Derbyshire County Council Productivity Plan
19 July 2024

Background
As part of the Government's review of productivity nationally, Derbyshire County Council has set out its Productivity Plan reviewing progress to-date and future plans. Delivering best value for residents is at the heart of our Council Plan to deliver continuous service improvement and the best outcomes with the optimal use of resources. Our Productivity Plan is presented across four thematic areas, as set out below. Monitoring and reporting of the Plan will be incorporated into the Council's quarterly performance and budget monitoring cycle and embedded in the Council's Performance Management Framework.

Thematic Area 1: Transformation
The Council's modernisation and transformation agenda has led to streamlining of its operating model, increased centralisation to operate as a single council, and a mixed economy of service delivery models with an increased focus on commissioning. Between 2019/20 and 2023/24, employee numbers (FTE excluding schools) decreased by 1,192 from 7,977 to 6,785, and efficiency savings of over £47 million were achieved. Further savings of £66.6 million have been identified through to 2029. Outcomes in major services such as Adult Social Care and Children's Services are generally positive, with recent inspection by Ofsted affirming this progress with a grading of good for all four graded judgements (impact of leaders, children who need help and protection, children in care and care leavers) and a grading of good for overall effectiveness (awaiting CQC outcome for Adult Social Care).

As part of its modernisation agenda, the Council has undertaken a programme of service review and transformation. Key examples include:

- **Adult Social Care Transformation:** The Adult Social Care transformation programme is being delivered to ensure the sustainability of Adult Social Care now and in the future. The programme's focus is on effective advice, information and signposting, effective market-shaping and management, maximising independence to drive improved outcomes and reductions in preventable residential care admissions in line with best practice principles of effective demand management and best value for Adult Social Care services. Key enablers include effective digital and self-serve offers, community charging arrangements in line with those of other local authorities, and integration. Alongside this, as a result of the challenging financial situation in which we are working as a Local Authority, we are currently consulting on a redesign of services for people with a learning disability and/or who are autistic and older adults. These services include day opportunities, short breaks and residential care directly provided by the Council. The redesign will focus on right-sizing the Council operated services to meet changing demand and deliver best value whilst meeting Derbyshire residents' outcomes.

- **Public Health Transformation:** Public Health deliver a range of prescribed and mandated 0-5 services as part of the 0-19 Public Health Nursing Service, which is run in partnership with a local NHS organisation via a Section 75 agreement. The impact of cumulative increases in NHS pay rates is causing a financial gap of potentially £1m within the service and a transformation programme is in progress to address this concern and ensure that the service remains sustainable within the financial envelope available. Options being consulted and engaged on include using a range of different skill mixes to undertake checks, targeting resources and considering the wider use of technology to support the service.

- **Children's Services Transformation:** Early help and safeguarding services have adopted a locality-based approach to better engage with local communities. A cluster approach has been developed across schools and learning based on community needs and shared best practice, while some areas have been centralised. Emphasis has been placed on system leadership and partnership working to develop a system-wide early intervention and prevention strategy. Addressing issues early reduces the need for more intensive and costly interventions later and ensures problems can be supported earlier leading to better outcomes. The early intervention and prevention strategy will involve a multi-disciplinary approach which allows for pooled resources and expertise across different fields, which will lead to more comprehensive and cost-effective solutions.

- **Highways Transformation Programme:** The programme is currently in implementation stage. By the end of April 2024, over £120 million in road improvement schemes will have been delivered over three years. This scale of work would not have been possible under previous operating arrangements. Benefits will be measured through customer satisfaction, reduced highway claims, and decreased network maintenance needs.

- **Joint Funding and Delivery Arrangements:** Collaboration with the eight district/borough councils and Derby City Council to deliver shared services in economic development, including business support, inward investment, skills, and employment has resulted in high public satisfaction and exceeded target outputs.

- **Digital Services Transformation:** Improving digital capability is a key focus for the Council. The Council has recently produced a new Digital Strategy, to chart its use of digital opportunities to improve service delivery over the next 5 years, a Cloud Strategy to chart the Council's transition from an 80% 'on-premise' solution to an 80% cloud solution, and an ICT Strategy to implement a Target Operating Model for the ICT Service necessary to deliver the Digital Strategy through implementing the Cloud Strategy. Short term improvements have been the upgrading of the Council's ERP Application (SAP) and PSN accreditation.

The Council continues to evaluate its operating model through its annual Integrated Strategic Planning Cycle. The cycle includes assessing productivity by analysing outcomes data, unit costs, benchmarking against comparator authorities, and reviewing best practices to identify options for further optimisation. The agreed changes will be incorporated into the new four-year Council Plan and the aligned Medium-term financial plan (2025/26–2028/29). The Council's service transformation plans include major programmes and projects, which, in addition to service improvements in terms of effectiveness, are estimated to achieve £35.5 million in savings by 2029, with business-as-usual improvement activities, seeking alternative funding, income generation and contract and vacancy management contributing further savings. The success of these initiatives will be measured and tracked through the Council's Portfolio Management Office (PMO), based on the PRINCE2 (for Projects), Managing Successful Programmes (MSP) and Managing Portfolios (MoP) methodology, to ensure that defined benefits are realised. Full details of the Council's savings plans are set out here.

Capital investment provides opportunities for transformation; recent examples include significant investment in LED streetlighting to deliver energy savings and reduce the carbon footprint, and investment in ICT services to drive efficiency. The Council's property rationalisation programme whilst substantially reducing the Council's running costs and maintenance commitments, is also beginning to increase capital receipts which will support future investment.

In its Place leadership role, the Council has worked with business and other sector partners and the Government to establish the East Midlands Combined County Authority (EMCCA). With EMCCA attracting core funding of £38m per year for the next 30 years, and having access to other large sources of funding, including an additional transport funding stream of £1.5bn, the Council is seizing the opportunity to work as closely as possible with the newly elected Mayor to ensure that, together, we transform how local government services are delivered across the East Midlands for the benefit of residents. In Derbyshire, a new Strategic Leaders' Board of the ten authorities will transform the way in which priorities, planned outcomes and opportunities for improved joint delivery are identified, agreed and delivered. Use of retained business rates and approaches to joint funding will help ensure collective commitment and best use of limited financial resources to the benefit of all residents and partners.

Thematic Area 2: Digital, Technology and Data
Significant emphasis is placed on analysing business intelligence to inform decision-making and fulfil the Best Value duty. Examples include:
- **Children's Residential Placements:** Data is routinely shared with partners and councils under data-sharing agreements, used for benchmarking, identifying opportunities to improve service outcomes and efficiency, and informing strategic decision-making.
- **Increased Efficiency and Customer Experience in Adult Social Care:** Efficiency and effectiveness has been improved through the implementation of a self-serve digital information

finder and self-assessment tool for the public; a digital system to maximise efficiency in brokerage; a digital shared care record for health and social care, reducing duplication of effort; and digital approaches to improve scheduling efficiencies.

The Council plans to explore Robotic Process Automation and Artificial Intelligence/Machine Learning to automate internal tasks, accelerating decision-making and enhancing service quality. Internal automation, alongside Artificial Intelligence and chatbots on the website linked to key systems, will enable more online services for the community.

Additionally, the Council is developing a Customer Experience Strategy which will centre around a refresh of the Customer Charter and will furthermore look to improve the feedback loop from residents while enhancing the Council's ability to use this feedback for service improvement.

Thematic Area 3: Reducing Wasteful Expenditure

Through the Council's financial regulations, delegation scheme, and system controls, all spending decisions are subject to scrutiny and approval. Financial monitoring is conducted monthly, with departmental and corporate management teams ensuring budget accountability. Cabinet and Council review public financial reporting quarterly, with monthly updates provided to Cabinet members.

The Council uses activity data and unit costing, with regional and comparator benchmarking, to identify efficiency areas. In 2023/24, tighter corporate spending controls were introduced, scrutinising expenses to eliminate non-essential spending. Services are prioritised and delivered according to acceptable standards rather than aiming for gold-plated services in all instances.

Cost reduction opportunities include setting up a financial review panel to assess charges above standard rates for placements and exploring highway material recycling to reduce disposal costs and protect the environment. The Council is rationalising its property assets, in 2023/24, disposals eliminated a £4.164m maintenance backlog, achieved 22% energy savings, cut running costs by £211k per annum, and reduced debt charges by £249k per annum. This rationalisation supports better working conditions and service delivery transformation. Partnership opportunities, such as a joint safeguarding children's board with Derby City Council, have also been utilised to reduce duplication and improve efficiency.

Where appropriate, the Council has adopted a commercial approach to support value for money and financial sustainability, in particular exploring alternative delivery models, enhancing income generation, improving contract management and increasing value from assets. Examples include:

- Transformation of our property services involved the development of a new operating model and the creation of two new joint venture companies to deliver capital project design services and facilities management services. We routinely maximise rental returns from our asset base as part of our Asset Management Strategy.

- Our countryside service is reviewing its operating model and seeking increases in income to offset some of its costs.

- The Council has reviewed a number of its waste contracts and is now taking a more commercial approach in the way it negotiates and manages these contracts to ensure best value for the Council.

- Our Place department has entered into a long-term professional services contract with Jacobs. This enables the Council to access professional support in terms of technical and project management to help with the peaks of demand on the highways service, gaining a significant saving on costs in return for a 10 year pipeline of work.

- The Council's Contract Management Framework is undergoing further development with benefits including identifying and realising opportunities for costs reduction, performance improvement,

delivery of social value initiatives and mitigation of risks. Our contract classification approach enables the Council to easily identify its high-risk areas of spend and prioritise these in terms of risk, monitoring and reprocurement activities. A pilot project exploring the introduction of social value and sustainability in procurement activity has resulted in £9m of added value being committed across six contracts. During 2024 we will extend the project to the majority of above the Find a Tender Service threshold procurements and below threshold procurement where appropriate, enabling the Council to increase non- financial benefits for residents and the county as part of its procurement activity.

In 2023/24, spend on agency employees and consultants was 9.26% of the total staffing budget. Between May 2023 and May 2024 analysis shows that 94% of posts were for social care. As at end of May 2024, 69 agency and consultancy workers had been engaged for over 12 months. Agency spend is focused on areas with recruitment challenges and statutory duties, such as children's social workers. Recruitment and retention initiatives, along with a focus on attendance management and employee wellbeing, aim to reduce this spending. Enhanced reporting is being implemented to support increased monitoring of agency spend.

The Council's approach is to embed statutory EDI requirements into its service delivery and to strive to be an organisation which reflects the diversity of the county. New starters complete a 45-minute e-learning 'Introduction to EDI' module during induction, with all existing employees completing it in 2023. Four employee network groups meet quarterly, chaired by volunteers, and are open to employees for confidential support, advice, and information. These groups have a combined annual budget of £4,500 for awareness and learning initiatives. The Council aims to embed EDI into 'business as usual' rather than treating it as an additional activity, there are no EDI champions or logs of time spent on EDI activities.

Spending on Trade Union Facility Time was £166,275, or 0.04% of the pay bill.

External training costs are shared with other Local Authorities, particularly in areas across Adult Social Care (OT, commissioning, co-production or where academic qualifications are required). Subject experts produce content for internal training courses and deliver a high volume of workshops/briefings to reduce spend on external training and demand on the central training team.

Thematic Area 4: Barriers
There are a number of barriers that present challenges to continuous service improvement and increasing productivity including:
- **Short-term funding** complicates financial planning and local authorities need multi-year settlements, including council tax referendum limits, for better long-term planning.
- **Addressing barriers to increased data sharing** across agencies would provide opportunities to join data up, automate processes, detect fraud etc. For example, automated processing for services like blue badges and benefits with regards to DWP data.
- **Lack of sufficiency for children in care placements** nationally in the private sector, with providers focussing on profit over outcomes for children, is having a significant impact on local authority budgets.
- **Addressing SEND** issues requires either increased funding or adjusted eligibility criteria and reforming home-to-school transport entitlement would make it more proportionate and affordable.
- **Clarification of Social Care Reforms** is needed including charging and adequate funding.
- **Digital and Data Enablers**: Modernising legacy applications, cloud migration, technology investment, and improving local infrastructure such as broadband coverage, are also necessary.