

PRODUCTIVITY PLAN

July 2024

Policy and Intelligence Team



I. INTRODUCTION

- Plymouth is one of the largest cities on the south coast, with a population of approximately 264,700 and is the most significant economic centre in the South West Peninsula.
- Plymouth is home to HM Naval Base Devonport (HMNB), the largest naval base in Western Europe and has one of the country's eight Freeports.
- The city has higher than average levels of deprivation and health inequalities. Plymouth is within the 20 per cent most deprived districts in England and has two LSOAs in the most deprived one per cent in England. More information on the city and its residents can be found in the [Plymouth Report](#).
- Since 2014, Plymouth City Council has led the development and implementation of the [Plymouth Plan](#), a ground-breaking strategic plan which looks ahead to 2034.
- We have had to put in a lot of hard work over many years to find long term, sustainable solutions to the financial challenges that we have faced. Our funding from central government has reduced and not kept pace with the rising demand pressures on our high cost, statutory services including adult social care, children's social care packages and more recently unprecedented demand on:
 - Emergency housing
 - Homelessness provision
 - School transport
 - Education Health and Care Plans (EHCPs)
- Our Children's Services Directorate ended the 2023/24 financial year with additional net costs of £11.629m, which related to specialist residential placements for vulnerable children and SEND School Transport. Community Connections, within the People Directorate, reported additional pressures that year of £2.298m directly relating to provision of emergency accommodation for homeless families. Adults Social Care had pressures on care package budgets of £6.430m although this was partially offset by short term grant funding.
- The Settlement Funding Assessment (SFA) is the Government's measure of funding required by a local authority to meet net revenue expenditure after allowing for income generated from Council Tax. It is used to distribute Revenue Support Grant to local authorities. Centrally, the SFA was reduced over several years to 2019/20, and hence the amount of Revenue Support Grant distributed to local authorities. The inflationary uplifts applied since 2020/21 don't go very far in restoring the reductions made in previous years.
- Our Council Tax base is very low, with 85 per cent of our properties rated in Bands A to C. For every quarter percent (0.25%) increase in the Council Tax in 2025/26, it will yield an additional £0.350m.
- Plymouth's SFA in 2014/15 totalled £114.3m. For 2024/25 this has reduced to £75.6m.
- The LGA has described Plymouth City Council as '*a Council with ambitious plans for the future, illustrated by a clear strategic approach and underpinned by a set of realistic delivery plans.*'
- Both the citywide Plymouth Plan and the Council's [Corporate Plan](#) provide a clear vision and set of priorities, and these are key to the design and delivery of services.
- Between 2011 and 2021 the population of Plymouth grew by 3.2 per cent and it is forecast to grow another 3.3 per cent by 2043. Plymouth also has an ageing population with a projected rise in the 75+ population of 60.3 per cent in the next 20 years.
- This population growth, particularly in the over 75s, has implications for future demand for services and we have already made changes to how we deliver services and will continue to streamline services and seek efficiencies going forward.

2. TRANSFORMATION OF SERVICE DELIVERY

The combination of growth in demand, ambitious plans and reduction in grant funding for Councils has required us to respond strategically to deliver services over the last 12 years.

2.1 Our first wave of change in our transformation covered:

- In 2014 we **integrated social care** with our CIC community health services provider and set up joint commissioning arrangements and an innovative s75 arrangement with the CCG. These arrangements created both savings and a streamlined service provision for patients and clients.
- Our **Growth and Municipal Enterprise** strand concentrated on increasing the council's income through maximising the New Homes Bonus (NHB), increasing the commercialisation of place-based services including the introduction of an asset investment fund with the twin aims of rejuvenating the city and increasing business rates income. In the first four years this produced an additional income of £13.6m.
- **Corporate programme:**
 - Improving customer services with user led digital services and a focus on “getting it right for customers, first time” saving around £1m pa.
 - Improving skills retention and staff engagement through modernisation of our approach to people management and organisational development.
 - Saving money by reducing our accommodation - exit of the Civic Centre (investment of £6m to achieve cost avoidance of £69m - refurbish the office space).

2.2 Our second wave of Transformational change covered:

- **New ways of working** - exploiting collaboration tools to work more efficiently including hybrid working – allowing the Council to maintain delivery during lockdown.
- Creating a **‘one council’ approach** - delivering business support and transactional services under a single organisation structure to focus on economies of scale and innovation – saving £1.8m.
- **Optimising our assets** - continued programmes to streamline, simplify and share technology, rationalising our corporate estate and further developing our family of companies.
- Delt Shared Services Ltd was founded in 2014 by Plymouth City Council and NHS Devon to run IT services for both partners. Since its creation Delt has grown from revenues of around £9m pa to revenues of over £25m pa, and employment in Delt has grown from a headcount of 95 to around 250 currently.
- Delt has also broadened the range of services it provides from IT to payroll, printing, facilities management, procurement and finance, to public sector clients in Plymouth and the wider South West.
- We have also undertaken end to end reviews of services, such as Street Services to maximise efficiency and to help create new income streams generating a gross benefit of over £1.5m pa through commercial offers for waste services.

2.3 Our current Transformation portfolio:

- **Focus on services where there is the biggest demand -**
 - Ensuring Plymouth responds to the changes in client demand and regulatory expectation for Adult Social Care services.
 - Implementing plans to continue to keep children safe in the city and manage demand to balance the budget for these services.
 - Creating greater capacity in the city and reducing dependency on temporary (B&B) accommodation by investing £15m in a property portfolio which will drive £1m savings pa and avoid a further £1m of increasing costs pa.
- **The way we work**
 - Further accommodation rationalisation – exit of two major office buildings saving £900k pa holding costs and likely capital receipts of between £1m and £2m.

- Investing in technology (specifically robotic process automation) to drive efficiencies and aid decision making through turning data into intelligence.
- Community empowerment – working with our communities more closely to ensure some of the most difficult social issues are addressed.
- Through innovation and modernisation of our services to deliver our target operating model, in the period from 2014/15 to 2023/24 we have delivered cumulative savings of £185.2m, of which the 2023/24 savings were £23.4m.
- Alongside the large transformation programmes, the Council has also delivered efficiencies from smaller change initiatives delivered across the organisation. These changes have created savings and many other commercial opportunities. The combined effects of the transformation and smaller initiatives has helped avoid having to make further cuts to essential services.
- We have streamlined our senior management structure, driving out a £0.960m saving in 2013/14 through a major restructure of our management layers and spans of control, with a further reduction of £0.200m in 2023/24. We are the leanest we have ever been and will constantly keep our structures under review to determine the best way of delivering services.
- More recently the Council has embarked on two new commercial ventures, The Plymouth and South Devon Freeport Company, which is a partnership between the public and private sector established in 2022 following our successful bid to host one of the eight English freeports, and the Plymouth Sound National Marine Park Charitable Incorporated Organisation (CIO), established to create the country's first National Marine Park.

3. TECHNOLOGY AND DATA

- The Council continually seeks to improve the use and quality of data to provide better insight about our population and our customers and improve the services that residents receive as well as supporting strategic planning across the organisation.
- A Data to Intelligence Programme Board has been set up with the purpose of developing a Data Strategy by March 2025 and steering the implementation of activity. The Strategy aims to address data quality, data management and the use of data to provide customer intelligence. To support this, assessment against the [Local Government Data Maturity Assessment Tool](#) is being used across the Council to determine our current data maturity status which will help inform areas for improvement.
- Some of the major challenges and barriers we face around better management of our data include the sheer volume of data and data sets we hold, legacy systems and barriers to upgrading those, and data protection and consent issues requiring data to be used for permitted purposes only.
- All our digital development work takes a "user centred design" approach and draws on data as well as more direct forms of customer feedback to improve how we deliver our services.
- We are also anticipating that AI tools will help us to interpret our data through more powerful searching and faster analysis of the data.
- Plymouth City Council is currently using a Low-Income Family Tracker which combines data from the Council, Department of Work and Pensions and Department of Health and Social Care to help identify and target families in need of most help with cost-of-living challenges. This is being used to identify households where additional benefits may be due, allowing targeted communications and support.
- We are also starting to experiment with large language model chat bots (CoPilot) to determine whether it can support with the preparation of responses to information access requests, and we anticipate that automation could generate tangible savings in the future.
- Our approach to working with people who have complex needs usually including homelessness, substance misuse and significant mental health challenges, has taken an approach to data sharing where all relevant health professionals have access to the same data, enabling people to tell their story once, and receive a joined-up offer of support which reduces organisational hand-offs and

barriers. This group of people often use large amounts of resources but often with poor outcomes, and our approach has improved efficiency and outcomes.

4. FINANCIAL MANAGEMENT AND PLANS TO REDUCE ‘WASTEFUL SPEND’

- The costs associated with maintaining reasonable quality in the delivery of our services and local environment for residents, businesses and visitors continues to be very challenging. Over two thirds of the Council’s net budget is spent on providing support for our most vulnerable, such as Adults and Children’s social care, but we must not overlook pressures within Street Services around waste collection, as well as the enduring need for highway maintenance.
- The Council’s [Medium Term Financial Strategy](#) (MTFS) provides the strategic framework to achieve long-term financial sustainability for the Council, considering known and anticipated pressures together with local and national and international issues which impact on finances. In year, the Council will monitor its revenue and capital budgets on a quarterly basis with reports going to Cabinet and Scrutiny committee monthly.
- Plymouth City Council has a strong framework of corporate governance and performance management which can be seen in our integrated performance management reporting process; this regularly reports on progress against our strategic objectives.
- Other methods of performance and financial monitoring include inspections, reviews and external audits such as Ofsted inspections, an external review of performance by Ernst and Young and regular use of the LGA Peer Challenge process.
- We have a rigorous programme of benchmarking data using all the tools available (e.g., LG Inform and Oflog) and benchmarking is embedded in our performance reporting.
- Our EDI related activity is firmly mainstreamed throughout the organisation, and everyone has a role to play to ensure we meet our statutory duty set out in the Equalities Act 2010, and for ensuring that our services are inclusive and responsive, our workforce is reflective of the diversity in the city, and we are considerate of equality and diversity in our decision making.
- Our central Policy and Intelligence Team is responsible for the facilitation of this mainstreaming, but there is no dedicated resource or inclusion team in the Council.
- We conduct Equality Impact Assessments on key decisions when it is reasonable and proportionate to do so, and we assess the policies and practices of organisations we are contracting to provide services on our behalf to ensure that they are compliant with relevant statute. To avoid any wasted effort this check is now carried out at the contract award stage.
- We have active participation in our Armed Forces Covenant and have recently reiterated our promise to the Armed Forces community that they will be treated fairly and not disadvantaged in our city. We are focusing on quality jobs utilising the skills of our veterans, giving them and their spouses guaranteed interviews if they meet the essential job criteria. We are collaborating with businesses across the city to create jobs and retain service leavers and veterans. We are ensuring our Armed Forces community has equal access to affordable good housing, service children in our schools get the support they need and that veterans, serving families and their children are getting good health and wellbeing support.
- Agency staff are used for several reasons, for example to cover seasonal demand, sickness absence, on-going capacity issues such as vacancy cover for children’s social workers and both short and longer-term project work. The total expenditure on agency in 2023-2024 was £9,658k. The current percentage of the pay bill that is spent on agency staff is 7.84 per cent. Spend on consultants equates to 0.5 per cent of the total pay bill. All placements over £300/day are signed off by the Chief Executive and scrutinised by relevant Service Directors, which would include an assessment of a business case to include effectiveness and value for money.

5. BARRIERS PREVENTING PROGRESS

- **Multi-Year Settlements**, to include council tax referendum limits, to enable local authorities to plan for the longer term.
- Compel DWP to **share their data** to enable more automated processing in areas such as blue badges, benefit claimants etc.
- Greater **freedom to spend ringfenced grants** to allow more local decision making.
- Stop the **'begging bowl'** culture of bidding for funding and end "cliff edge" funding where services need to cease as funding ends. An end to bidding for funding from different pots to ensure services are less fragmented.
- Appropriate resourcing for new burdens such as "Stable Homes, Built on Love" and the National Transfer Scheme for unaccompanied asylum-seeking children.
- Address **SEND** issues – increase funding to meet eligibility criteria or reduce eligibility criteria to match available funding.
- Address need for funding **high-cost children's services** including temporary accommodation, enabling a pivot towards long-term early help and prevention.
- Reform **home-to-school** transport entitlement to make it more proportionate and affordable.
- Clarification of **Social Care Reforms**, including charging and ensure adequate funding is provided.
- Information as soon as possible on the potential income, and obligations, for LAs from **Extended Producer Responsibility (Packaging)** reforms.
- Increase the Public Health Grant to take account of the health and wellbeing needs in coastal communities.