

SURREY COUNTY COUNCIL**CABINET****DATE: 25 JUNE 2024****REPORT OF CABINET MEMBER: TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: MICHAEL COUGHLIN, INTERIM HEAD OF PAID SERVICE****SUBJECT: SURREY COUNTY COUNCIL'S PRODUCTIVITY PLAN**

ORGANISATION STRATEGY PRIORITY AREA: NO ONE LEFT BEHIND / GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / TACKLING HEALTH INEQUALITY / ENABLING A GREENER FUTURE / EMPOWERED AND THRIVING COMMUNITIE / HIGH PERFORMING COUNCIL

Purpose of the Report:

The Final Local Government Finance Settlement 2024/25 included a requirement for all local authorities to produce Productivity Plans to help Government to understand what local authorities are doing to maximise their productivity and efficiency, and any barriers that preclude councils from achieving this.

The plans are expected to be no more than four pages long, submitted to Government and published on our website by 19 July 2024. There is an expectation that the contents of the plan are updated, and progress reported.

This report sets out the Council's approach to developing its productivity plan by the Government's deadline. This plan is an opportunity for to set out the progress the Council has made in transforming services and against our ambition to become a high performing council that delivers excellent services, focusing on impact and a more resilient, sustainable organisation.

It is also an opportunity to set out to Government where support is needed to remove barriers that hinder efficiency, productivity and the achievement of our [Organisation Strategy priority objectives](#), that are crucial for delivering on the Council's mission to make sure no-one is left behind.

Recommendations:

It is recommended that Cabinet:

1. Endorses the proposed approach to developing Surrey County Council's Productivity Plan.
2. Agrees to delegate authority to the Interim Head of Paid Service in conjunction with the Leader of the Council to sign off the final Productivity Plan.

Reason for Recommendations:

A requirement from Government for developing Productivity Plans is that there is Member oversight. These recommendations enable this to be achieved while also ensuring that the Council can meet the Government's deadline of 19 July 2024.

Executive Summary:

Background

1. On 5 February 2024, the Final Local Government Settlement for 2024/25 was announced. This included a request from Government that all local authorities develop and publish productivity plans.
2. In a [Written Ministerial Statement](#), the Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations, set out the purpose of productivity plans:

As part of our efforts to return the sector to sustainability in the future, we are also asking local authorities to develop and share productivity plans. These plans will set out how local authorities will improve service performance and reduce wasteful expenditure... Government will monitor these plans, and funding settlements in future will be informed by performance against these plans.

3. Since the statement was made, Government has written to all councils with further guidance on the plans – a letter from the Department for Levelling Up, Housing and Communities (DLUHC) setting out the asks of councils is attached for reference (**Annex 1**). The documents should be no more than four pages long, and identify ways councils have, and will, improve productivity, including any relevant performance metrics. They should also set out how local authorities monitor and assess to provide assurance against deliverability.
4. Each plan is expected to provide information against four themes:
 - a. How we have transformed the way we design and deliver services to make better use of resources.
 - b. How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
 - c. Our plans to reduce wasteful spend within our organisation and systems.
 - d. The barriers preventing progress that the Government can help to reduce or remove.
5. The deadline for all authorities to submit productivity plans to Government and publish the plan is 19 July 2024. Since the announcement of a General Election on 4th July 2024, DLUHC have confirmed that Productivity Plans are

still required to be submitted.

6. Following the submission of councils' plans, the new Government following the General Election will need to confirm whether and how it intends to make use of the plans and engage local authorities on the process further.

Our approach

7. The Productivity Plan represents an opportunity to showcase to Government and residents the progress the Council has made and is making towards becoming a more efficient, effective and productive organisation. The Council has delivered significant financial efficiencies and service improvements since 2018 and will need to continue to do so in anticipation of a very challenging financial climate and to enable the outcomes Surrey residents and businesses want to see.
8. The process will also be used as a further opportunity to set out the Council's case to Government for barriers it can support the Council to overcome to deliver the services that the county's residents and businesses need. Setting out what these barriers are, and their impact on residents' experience, will support a continuing dialogue with Government on how they can help make sure that no-one in Surrey is left behind in partnership with the Council.
9. An outline version of the Productivity Plan is attached as **Annex 2**. The Plan will address each of the four themes in turn, providing relevant supporting evidence and signposting to public documents, such as strategies and policies that underpin the Council's Policy Framework. It will also present the performance indicators that we already use to enable residents and businesses to assess our current performance and track our progress.
10. In addition to engaging widely with colleagues across the council, officers are engaging local authority partners and networks locally, regionally and nationally to learn from their approaches to developing their plans to adopt best practice.
11. As the Council makes progress, the organisation's key strategies and transformation programme will be refreshed, as well as performance being accounted for through the Council's governance.

Consultation:

12. In addition to engagement with the Cabinet, internal engagement with officers is taking place. Those involved include the Corporate Leadership Team and other senior officers across all Directorates.
13. The Council will also engage partners from other local authorities within Surrey and networks across the country, such as the County Councils Network, the Society for County Treasurers and South East 7, to learn from

others' approaches to developing their plans and enable sharing of best practice.

Risk Management and Implications:

14. There are no direct risks to service delivery or residents resulting from this report's recommendations.
15. At present, it is unclear what the consequences to local authorities are in completing the Productivity Plans. However, as the Written Ministerial Statement indicates, these Plans will be tied to future funding settlements for local government.
16. If a new government continues to pursue this policy following the General Election on 4 July 2024, the Council will need to use this as an opportunity to provide evidence to Ministers on how services are being transformed to be more efficient and productive, and to use the Council's voice to articulate what barriers need to be removed to enable greater productivity and more efficient use of resources.

Financial and Value for Money Implications:

17. There are no direct financial implications resulting from this report's recommendations. As part of the Productivity Plan, the Council will provide information on its financial position, such as the agreed budget and Medium-Term Financial Strategy, reserves levels and requirements for efficiencies.

Section 151 Officer Commentary:

18. The Council continues to operate in a very challenging financial environment. Local authorities across the country are experiencing significant budgetary pressures. Surrey County Council has made significant progress in recent years to improve our financial resilience and whilst this has built a stronger financial base from which to deliver our services, the costs of service delivery, increasing demand, financial uncertainty and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to deliver financial efficiencies and reduce spending in order to achieve a balanced budget position each year.
19. In addition to these immediate challenges, the medium-term financial outlook beyond 2024/25 remains uncertain. With no clarity on central government funding in the medium term, the working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority, in order to ensure the stable provision of services in the medium term.

20. The Productivity Plan will clarify what we are doing to ensure financial sustainability going forward. There are no direct financial implications from the Plan beyond those already in the Medium-Term Financial Strategy and the S151 officer supports the recommendations.

Legal Implications – Monitoring Officer:

21. This report sets out the requirement for the Council comply with the Government introduction of Productivity Plans. There is at present no formal template or detailed list of criteria that local authorities must meet as part of their plans, however Members must oversee and endorse the plan before it is submitted to the Department.

22. There are no direct legal implications arising from the recommendations in this report.

Equalities and Diversity:

23. There are no direct equality implications arising from this report. The Productivity Plan provides opportunities to highlight the work that has been, and is being, done to enhance quality of life for residents most at risk of being left behind, and developing a dynamic, collaborative and productive workforce.

24. The Plan will also ask for Government's support to unblock barriers that preclude the council from delivering inclusive, accessible services.

What Happens Next:

25. If Cabinet agree to this paper's recommendations, the next steps are:

- a. Finalise development of the Productivity Plan for Surrey County Council.
- b. The Interim Head of Paid Service, in conjunction with the Leader of the Council, will sign off the final Plan for submission to Government.
- c. The Plan will be submitted to Government and published on the council's website by 19 July 2024.

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Consulted:

Cabinet, Executive Directors, Heads of Service

Annexes:

Annex 1 – Letter to local authority chief executives from the Department for Levelling Up, Housing and Communities – Productivity in Local Government, dated 16 April 2024

Annex 2 – Outline of Surrey County Council’s Productivity Plan

Sources/background papers:

Local Government Finance Update, Statement made on 5 February 2024 - [Written statements - Written questions, answers and statements - UK Parliament](#)
