

Productivity Plan: Lancaster City Council

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

In recent years there has been a major strategic shift as the council has transformed service design and delivery to utilise resources effectively and to increase productivity. The council has applied an outcomes-based approach to all service re-design and delivery. This approach aligns ambitions and outcomes to the resource available to the council and has established a productive organisational direction. The recently published Council Plan 2024-2027 demonstrates our productive and outcomes-based approach [Council Plan 2024-2027](#). The plan highlights the strategic direction of Lancaster City Council and enables us to work towards clearly defined strategic ambitions. Productivity is clearly targeted towards strategic objectives and outcomes. The plan was established due to effective engagement between council officers and elected members and reflects district priorities and insights.

Transformed Structure

Early 2023, the council's leadership team was re-structured to reflect this strategic shift and to ensure that there is clarity of responsibility between Chief Officers. Our organisational structure below details Chief Officer responsibilities:



Our flatter leadership structure aligns with refreshed outcomes focused service areas and aligns with cabinet member portfolio areas to ensure there is clear co-ordination across the council. This alignment supports the design and delivery of services to maximise productivity with available resources.

Transformed operating models

The council can increase productivity by working in partnership with stakeholders. The Lancaster District Strategic Partnership is established with a clear term of reference to steer collaborative efforts between stakeholders to realise strategic outcomes. Our approach to partnerships aims to increase productivity where services and projects can be delivered collaboratively. A collective approach to service delivery will evidence value for money between stakeholders, not only the council. Several 'Friends of Groups' demonstrate this partnership approach. Friends of Parks groups play a vital role in protecting and enhancing local parks, woodlands, play areas and green spaces in the area. Working in partnership with the council, they give residents a greater say in what goes on in their local park.

Co – Design and delivery of services

Co-design principles have been applied with strategic partners to contribute to service design and delivery. This is strategically effective utilising expertise at a place level with strategic partners. It is also resource efficient and makes the most of resource at the place level. A tangible example is via the MOU in place with Lancaster University that led to the 'Placemaking with Young People' project. The project was born out of partnership working and connections made through an Insights Hub. The joint project is shortlisted in the Community Involvement and Public Partnership categories at the Local Government Chronicle Award 2024. Working with partners and co-design will be important for more transformative service design and delivery so that we can deliver outcomes stated in the Council Plan.

Transformed People Management

The council is currently delivering year two of a three-year People Plan, which was co-designed by staff and Trade Unions to ensure that our workforce is equipped with the relevant skills and support to deliver our Council Plan. The People Plan contains several activities to ensure a highly engaged and high-performing workforce. Initiatives already delivered in year one includes a leadership development programme, a learning and development strategy, a refresh of the council's values, a new performance management framework, an engagement strategy, a wellbeing strategy, an employee benefits platform, and a policy development review. There is a strong emphasis on co-creating strategies with colleagues and trade unions to ensure that they are relevant to ensuring the future success of the council.

Outcomes Based Resourcing (OBR) and Fit for the Future

The council embarked on its OBR process in 2022/23 with the intention to support the budget-setting process, i.e. to ensure that funds are allocated according to a set of predefined outcomes to ensure that funds are directed toward the council's key ambitions and statutory functions, and not necessarily to areas which contribute less or not at all

against the predetermined objectives. This approach is underpinned by the council's Medium Term Financial Strategy (MTFS). We have developed a transformation programme called 'Fit for the Future', which is designed to ensure the continuation of OBR process and drive further efficiencies, transformation of services and introduce further commercialisation. The process has a clearly defined governance structure that is led by Chief Officers and Portfolio Holders and is developing clearly understood financial targets. Transformation projects within this programme clearly align with the Council Plan.

During the course of 24/25 these will be honed into costed delivery plans. Over the last 2 years the council has demonstrated its ability to respond to the financial challenges facing local government. In 22/23 challenging revenue savings of £3.3 million were delivered.

Measuring Productivity

The council has a set of Key Performance Indicators (KPIs) that reflect different service areas. Through quarterly performance reporting, KPIs demonstrate productivity. Alongside this, each service area has a set of performance indicators and is now establishing clear service plans aligned to the new Council Plan. This development ensures that there is a golden thread that runs through the organisation, so that all services are outcomes focused and measured for productivity. Each year our successes will be recorded and added to the annual review of the Council Plan and ambitions. Annual critiques will ensure that organisational productivity is properly assessed.

The council has a set of Strategic Projects, that are reported on quarterly, alongside the KPIs. All Strategic Projects are linked to one or more Ambitions on the Council Plan. Each project has a Benefits Review Plan where outputs, outcomes, benefits, and measures are listed so they can be measured to assess the success of the project.

Importantly, the council measures productivity against other local authorities to ensure continuous improvements. Benchmarking enables the council to recognise good practice across the sector. Insights from sector peers supports planning for improved service delivery. The council is an active member of the APSE Performance Networks.

Improved efficiencies in process due to transformation of services

Due to improved efficiencies in process, there are clear tangible examples that illustrate productive service delivery that makes best use of resources. These are:

- The use of the digital Granicus platform to affect a channel shift.
- The rationalisation of our procurement process to utilise procurement cards and P2P.
- Improved Council Housing repair reporting and response
- The application of a new '**waste route optimisation**' and new recycling bin trials
- Revenue and Benefits use of chatbots to triage enquiries.

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

Data, stakeholders, and community engagement

We recognise that there is an opportunity to use data more effectively to improve service level performance and outcomes. We are currently reviewing how we achieve this by upskilling existing resource, to achieve the triangulation of data sets and avoid silo working across the council. Going forwards the design and delivery of services will make use of data and stakeholder/community insight. This will ensure that services are relevant. Not only this, data and insights can improve the process of service delivery, in turn increasing productivity. In recent years, the People's Jury and Imagination Lancaster demonstrate community and stakeholder engagement that informed service delivery. An example of success in this area includes the Housing service which, in-line with best practice from the Housing Ombudsman, have self-assessed and developed an action plan around Knowledge and Information Management (KIM).

Digital Strategy

A new Digital Strategy is in development to replace the strategy approved in 2019 which was not well adopted due to the council's working arrangements changing significantly since Covid. The new Digital Strategy will allow the council to take advantage of technology and make better use of data to improve decision making, service delivery and use of resources. The strategy will broadly focus on:

- Digital customer- how / what are we going to use digital for to improve customer experience and become more efficient?
- Digital workforce- how/what are we going to use digital for to improve staff relations. As well as how do we best use data or service design and decision making.
- Digital place- how do we avoid exclusion and ensure resilience.
- Digital collaboration- sharing data and collaborating with partners for specific outcomes.

Fit for the Future and Digital Transformation

The Fit for the Future programme includes a digital workstream that considers how the council can do things differently by utilising technology and being more efficient, as well as considering areas in which it can generate more income. Digital transformation provides an opportunity to deliver ambitions that demonstrates value for money and improved efficiency. Digital transformation is an opportunity for organisational improvement to be explored in the future. The council will consider the preferences of residents and the wider community when embarking on any aspect of digital transformation and to recognise issues of digital exclusion.

The council has recently digitally transformed the visitor and tourism information service, which will dramatically improve our professional service to all visitors, residents, partners, and businesses by harnessing new technologies and tools of engagement through digital transformation of the city council's and district's visitor information services, tourism, and inward investment.

3. Your plans to reduce 'wasteful spend' (*Government prescribed term*) within your organisation and systems.

Reduced services, increased efficiency, and commercial activity

Our spending is carefully aligned to our annual budgets and Council Plan priorities, and therefore we do not consider any of it 'wasteful'. However, over the last decade we have had to respond to increasing financial pressures resulting from local government funding cuts and have mechanisms in place to ensure we continue to do so effectively.

In recent years the council has used its OBR programme to reduce services and increase efficiency where appropriate and in line with resource availability. There are also plans to become more commercial and income generating.

This has seen;

- consolidating our office space to enable commercial let of office space.
- the development of an asset strategy
- full condition survey of council buildings undertaken and assessed in line with key principles, which supports realistic 10-year building capital / revenue programme.
- seeking to reduce asset base through disposals / community asset transfers (where appropriate)

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

Finance and resource

Significant financial challenges are clear barriers to progress. Funding has reduced by approximately 40% over the last decade. The council has experienced a significant reduction in real terms spending power. Alongside the national context of spiking inflation, high energy costs and increases to the National Living Wage, we, like all local authorities, are under financial restraints like never before. Demand for services continue to rise, including the statutory services that our communities rely on. The financial context affects the organisations resource and capacity to deliver mandatory services and ambitious strategic outcomes. Strategic outcomes have national and local importance.

Local government processes for accessing funding are also an issue. An increasingly competitive process when bidding for funding is both a wasteful use of officer time and gives uncertainty for service and project planning.

Devolution and county wide collaboration

In a two-tier area, Lancaster City Council is seen by our communities as 'the council'. Lancaster City Council embraces its community leadership role and works with Lancashire County Council and a wide range of other partners to achieve the outcomes our residents want. However, the new devolution deal and working relationships with county council can cause barriers to productivity. The council could do more on areas of responsibility such as Transport, however this responsibility lies with county council. For example, greater integration with county council on highway matters would increase productivity. Going forward funding streams such as UK Shared Prosperity (UKSPF) Fund will affect productivity. If UKSPF is to be managed by the new devolved county council, there will be uncertainty as to whether funding can be applied locally and within the organisation to increase productivity.

Process and bureaucracy

Local government is by nature process driven and bureaucratic. Whilst there is a recognition of this importance in terms of governance and decision making for public good, a more streamlined process could increase productivity. This is a sector issue and something that government could help review and improve for increased productivity across the sector. A review into process could also increase public sector – private sector synergy and collaborations for productive output. The council aims to develop partnerships with all sectors at a local level. Although bureaucracy and process can cause barriers to this effectiveness. This can be seen with data sharing and strategic alignment in areas such as procurement and recruitment.

Other barriers preventing productivity at a local level where government could support.

Officers and elected members have identified several operational and strategic issues where simplified process and updated policy would improve productivity at a local level. These include:

- Reduce the evidence base for our Local Plan. Less bureaucratic process would simplify the process and improve productive output and progress.
- Enable bin collection frequencies to be determined at local level.
- Make business rates revenue-sharing less of a dark art.
- Increase council tax bands.
- Scrap the voter ID changes.

- Require DNOs to enable renewable energy generation.
- Funding for new affordable homes: this would save on funding homelessness and housing benefits.