

# Productivity

Our offer



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# Foreword

As Chairman of the Local Government Association (LGA) Improvement Board, I am delighted to introduce this overview of the LGA's productivity programme. The programme is a key part of the LGA's support offer to local authorities and the overall sector-led approach to improvement.

Of course, councils' work to increase efficiency predates the launch of the productivity programme; local government has long been recognised as the most efficient part of the public sector. But at a time of immense budget pressure – and with the prospect of further severe funding cuts at the next spending review – councils face their greatest challenge yet to reshape services in a way that meets the needs of local residents while operating within the new financial realities.

Maximising productivity is at the heart of the responses that councils must make. There is no single solution for all councils; each will develop and tweak its own approach as required. That is why the productivity programme is designed to provide direct, tangible support to councils but with the flexibility to enable authorities to tailor it to meet their specific needs. As importantly, the programme will share the learning from each theme, for other councils to learn from, adapt and implement in a way that suits them.

The programme has already made a significant contribution to helping authorities improve productivity, including supporting 26 authorities as part of the capital and assets pathfinder programme and providing £1 million funding to 44 adult social care efficiency projects, as well as leveraging in more than £500,000 additional government funding for our programmes. But there is much more to do, and the imperative for exploring the work and findings of the programme continues to increase. Please do take the time to browse this document and think about how the programme could support your authority.



A handwritten signature in black ink, appearing to read 'P Fleming'.

**Councillor Peter Fleming**

Chairman of the LGA Improvement Board  
and Leader of Sevenoaks District Council

# Overview and achievements to date

The LGA's productivity programme was established in summer 2010, covering nine areas. In April 2011, the programme was consolidated into three key themes:

- procurement and capital assets
- children, adults and families services
- future ways of working.

In 2011/12, the programme directly supported nearly 90 individual / groups of authorities through a range of initiatives and programmes in each of the three programme themes, and many more through research or events.

## Procurement and capital assets

- Supported 26 authorities as part of the wave 1 and 2 capital and assets pathfinder programme (CAP).
- Funded eight procurement category management pilots (focusing on big spend categories) involving 72 councils, which are expected to deliver savings of £50 million.
- Published guidance on navigating EU procurement rules in the wake of the Bombardier / Thameslink train contract issue, to support councils with procurement exercises.

- Successfully lobbied the Department for Communities and Local Government to allocate £250,000 programme support to enhance the quality of bids to the Department's Weekly Collection Support Scheme; ran five workshops to provide further information for councils bidding to the scheme.

## Children, adults and families

- Attracted £300,000 match funding from the Department of Health and launched a £1 million adult social care efficiency programme (ASCE) supporting 44 efficiency projects covering a third of social care authorities.
- Managed the commissioning and productivity work of the Children's Improvement Board, leveraging an additional £280,000 funding from the Department for Education to develop a sustainable infrastructure to support those commissioning services for children, young people and families.

## Future ways of working

- Developed an interactive map of shared service initiatives documenting £165 million savings across 220 councils.
- Commissioned research about the financial and non-financial benefits achieved by shared services and the development of shared management arrangements.
- Launched a Productivity Experts programme to provide councils with specific skills or capacity to enable them to achieve impressive efficiency savings. For example, providing a district council with a contract negotiations expert (at a cost of £10,000) has supported them in identifying projected savings of £900,000.

# 2012/13 productivity programme

The productivity programme has an important contribution to make to all five of the LGA's 2012/13 business plan priorities:

- public service reform
- growth, jobs and prosperity
- funding for local government
- efficiency and productivity
- sector-led improvement.

In 2012/13, we will progress a number of initiatives that have already begun, including publicising and sharing findings as they arise from this work, as well as launching a number of new activities. In directly supporting individual or groups of councils, the programme aims to deliver additional value, enabling councils to secure more effective change or greater savings than would otherwise have been possible. We are always keen to hear from councils with early stage or more developed ideas and proposals for improving productivity in their authorities.

# Procurement and capital assets

More than 50 per cent of council spending is on goods and services from private, community and voluntary sectors and with billions of pounds of council assets and estates, the effective management of procurement and capital assets is vital. Managed productively, both have a significant role to play in stimulating local businesses and economic growth.

The 2012/13 work programme in procurement and capital assets includes:

- ongoing management of the eight category management pilots launched in 2011/12, which are expected to deliver savings of £50 million
- funding a piece of work developing a national local government procurement strategy
- developing a local government procurement pledge and ensuring the sector's existing work and interests are represented in central government's work on procurement
- supporting the 26 wave 1 and 2 capital asset pathfinder authorities
- launching a programme to support a group of authorities to reduce expenditure and stimulate economic growth through the use of realised and retained capital assets, based on working in conjunction with local private and public sector partners
- working with a local authority to pilot the use of food waste disposal systems in kitchen sinks to test out the impact on waste collection costs, sewerage systems, etc.

# Children's, adults' and families' services

Councils are managing a huge change agenda in adult social care, in terms of personalisation, the Health and Social Care Act, the return of public health responsibilities and, critically, the forthcoming white paper and anticipated reforms to adult social care funding. In particular, the reform of social care funding will be predicated on councils achieving maximum efficiency. The adult social care efficiency programme will therefore continue to support councils to deliver the savings and improvements identified in the diagnostics funded by the programme in 2011/2.

The 2012/13 work programme in adult social care includes:

- Evaluating the phase 1 diagnostics undertaken by the 44 projects funded by the adult social care efficiency programme, and supporting councils to deliver savings of at least £50 million as they move into the implementation period between 2012/14.
- Identifying and undertaking any useful research/activity arising from the findings of phase 1.

Through their work on the Community Budgets pilots and other initiatives, councils are prioritising the need to improve the lives of families with complex needs; more recently, the prime minister has made turning around the lives of 120,000 troubled families a key political priority.

Councils are central to this objective, and the productivity programme will work with a small number of councils to identify best practice service redesign work that prevents the development of a further cohort of 120,000 families in the coming years.

The 2012/13 work programme in children's and families' services therefore includes:

- **A project focusing on service redesign and earlier intervention to prevent the flow of troubled families.**

Councils have identified cutting future demand for high-end services as crucial to realising the cashable savings on which the troubled families programme is largely predicated. The intention of this work is to fund work with a small number of authorities on redesigning services to more effectively identify and support families with multiple needs before they reach crisis point and require intensive support. This element of support is looking beyond the 120,000 families to families with multiple and complex needs; it is anticipated that local savings of £50 million could be released through greater coordination and reduced duplication in the long term.

- **Learning from innovative practice.** The objective is to identify a number of initiatives that are of interest to the sector but are not yet tried and tested, for example secondary payment by results and social impact bonds. Support will be given to a number of authorities keen to adopt these approaches and learning will be shared with the wider sector.

# Future ways of working

The Comprehensive Spending review of 2010 cut local government funding by 28 per cent over four years, and the indications are that the next spending review in 2014 could have a similar outcome for councils. Councils that have already generated efficiencies from implementing lean processes, improving procurement or developing shared services or management, will face huge challenges in managing further funding cuts and remaining viable without radical thinking about the services they deliver, and how they deliver them. The programme's future ways of working workstream therefore aims to assist councils with this radical thinking.

The 2012/13 work programme in future ways of working includes:

- providing seed funding to councils to engage productivity experts to support them with a specific issue or challenge, delivering significant savings and return on the LGA's initial funding
- working with and providing some funding to a handful of councils to support them to develop and implement radical approaches or new models in their areas
- supporting three councils from the original applicants to the NESTA Creative Councils programme that were funded by the productivity programme to enhance innovative projects in recycling, housing and citizen engagement, and sharing the learning from these projects.

# Commissioning

We have had strong feedback from the sector on a more refined offer around commissioning skills, and are in discussions with the Cabinet Office about establishing a Commissioning Academy; we expect to be able to contact councils about this later in the summer.

# Summary of productivity programme activity 2012/13

Programme activity	LGA business plan priority	How to get involved	Expected savings
<b>Procurement and capital assets</b>			
Eight category management pilots	<ul style="list-style-type: none"> <li>• Efficiency and productivity</li> <li>• Sector-led improvement</li> <li>• Growth, jobs and prosperity</li> </ul>	<ul style="list-style-type: none"> <li>• Learning and outcomes to be shared via LGA website, regional networks, etc</li> </ul>	£50 million
A national local government procurement strategy		<ul style="list-style-type: none"> <li>• Contribute to as-is mapping survey</li> <li>• Share thoughts / views with business case team</li> <li>• Respond to consultation on draft report</li> </ul>	to be identified
LG procurement pledge		<ul style="list-style-type: none"> <li>• Views and comments sought by 8 June 2012</li> </ul>	NA
Capital and asset pathfinder programme		<ul style="list-style-type: none"> <li>• Learning and outcomes to be shared via LGA website, regional networks, etc</li> </ul>	to be identified
Capital and assets economic growth programme		<ul style="list-style-type: none"> <li>• Applications sought</li> <li>• Final evaluation by March 2013.</li> </ul>	to be identified

<b>Children's, adults' and families'</b>			
Adult social care efficiency programme	<ul style="list-style-type: none"> <li>• Efficiency and productivity</li> <li>• Sector-led improvement</li> <li>• Public service reform</li> <li>• Funding for local government</li> </ul>	<ul style="list-style-type: none"> <li>• Phase 1 evaluation report expected Autumn 2012</li> </ul>	£50 million plus 2012/14
		<ul style="list-style-type: none"> <li>• Learning and outcomes to be shared via LGA and ADASS websites, regional networks, etc</li> </ul>	
Families with complex needs		<ul style="list-style-type: none"> <li>• Decision on participating authorities expected by late summer 2012</li> <li>• Learning and outcomes to be shared via LGA website, regional networks, etc</li> </ul>	£50 million over long term
<b>Future ways of working</b>			
Productivity experts	<ul style="list-style-type: none"> <li>• Efficiency and productivity</li> <li>• Sector-led improvement</li> <li>• Public service reform</li> </ul>	<ul style="list-style-type: none"> <li>• Proposals/applications welcome for up to £6,000 of funding</li> <li>• Learning and outcomes to be shared via LGA website, regional networks, etc</li> </ul>	Circa £0.5 – 1 million per project
Future Council programme		<ul style="list-style-type: none"> <li>• Decision on participating authorities expected by summer 2012</li> <li>• Learning and outcomes to be shared via LGA website, regional networks, etc</li> </ul>	£40 million over long term
Innovative projects in recycling, housing, citizen engagement		<ul style="list-style-type: none"> <li>• Learning and outcomes to be shared via LGA website, regional networks, etc</li> </ul>	NA

## Further information and contacts

For further information, please

see: [www.local.gov.uk/productivity](http://www.local.gov.uk/productivity)

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