



# NORWICH City Council

**Committee name:** Cabinet

**Committee date:** 17/07/2024

**Report title:** Norwich City Council Productivity Plan

**Portfolio:** Councillor Stonard, Leader of the council

**Report from:** Interim chief finance officer (S151)

**Wards:** All wards

## OPEN PUBLIC ITEM

### Purpose

This report informs members about the Department for Levelling Up, Housing & Communities (DLUHC) letter requesting the submission of a productivity plan and to present our draft response. It highlights our current initiatives and outlines what we have achieved so far, as well as the future plans for the council set out in the new corporate plan.

### Recommendation:

It is recommended that cabinet review our response to the productivity plan request, assess whether it effectively represents the council and provide their endorsement.

### Policy framework

The council has five corporate priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council.

This report meets the open and modern council corporate priority:

- The productivity plan will be made available to the public on the Norwich City Council's website to allow members of the public to access and view it. This ensures transparency and also highlights our modern approach, presenting the strategies outlined in our community-led plan.

## **Report details**

### **Background**

1. As a requirement to providing additional resources at the 2024 final Local Government Finance Settlement, councils were mandated to produce productivity plans.
2. On 16<sup>th</sup> April 2024, the Department for Levelling Up, Housing & Communities (DLUHC) sent a letter detailing the broad requirements of councils' productivity plans. These plans are intended to evaluate successes, identify gaps, and outline opportunities within councils nationwide.
3. The letter outlined four key themes/questions to consider:
  - a. How you have transformed the way you design and deliver services to make better use of resources.
  - b. How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
  - c. Your plans to reduce wasteful spend within your organisation and systems.
  - d. The barriers preventing progress that the government can help to reduce or remove.
4. In drafting a response, all relevant service areas were contacted to provide information based on their specific areas of expertise related to the respective questions. The response focused primarily on our community-led plan, highlighting the aims and priorities that emerged from it.
5. The DLUHC has requested that the productivity plan must have member oversight and endorsement before submission.
6. The productivity plan is to be submitted to the DLUHC by 19<sup>th</sup> July 2024, and will be published on the Norwich City Council website for residents to access.

### **Consultation**

7. Consultation with the relevant service areas within Norwich City Council informed the responses for the productivity plan. This comprised of a series of scheduled meetings with the various departments which include, but are not limited to Strategy, Transformation, Customer, IT & Digital, and Finance.
8. Following these consultations, the insights gathered were compiled into a structured document for the productivity plan, ensuring that key questions and considerations from each department were integrated.

### **Implications**

#### **Financial and resources**

9. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2024-29 and budget.

10. There are no proposals in this report that would reduce or increase resources. Although, future revenue and capital investments will be necessary to achieve the aims of the community-led plan. Funding for specific projects will be approved separately for inclusion in the council's budget. Decisions will be based on business case evaluations and a detailed review of system and resource needs. This report does not suggest changes to current resources.

## Legal

11. There are no legal implications associated with the development of the productivity plan, except for the requirement mandated by central government. Whilst not legally binding, the Department for Levelling Up, Housing and Communities (DLUHC) has requested its submission by 19th July 2024.

## Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	No specific equality and diversity impacts are considered to arise from the productivity plan.
Health, social and economic impact	No specific health, social and economic impact are considered to arise from the productivity plan.
Crime and disorder	Neutral impact.
Children and adults safeguarding	Neutral impact.
Environmental impact	Neutral impact.

## Risk management

Risk	Consequence	Controls required
The Council does not endorse the productivity plan at Cabinet. There is a risk associated with the tight timeline, as Cabinet sign-off is scheduled within 48 hours of the submission deadline; a request for the decision to be called in would put the publication and submission at risk.	Failing to meet the submission deadline to the DLUHC by 19th July 2024.	Ensuring that all necessary documentation and materials are prepared in advance of the Cabinet meeting to facilitate informed decision making.  A productivity plan is recommended to Cabinet and approved before the submission date to the DLUHC.

## Other options considered

12. There are no other reasonably viable options have been identified.

## **Reasons for the decision/recommendation**

13. This report and its appendices are proposed to Cabinet for approval and endorsement, aligning with the mandated requirements specified by the DLUHC in their correspondence to Norwich City Council.

**Background papers:** None

## **Appendices:**

Appendices A: Letter from the DLUHC

Appendices B: Productivity Plan

## **Contact officer:**

**Name:** Neville Murton

**Telephone number:** 01603 987766

**Email address:** [nevillemurton@norwich.gov.uk](mailto:nevillemurton@norwich.gov.uk)



If you would like this agenda in an alternative format, such as a larger or smaller font, audio or Braille, or in a different language, please contact the committee officer above.



## Department for Levelling Up, Housing & Communities

**Simon Hoare MP**  
Minister for Local Government  
2 Marsham Street  
London  
SW1P 4DF

16 April 2024

*Dear Chief Executive*

### **Productivity in Local Government**

As you know, the Government is reviewing productivity across all public services and local government is, of course, part of that exercise. The recent [Local Government Finance Settlement](#) announced that councils would be asked to produce productivity plans. This letter formally begins that process.

May I first thank you for your very helpful engagement with my officials. Your views and thoughts have been valuable in shaping this approach to make it as useful as possible for all of us.

Local government has already done a huge amount in recent years to improve productivity and efficiency. However, lockdown and post-lockdown has proved challenging, and you are looking for new ways to go further. These new plans will help us understand what is already working well across the whole country, what the common themes are, whether there are any gaps and what more we need to do to unlock future opportunities. We will share these important lessons across the sector.

Productivity is not one-dimensional, and I would encourage you to consider the various facets that encompass the drive for greater productivity. When developing your plans, please think broadly and include reference to not only how you run your organisation, but also how you run the public services you provide and how you provide place leadership. It is with this wide view that we can ensure we are providing value for money for residents.

I am not looking to impose excessive burdens. I am not issuing you with a formal template or a detailed list of criteria to meet. I expect your plans to be three to four pages in length, and to set out what you have done in recent years, alongside your current plans, to transform your organisation and services. I do not want to specify a list of metrics you must report, but I do want to understand how you will monitor and assess your plans to assure yourselves and your residents that they will be delivered.

The plans should consider the below themes and where appropriate, should reference the work your council undertakes alongside other public services, such as the NHS and police.

#### **1. How you have transformed the way you design and deliver services to make better use of resources.**

Questions to consider:

- how has the organisation changed in recent years to become more productive? You may wish to consider what you have done around staffing, structures, operating models etc;
- how do you measure productivity in your organisation?
- what changes have you made to improve services, and what effects have those had?
- what are your current plans for transformation over the next two years and how will you measure the effects of those changes?



- looking ahead, which service has greatest potential for savings if further productivity gains can be found? What do you estimate these savings to be?
- what role could capital spending play in transforming existing services or unlocking new opportunities? If you have already used capital spending to boost growth or improve services, we would be interested in learning more;
- what preventative approaches you have undertaken and can the value of these be quantified?
- are there wider locally-led reforms that could help deliver high quality public services and improve the sustainability and resilience of your authority?

## **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.**

Questions to consider:

- what are your existing plans to improve the quality of the data you collect; how do you use it and how do you make it available to residents?
- are there particular barriers from legacy systems?
- how often do you share data with other organisations, and do you find this useful?
- Are there opportunities to use new technology to improve workflows and systems, such as predictive analytics and AI?

## **3. Your plans to reduce wasteful spend within your organisation and systems.**

I know we will share the aim to reduce waste wherever we can and, while you have all made huge strides in recent years, no organisation is ever 100% efficient. You should set out your plans to reduce wasteful or “gold-plated” spend.

Questions to consider:

- how do you approach identifying and reducing waste in the organisation? How do you monitor progress?
- where have you followed invest to save and what was the result?
- how much time and money do you spend on staff EDI training (internal and external), networks, and other programmes? How many EDI Champions do you have as an organisation? How do you log and report the time and money spent on EDI related activity? How do you assess the effectiveness of that training?
- what percentage of total staff budget is spent on a) agency and b) consultants? How do you assess value for money on agency & consultancy spend and what are your plans to reduce use / costs? How many of those consultants or agency staff have been in place for over a year?
- what governance structures do you use to ensure accountability of spend?
- do you share office functions with other councils and if so, how useful do you find this?
- if you share external training costs with neighbouring councils, how do you factor out duplications of service between your council and your upper-tier council (if you have one)?

- if you have one, what is your assessment and experience of working with an elected mayor, combined authority, or devolution deal?
- what proportion of your paybill is spent on trade union facility time?

#### 4. The barriers preventing progress that the Government can help to reduce or remove.

There will be barriers preventing you from going as far or as fast as you would like to. I would like your plans to set those out, so that we can understand how government, or the market, can help you overcome these barriers to go even further.

Questions to consider:

- what are the barriers preventing you from improving productivity further within your organisation?
- what are the barriers preventing you from improving services further?
- are these barriers consistent across multiple services?
- what would you need to remove those barriers? What do you need from government, the market or elsewhere?

Your plans must be returned by 19 July 2024, by email to [productivityplans@levellingup.gov.uk](mailto:productivityplans@levellingup.gov.uk).

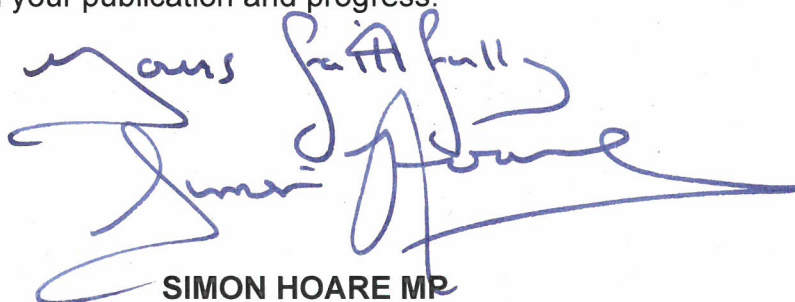
You must ensure that there is member oversight and endorsement of the plan before it is submitted, and the plan must also be uploaded to your website so that residents can see it. You should consider how you will update the plans and report on progress on a regular basis. The plans should also contain relevant metrics and key performance indicators to allow you and your residents to monitor progress.

Once received, we will review the plans to identify common themes and issues across the sector. We are keen to highlight best practice that others can learn from.

Individual plans will not be rated or scored, and we will not produce any kind of league tables. We are interested in understanding what is happening across the sector.

We are setting up a panel to consider the themes and evidence that comes from the plans. I will chair the panel and bring together experts from the sector and beyond, including Oflog and the LGA. They will consider the issues emerging from the plans, the implications for future national policy design, the role of government in supporting further change and the role of the sector in going further. The panel will advise national government and local government, and I believe this collaborative approach will ensure the most effective outcomes.

I look forward to updates on your publication and progress.

  
**SIMON HOARE MP**  
 Minister for Local Government

## **Norwich City Council (NCC) - Productivity Plan 2024/25**

The council has considered the letter dated 16th April from Simon Hoare MP; we have set out below the council's productivity plan which has been considered and agreed by the council's cabinet at its meeting held on 17 July 2024. As required, we will now publish this on our website.

### **1. How you have transformed the way you design and deliver services to make better use of resources.**

Following a change in political and organisational leadership in 2023 there has been a renewed focus on understanding and responding to the priorities and needs of communities across the city. Following extensive consultation with residents, businesses, and key partners, a new community led plan ['We are Norwich' for 2024-2029](#) has been introduced, which sets the direction of travel through setting high level priorities and ambition.

To ensure that the ambition set out in 'We are Norwich' is delivered, we have developed a new business planning process which will embed an outcome-based methodology, service development plans and bespoke work programmes, aligning all resources to effectively transform and improve delivery of all services, deliver the city's priorities, and deliver a balanced Medium-Term Financial Strategy.

We are developing a new performance framework alongside business planning; this framework will allow us to evaluate the effectiveness of our actions rather than solely tracking outputs. Our approach will establish specific key performance indicators, clear measures of success and milestones aligned with our priorities. By using data and insight, we will ensure that our services remain oriented towards people and are driven by evidence. Performance evaluation and regular feedback mechanisms are in place to monitor progress and inform necessary adjustments. Additionally, the City Vision<sup>1</sup> plays a pivotal role in maximising assets and benefits across the city and ensuring our alignment with the priorities of partners as a means of effectively addressing community needs.

We are dedicated to collaborating with communities and partners to inform change. For example, we have bolstered engagement with residents through enhanced communication channels such as Get Norwich Talking and other feedback mechanisms, resulting in user-friendly and targeted services. Our commitment to iteratively consulting the city we serve has enhanced our ability to listen to and act upon its priorities and ambitions. Using digital services has enhanced accessibility and cost-effectiveness while maintaining face-to-face contact for those requiring it with a digital first, not digital only, approach. These approaches have not only raised the standard of our services but have also contributed to greater financial stability for the council, empowering us to reinvest in further innovations and enhancements for Norwich.

Our recent peer review has validated our ability to respond to our communities needs in a way which maintains the financial resilience of the council.

---

1

Published in November 2018, the Norwich 2040 City Vision outlines the council's strategy to collaborate with partners on five themes: a creative, connected, fair, liveable, and dynamic city. Key achievements include the Norwich Climate Commission (net-zero by 2045), the Norwich Good Economy Commission (tackling COVID-19 economic inequalities), the £25 million Norwich Town Deal (regeneration projects), the Norwich Creative City Compact (arts and culture growth), and the Norwich Cities of Stories campaign (visitor brand).



## **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.**

The council's [‘Customer and Digital Strategy’](#) for 2024-2029 supports the new community-led corporate plan which identifies that to be an open and modern council, service provision needs to be efficient, data-driven, and evidence-based.

We will achieve this by supporting the delivery of the priorities through objective, secure and reliable solutions that:

- Improve the quality of customer data, including contact details through the development of our master data management (MDM) solution.
- Use data to support customers and inform strategic outcome-based planning.

We have delivered phase one of the MDM project – this is the first step in ensuring the organisation has a unique record for all customers and properties. The next phase of this project will focus on utilising the existing data we store to identify and address needs.

A key part of the strategy is to standardise our approach to our systems to ensure effective functionality and governance is in place. Historically, systems have not been fully exploited and the new strategy will provide a framework which will ensure that systems are utilised as efficiently as possible.

Our information and data strategy outlines how the organisation will collaborate with other organisations to process data from multiple sources, including internal service areas, external partners, customers, and third-party sources. This shared data can encompass various types, such as structured data, unstructured data, real-time data streams, and historical data archives. Such activities are undertaken in a secure, lawful, and proportionate manner ensuring we adhere to the UK's data protection requirements whilst delivering data-driven outcomes for the city.

Further strategic objectives include utilising new technologies to improve workflow and systems. Some examples of the actions we will take include the following:

- Migrate shared folders to Microsoft 365.
- Develop the use of Microsoft apps and streamline processes to support collaborative, agile working for the workforce and its partners.
- Deploy automation where appropriate, for example exploring the use of AI and virtual assistant technology internally and on the website.

## **3. Your plans to reduce wasteful spend within your organisation and systems.**

Our approach to identifying and reducing waste incorporates a focus on strategic planning; to ensure that we deliver efficient services, rigorous governance, and continuous improvement. Our transformation plans build on the foundations laid by the Future Shape Norwich (FSN) programme, which was initiated in early 2022 to support the delivery of balanced medium term financial plans in the face of escalating demand and reduced government funding. By prioritising digital projects and service improvement, we have streamlined operations and reduced the time required to complete tasks.

The FSN programme has supported the implementation of a new asset management system, improving our understanding and performance of the assets we hold and informing ‘retain, improve and dispose’ decisions in support of effective resource

allocation. Our focus on similar IT projects, such as the new Enterprise Resource Planning (ERP) system, exemplifies our commitment to 'doing the basics well on the services we provide' across all services.

Our monitoring process is moving to a performance framework with defined measures of success and milestones by transitioning towards an outcomes-based model that aligns with our strategic priorities. Regular performance reviews and feedback is integral to our monitoring process, allowing us to track progress and make necessary adjustments. The FSN programme includes a system of closure reports at the end of strategic projects, providing detail of outcomes achieved and lessons learned.

One of the Future Shape Norwich projects reviewed the Norwich City Services Limited (NCSL) contract, specifically focusing on grounds maintenance and street cleaning, to identify actions for improvement and savings. FSN was initiated in 2021 due to a projected £11.8m budget gap for the council over the period 2022-2026 and this project was initiated due to concerns about NCSL's outdated operating model, the project commenced with a high-level external review. This review benchmarked NCSL's performance, identified significant savings opportunities, and proposed clarifications of roles and responsibilities. The project has achieved £268k in savings for 2023/24 and planned an additional £1.013m in savings over 2024-2027. New governance arrangements and a finalised asset management database were established, and ongoing work is set to implement a new operating model and detailed targets within NCSL's Business Plan by June 2024. Improvements in productivity and efficiency in streets and grounds maintenance have already led to better service delivery and fewer complaints.

Collaborative partnerships in Norwich have significantly improved the community by using resources effectively and achieving better outcomes. The Financial Inclusion Consortium (FIC) has helped 1088 residents manage debt, renegotiating or reducing £1,007,142 in debts and generating £4,822,014 in benefits. The Real Living Wage Action Group increased accredited employers from 64 to 80 in 2023, with a goal of 110 by 2024. The Norwich 2040 City Vision uses partnerships to drive major regeneration projects like the £25 million Norwich Town Deal. The Norwich Health and Wellbeing Partnership (NHWP) improves health by addressing inequalities and coordinating services. Collaborations with Orwell Housing Association ensure affordable housing, reducing vacancy times and refusal rates.

#### **4. The barriers preventing progress that the government can help to reduce or remove.**

Over the past 14 years, local government funding has reduced significantly. This, combined with continuing demand pressures constrains our ability to plan and innovate further as capacity is focused on managing daily operational pressures. The recruitment and retention of the exceptional talent required to deliver essential and critical services to our residents is hampered by the uncertainty of operating in an environment where no long-term financial planning by the government exists and legislation often takes place without appreciation of the reality in which councils operate. The government must undertake to fund local government properly and give certainty over funding streams on medium term (3 – 5 years) rolling basis.

Additional, buoyant funding streams linked to the services that councils provide is essential to our long-term financial sustainability. Reform of the existing funding streams is also needed with less reliance on constrained grant and bidding

mechanisms; a rebased council taxbase need not result in significant additional pressure on low-income household finances but the number of bands could be increased to remove the inequalities that exist between those in the lowest bands and the highest.

It is inequitable that those in the highest banding pay only double the average level of council tax yet there is wide disparity on property values. Artificially imposed caps on council tax increases have suppressed growth to levels significantly below compound inflation at a time when key social care and housing services including homelessness have experienced extraordinary demand and inflationary pressures above headline inflation rates. Without other compensatory sources of income, it is unsurprising that financial risk taking and consequent failure in the sector is now prevalent.

Business rates is not strongly aligned to the provision of council services and there has been a failure by the government to incentivise growth activity in this area with the promise of fully retained business rates never being achieved universally. Full devolution of a number of funding streams into a single universal funding grant source without expensive bidding processes is an essential ingredient for all councils to provide the first-class services that we have demonstrably delivered against.

Another major barrier is the systemic challenges posed by national government policies and funding mechanisms. The intermittent nature of funding and the competitive bidding processes create significant obstacles to long-term planning and increases costs unnecessarily. The tight turnaround times for funding applications leave little room for strategic development, especially with partners, forcing us to react rather than proactively plan. This not only hinders our productivity but also affects the ambition of the services we could otherwise provide. To remove these barriers, we require substantial changes from all key stakeholders. From the government, we require more consistent and predictable funding streams that allow for long-term planning and development. We need you to reduce the bureaucratic hurdles and streamline regulations which could facilitate faster project approvals and implementation.

For instance, the new waste regulations have significantly impacted Norwich City Council due to underfunding. DEFRA's allocated funding of £0 is insufficient to implement weekly food waste collections for all households. Norwich currently offers extensive recycling services but needs additional resources to extend food waste collections to 7,446 flatted properties. The estimated cost is at least £0.300 million, covering a new Refuse Collection Vehicle and extra bins, but the lack of funding prevents these expansions. It is illogical to believe that a service can be expanded further with no additional resource and the council cannot commit to providing new services until adequate funding is secured.

The sector has consistently asked for the removal of the constraints associated with retained right to buy receipts; although we recognise some limited changes have been made, there remains market failure in the provision of social housing that could be addressed if the artificial constraints on this funding stream were removed.

We would also ask for a review of the Housing Benefit subsidy arrangements whereby this council is penalised for its innovative approaches to address homelessness. We would ask that the Housing Benefit regulations be amended to update the Temporary Accommodation subsidy cap to use the current year LHA rates rather than the 2011 ones, and the Housing Benefit regulations be amended to

update the Supported Exempt Accommodation subsidy caps to return 100% subsidy for all non-profit, charitable and voluntary sector social landlords, rather than just registered providers. The inconsistent policy messages between DWP and DLUHC create inefficiencies and frustrate delivery.

By not doing so the cost to this council is currently c£2.36m per annum in lost subsidy, and this is predicted to rise to c£3.04m by the end of this financial year.

In addition, the onerous requirements on the production of information such as the numerous statutory requirements to place notices in newspapers or issue written copies of routine notices, excessive amounts of information that is required in annual accounts or has to be published under the transparency code and the need for statutory overrides such as the requirement to value assets for accounts every year are all examples where a more thoughtful approach to providing relevant information could be taken to reduce the administrative burdens that are faced by all councils.

A concerted effort from the government, is essential to overcome these barriers. By addressing the financial, regulatory, and systemic constraints, we can significantly improve our productivity and the quality of services we provide, leading to a thriving and more resilient community.

[insert e-signature]

Cllr. Mike Stonard (Leader -Norwich City Council)