relating to the Council's financial administration.

Over the last 18 months there has been a significant reduction in the number of agency and interim staff employed by the Council. This has helped to stabilise the workforce, particularly in children's services, and contributed to financial sustainability.

Barriers preventing progress that the Government can help to reduce or remove.

All local councils require sufficient funding to efficiently maintain the staff, services and networks that provide help to the most vulnerable residents, looked after children, young people and families and maintain roads. Government should provide all local authorities with more sustainable and equitable longer-term funding. It should also review the formulae and underlying data used for the assessment of relative needs and resource allocation.

Local authorities do not operate in isolation; they play a key role across wider systems and are influenced and impacted by the relative financial health and stability of partner organisations such as the NHS. For example, a significantly challenged budget for NHS Devon means it is less able to meet the healthcare needs of a population with increasing demographic pressure. The result is more people are drawn into local authority social care, and those already receiving care need more, all creating an increasing pressure on capacity.

All local councils are adept at assuming responsibility for new duties and responsibilities placed on them, often at short notice, by Government – for example the duty to support and accommodate victims of domestic abuse, migration and asylum schemes and biodiversity net gain. Councils need to be properly resourced to take on and deliver all new burdens.

The plethora of Government's short-term and one-off funds can waste resources in preparing fruitless bids and fragment services. DLUHC's three levelling-up funds had overlapping investment themes around regeneration, culture, and transport but it allocated funding in different ways which meant that local councils could not align their plans to secure the most value.

The cliff-edges caused by uncertainties in whether funding programmes for skills and business development will be renewed leads to a loss of experienced staff and risks to business support and innovation.

Government has yet to deliver on its commitment to a provide long term sustainable approach to the funding of adult social care. The underfunding of adult social care creates a lack of capacity in community-based health and care services which can sometimes cause delays hospital discharge and system flow.