



## Productivity Plan and Financial Sustainability

<b>Report Author:</b>	<b>Martin Guest</b> , Senior Corporate Policy Officer 01664 502413 mguest@melton.gov.uk
<b>Chief Officer Responsible:</b>	<b>Dawn Garton</b> , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
<b>Lead Member/Relevant Portfolio Holder</b>	Councillor Margaret Glancy - Portfolio Holder for Governance, Environment and Regulatory Services (Deputy Leader)

<b>Corporate Priority:</b>	Theme 5 – Right Conditions to support delivery
<b>Relevant Ward Member(s):</b>	N/A
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No
<b>Key Decision:</b>	No
<b>Subject to call-in:</b>	No Not key decision

### 1 Summary

- 1.1 As part of the ongoing work the Council is doing to meet the challenges of the current financial climate a continued focus on ensuring productivity and financial sustainability is maintained.
- 1.2 The Council already maintains a Financial Sustainability Plan focused on productivity, efficiency and value for money, and includes a three-year service review programme. This has been reviewed and refreshed in support of preparations for the commencement of the budget development process for 2025/26.
- 1.3 Alongside this there is a requirement for the Council to submit a Productivity Plan to Government by 19<sup>th</sup> July 2024 and then to publish this on the Council's website.
- 1.4 The report provides an update on the overall approach to the Council's Financial Sustainability Plan and productivity programme, and seeks authority to submit the proposed submission of the Productivity Plan in accordance with the above deadline.

## 2 Recommendations

That Cabinet:

- 2.1 Approves the submission of the Productivity Plan to the Government by 19<sup>th</sup> July 2024 (appendix 1).
- 2.2 Approves the publication of the Productivity Plan on the Council's website following this submission.
- 2.3 Approves the Council's wider approach to financial sustainability and productivity programme.

## 3 Reason for Recommendations

- 3.1 The report sets out an update on the Council's approach to developing and approving our Financial Sustainability Plan and Productivity Programme; setting out our plans for delivering on this in the medium term.
- 3.2 The report also sets out the proposed response to the Government's request to submit a Productivity Plan.

## 4 Background

- 4.1 The [approved MTFS](#) identifies project increasing deficits in for the financial years 2025/26 to 2027/28. Maximising council tax increases plus increased yield from new properties does not cover the forecast increase in salaries and contract costs. The position is made more challenging by the assumed cessation of time limited grant funding in 2025/26 and 2026/27 alongside a lack of certainty regarding future levels of inflation, particularly with regard to wage inflation. Whilst there is great uncertainty regarding government funding this has been assumed at current levels in the forecast even if the category of funding may change.
- 4.2 Despite this challenging context, in recent years, the Council has successfully managed any potential deficits in its budget through the development and utilisation of a Financial Sustainability Plan, which has set out a range of options for efficiencies, savings or additional income. The sustainability plan now focusses on longer term opportunities (for example through the Asset Development Programme) which are the subject of feasibility and business case development to determine the timing and quantum of any benefit that may be possible. Until these potential gains are quantified and projects approved the Council will need to identify savings elsewhere or utilise reserves to balance the budget which reduces their availability for other non-recurring investment.
- 4.3 Accordingly, it is incumbent on the council to maintain a clear focus on efficiency and productivity and progress in delivering against the various components of the financial sustainability plan are monitored and managed on a regular basis. A refresh of the plan is underway in preparation for the start of the budget development process later this year.
- 4.4 When the finance settlement was confirmed in January 2024, the Government confirmed an expectation that all local authorities should submit a Productivity Plan, later confirming the deadline for submission being July 2024.
- 4.5 The Council's proposed submission, in line with the requirements/timescales that have been set out for all local authorities by the Government, is contained at Appendix 1. The expectation was that these plans should be no more than 4 A4 pages in length and should address the following four areas:

- 4.5.1 Transformation of services to make better use of resources.
- 4.5.2 Opportunities to take advantage of advances in technology and make better use of data to inform decision making and service design.
- 4.5.3 Ways to reduce wasteful spend within systems, including specific consideration of expenditure on consultants and “discredited staff equality. diversity and inclusion programmes.
- 4.5.4 Barriers preventing activity that government can help to reduce or remove.

## **5 Main Considerations**

### **Financial Sustainability and Productivity Programme**

- 5.1 As mentioned, the Council maintains an ongoing focus on driving efficiency, effectiveness and continuous improvement.
- 5.2 The Council’s financial sustainability and productivity programme sets out the projects/activity we have in place over the life of the Medium-Term Financial Strategy to deliver potential savings to the Council. It also sets out the timescale for final delivery that can be achieved from core projects such as the Asset Development Programme /Levelling Up Fund projects. The Council will need to continue to identify further savings options to maintain the Council’s finances in the future.
- 5.3 The main components of our programme include:
  - 5.3.1 Service reviews
  - 5.3.2 Asset Development
  - 5.3.3 Use of technology
  - 5.3.4 Fees and charges
  - 5.3.5 Procurement
- 5.4 Additional information of a number of these components is set out below:

### **Service Review programme**

- 5.5 The Council has a service review programme that is shown in Appendix 2. The main focus of this is currently on a review of the Customer Journey. The Customer Journey review is underway and progress on this has not been as quick as we would like. Progress on this review is being monitored through the Helping People Programme Board. Alongside the review of the Customer Journey, we have developed a pipeline of proposed reviews (These can be refined further to address any emerging issues) to look at areas across the Council to ensure we are delivering financial savings and/or improve customer satisfaction. These reviews will be supported by the Customer Insight and Experience Officer and through the Council’s Programme Board structure.

### **Value for Money**

- 5.6 The Council has a good grip on the costs associated with service delivery and ensuring savings are identified and waste eliminated. There is also a well development performance management system in place which will be developed further with the introduction of new software approved as part of the budget for 2024/25. This needs to be developed further to identify areas where value for money could be improved. Benchmarking is not widely used by the Council, and whilst there are some limitations in

relation to comparability, it could assist in identifying areas where additional focus on efficiency and productivity could be undertaken.

### **Better use of Technology**

- 5.7 The Council has approved capital investment in IT as part of its budget for 2024/25. This is to enable improved stability in our core infrastructure. Whilst this is being completed a review of the service's operating model will also be undertaken to ensure there are the right skills and resources in place to support each member of the ICT partnership. Once complete there needs to be a clear ICT strategy and roadmap that develops the council's use of ICT for the future.

### **Productivity Plan - submission**

- 5.8 The Council has completed the required review of the various themes and the proposed submission at appendix 1 sets these out.
- 5.9 Cabinet are therefore requested to consider and confirm their support for the plan and to authorise its submission prior to the deadline of 19<sup>th</sup> July 2024.

## **6 Options Considered**

- 6.1 The Government has requested submission of a plan as part of this year's finance settlement and therefore if it was not provided the Council could be open to challenge by Government.
- 6.2 The productivity programme brings together our approach for the Council.

## **7 Consultation**

- 7.1 No consultation is required.

## **8 Next Steps – Implementation and Communication**

- 8.1 Once submitted to the Government the productivity plan will be published on the Council's website.

## **9 Financial Implications**

- 9.1 No other implications outside of the body of the report and appendices.

**Financial Implications reviewed by: Director for Corporate Services**

## **10 Legal and Governance Implications**

- 10.1 There are no direct legal or governance implications arising from this report.

**Legal Implications reviewed by: Monitoring Officer.**

## **11 Equality and Safeguarding Implications**

- 11.1 There are no specific Equality and Safeguarding implications in the report.

## **12 Data Protection Implications (Mandatory)**

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed for the following reasons because there are no risks/issues to the data collated for the purpose of this report.

### 13 Community Safety Implications

13.1 There are no Community Safety implications.

### 14 Environmental and Climate Change Implications

14.1 There are no Environmental and Climate Change Implications.

### 15 Other Implications (where significant)

15.1 There are no other implications.

### 16 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Failure to submit our plan to meet the Government's deadline.	Very Low	Marginal	Low risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low				
	2 Very Low		1		
	1 Almost impossible				

Risk No	Mitigation
1.	The Council has completed a response for submission which is attached as Appendix 1 and plans are in place to upload to the Government and then publish on our website.

### 17 Background Papers

17.1 There are no other background papers.

## **18 Appendices**

18.1 Appendix 1 – Productivity Plan Submission to the Government

18.2 Appendix 2 – Service Review Programme