

Committee(s): Finance Committee – Under Delegated Authority Policy and Resources Committee	Dated: 11 th July 2024
Subject: Productivity Plan	Public
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	(N/A)
What is the source of Funding?	(N/A)
Has this Funding Source been agreed with the Chamberlain’s Department?	(N/A)
Report of: The Chamberlain, Caroline Al-Beyerty & Chief Strategy Officer, Dionne Corradine	For Decision
Report author: Sonia Virdee, Financial Services Director	

Summary

This report seeks to approve the City of London Corporation’s productivity plan, due for submission to the Department for Levelling Up, Housing & Communities (DLUHC) on 19th July 2024.

As announced under the Local Government Finance Settlement, the Government is reviewing productivity across all public services and local government (appendix 1). The productivity plan aims to establish what is working well across the country, what the common themes are, whether there are any gaps and what more the Government can do to unlock future opportunities. These lessons will be shared across the sector.

Recommendation

Members are asked to review and approve the report as a submission to DLUHC.

Main Report

Background

- 1) The Department for Levelling Up, Housing and Communities (DLUHC) initiated the Local Government Productivity Review by sending a letter from the Minister for Local Government, Simon Hoare MP, on 4 April 2024 (Appendix 1). The review's objective is to assess the best practices across the country, the common themes, the existing gaps and the potential actions that the Government can take to facilitate further opportunities. The review will disseminate these lessons across the sector.
- 2) This report provides the productivity plan of City Fund in its local authority capacity in response to the Minister's questions. The approach taken is factual using information that is already in the public domain for City Fund, we have also engaged across London to be consistent with our responses. It also specifies the

areas where the local authority would appreciate further assistance or collaboration from the Government or other partners.

Current Position

3) How have you transformed the way you design and deliver services to make better use of resources?

- i. The City Corporation has had to be more productive and efficient over the past 14 years since the period of austerity which saw significant reductions to funding. Our core spending power has reduced by 42% since 2010 and our population has grown by 49%. This means our core spending power is 83% lower. Our work to attract and grow the business base within the square mile means that we have been able to secure funding from the Business Rates retention scheme.
- ii. Over recent years/since COVID, we have updated (or are in the process of updating) the strategies and plans outlining the outcomes and productivity aims in key areas of our business. These reflect our approach to delivering both independently and in partnership with others, e.g. London Councils.
- iii. London Councils Grants Programme – funded by London’s 33 local authorities. Between 2022 and 2026, this is investing over £6 million each year to tackle two of the most serious issues facing the capital - homelessness and domestic sexual violence. The programme commissions services where it is economical and efficient to deliver services on a London-wide basis.
- iv. The 2018-19 and 2019-20 pan-London business rates pools – London boroughs and the GLA piloted 100% and 75% business rates retention in 2018-19 and 2019-20, respectively, which delivered an estimated £600 million in additional retained funding, roughly half of which was spent on strategic projects that have delivered a range of economic and wider benefits. The City Corporation hosted the scheme.
- v. We finalised implementation of a full Target Operating Model organisational restructure in 2023, achieving cost savings of 12% and completed other efficiency-driven initiatives (e.g. Fundamental Review – additional cost savings of 4%, Resources and Priorities Refresh), which have shaped our wider strategy and approach to delivery moving forward.
- vi. In April, we launched our new [Corporate Plan 2024-2029](#). This informs the effective use of our resources through six strategic outcomes (covering our local authority and wider remit). Robust performance measures are central to the Plan, and progress will be reported annually. The breadth and rigour of the reporting process is increasing with iterative measures that will improve and develop year on year, allowing options for benchmarking (where relevant) and enhanced scrutiny where this will drive efficiency.

- vii. Linked to this, our [People Strategy 2024-2029](#) is a framework to ensure all aspects of people management and development come together to create an organisational environment where employees can contribute their best work efforts.
- viii. The Corporate Plan 2024-2029 is underpinned by existing strategies and plans, and those under development, that enable the City of London Corporation to successfully deliver our responsibilities, e.g., [City Plan 2040](#); [Transport Strategy 2024-2044](#); [Policing Plan](#); [Early Help Strategy 2023-25](#); [Education, Skills and Cultural and Creative Learning Strategies](#); [Air Quality Strategy](#).
- ix. In addition, our new Transformation Programme will run alongside our Corporate Plan and People Strategy to enable the changes and embed the continuous improvement required to realise our ambitions across the City of London Corporation remit for the next five years and beyond.

4) How do you plan to take advantage of technology and make better use of data to improve decision-making, service design, and resource use?

- i. Data plays a prominent part in our Digital, Data and Technology Strategy.
- ii. Rationalising existing business intelligence and reporting solutions, promoting the adoption of new technology/AI, with Microsoft PowerBI as the Corporate Reporting Tool of choice. In doing so, we will continue to address significant challenges experienced across many sectors in master data management, data quality, whilst ensuring that our data assets are stored in secure, scalable and supported technology solutions. This will continue to drive enhanced communication and collaboration around data across the City of London Corporation, to share best practices and identify opportunities for greater data sharing.
- iii. Ensure that our data transformation is built upon firm foundations.
- iv. Continuous review of Data Governance across the organisation, will enable delivery of greater value from the organisation's data and promote wider data sharing.
- v. Continue to invest and develop in our data capabilities, capacity and skills within the City of London Corporation to better support departments to derive greater value from their data.

5) Your plans to reduce wasteful spending within your organisation and systems

- i. The City Corporation is proud of its track record of ensuring that the services we deliver are efficient and represent value for money for taxpayers and citizens. Our robust corporate planning and financial management processes, including approach undertaken through star chambers and deep-dives enables

full understanding across the organisation of budgetary pressures, income generation opportunities to ensure resources are directed for service priorities. Further providing the assurance that our spend decisions are focussed on delivering the things that matter most to our residents and stakeholders.

- ii. To ensure a continual focus on waste elimination, we engage employees at all levels to drive a culture of continuous improvement where it is recognised as everyone's responsibility to identify the opportunities to do things both more effectively and for better value. We do this by employing Lean and Six Sigma methodologies to identify inefficiencies. Rapid Improvement Events (RIEs) are our primary tool, involving short, intensive 3–5-day projects to improve specific processes quickly. RIEs deliver immediate improvements, engage employees in problem-solving, and enhance efficiency and quality.
- iii. We are also developing our network of continuous improvement leaders across the Corporation through the provision of Lean Six Sigma training at Yellow Belt and Green Belt levels, with 30 employees trained in Yellow Belt and 2 Green Belt trainees so far. Training ensures that we develop the internal capabilities to continue to improve by embedding the practical skills to identify and address inefficiencies, support larger improvement projects and foster a culture of continuous improvement. This enhances organisational efficiency and empowers employees to participate in problem-solving and quality enhancement initiatives actively.
- iv. Our Equality, Diversity and Inclusion (EDI) spend:
 - Enhances skills in the workplace by creating a more diverse workforce at all levels, including by creating the means for people of different backgrounds to generate new and different ideas on how to design and improve our services;
 - Helps address systemic inequalities in our communities;
 - Ensures we deliver legal and other commitments (e.g. Equality Act 2010, Public Sector Equality Duty 2011) to provide equitable services and support to all those who live, work, learn and explore, both within the Square Mile and our responsibilities beyond; and
 - Helps us in our role representing the City of London – a global hub for finance that is home to global businesses and is powered by its diversity of people and ideas; EDI spend serves this community to be the best it can be.
- v. The principle of EDI as an enabler is an underlying theme within our Corporate Plan 2024-2029 and People Strategy 2024-2029 and is reflected in our wider approach to strategy and planning. Continuing to invest in EDI and embedding this within the City of London Corporation is important to unlock EDI benefits, e.g. use as an input to inform the distribution of resources to increase efficiency and effectiveness internally and externally, to get maximum value and impact from our work and enable our communities to participate economically.

6) The barriers preventing progress that the Government can help to reduce or remove.

- i. Some of the most significant barriers remain around the certainty of funding and potential timing of any changes to the local government funding structures. The uncertainty driven by changing timelines and one-year settlements are significant barriers to becoming more productive and making the most effective medium term planning decisions. Multi-year settlements and confirmation of the future direction of funding would be a big step towards improving this issue.
- ii. In addition to a broader funding settlement, grant funding announced at short notice or with restricted periods of spend can make strategic planning and engagement with relevant markets more challenging. Monitoring and reporting processes for grants can also be overburdensome compared to the amount of funding allocated. Any potential to combine reporting into a higher level may reduce duplication and time needed whilst maintaining the transparency and scrutiny of spend.
- iii. The increasing demand for local authority services – such as homelessness, reducing rough sleeping, social housing supply, cost of living support – is shaped by many external factors that require government policy and intervention alongside the response of local authorities. Service responses – such as the provision of residential and nursing care – operate in markets in which wider inflationary and labour supply pressures have significantly driven up costs.
- iv. In the Housing space, a relaxation of s106 conditions to allow it to support major repairs and maintenance and not just new builds would be helpful.
- v. Deliver the adult social care funding reforms which are crucial to providing long-term financial certainty for the sector.
- vi. Remove barriers preventing councils/local authorities from combining Right to Buy receipts with grant funding to deliver affordable housing.
- vii. Provide funding to help local authorities buy accommodation sold by private landlords.

Conclusion

The Local Government Productivity Review, initiated by the DLUHC, aims to evaluate best practices, identify common themes and gaps, and explore potential government actions to enhance productivity.

This report contains the City of London Corporation's submission, detailing past achievements and current plans for organisational and service transformation. The report also outlines areas where the Corporation seeks further government or partner assistance.

Appendices

Appendix 1 – Letter from Simon Hoare MP, Department for Levelling Up, Housing & Communities.

Sonia Virdee

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