

# Productivity Plan for Ealing Council

## Introduction

Ealing Council is committed to delivering high-quality services to its residents, businesses and visitors, while ensuring financial sustainability and resilience. The council has faced significant challenges in recent years, due to the impact of the Covid-19 pandemic, the reduction of central government funding, and the increasing demand for social care and other essential services. Despite these pressures, the council has maintained a balanced budget, achieved savings of £170 million since 2010, and invested in key priorities such as housing, climate action, community safety and economic recovery.

This plan is being published in line with the requirements set out by the Secretary of State of the Department for Levelling Up, Housing and Communities in Local Government Finance Update on 5 February 2024 and in response to questions set out by the Minister for Local Government in a letter dated 16 April. In line with this statement, this plan sets out Ealing Council's continuing service performance journey and ongoing efforts to continuously reduce wasteful expenditure. This plan is based on the existing work, plans and strategies of Ealing Council.

## Financial position and outlook

Ealing Council's financial position and outlook is currently shaped by the context of the Local Government Finance Update, which sets out the funding settlement and the policy framework for local authorities in 2024/25. The update provides some positive news for the council, such as:

- An increase of 2% in the core spending power, which is the measure of the resources available to local authorities to fund their services.
- A continuation of the social care grant, which provides additional funding for adult and children's social care services.
- A retention of the business rates baseline, which means that the council will keep the same share of the business rates income that it collected in 2020/21.
- A confirmation of the new homes bonus scheme, which rewards the council for increasing the supply of new and affordable housing.
- A flexibility to increase the council tax by up to 2%, plus an additional 3% for the adult social care precept, subject to a local referendum.

However, the update also presents some challenges and uncertainties for the council, such as:

- A delay in the implementation of the fair funding review, which aims to revise the formula for allocating funding to local authorities based on their needs and resources.
- A postponement of the business rates reset, which would have redistributed the business rates income among local authorities to reflect the changes in their tax bases.
- A lack of clarity on the future of the public health grant, which funds the council's public health functions and responsibilities.
- A uncertainty on the impact of the Covid-19 pandemic, which has affected the council's income, expenditure, and demand for services.

The council has taken a prudent and proactive approach to managing its finances, and has developed a Medium Term Financial Strategy (MTFS) that sets out the financial plan for the next four years, from 2024/25 to 2027/28. The MTFS is based on the following principles:

- Aligning the financial plan with the council's vision, values and objectives, as set out in the Corporate Plan.
- Ensuring financial sustainability and resilience, by maintaining a balanced budget, delivering savings, and building reserves.
- Investing in key priorities and outcomes, by allocating resources to the areas that matter most to the residents, businesses and visitors.
- Maximising income and value for money, by generating income, optimising efficiency, and achieving best value in all services.
- Managing risks and uncertainties, by identifying and mitigating the potential financial risks and challenges, and developing contingency plans.

The MTFS projects a budget gap of £24 million in 2024/25, rising to £56 million by 2027/28, due to the pressures of inflation, demand, and legislative changes. The council has identified savings of £18 million in 2024/25, and £36 million over the four-year period, through a range of measures, such as service reviews, transformation, digitalisation, procurement, commercialisation, and asset management. The council will also use some of its reserves to support the budget in the short term, while maintaining a minimum level of reserves to cope with unforeseen events. The council will also increase the council tax by the maximum allowed, subject to a local referendum, to generate additional income and protect the vital services.

The council has a Budget Strategy that sets out the detailed budget proposals for 2024/25, based on the MTFS. The Budget Strategy is aligned with the council's Corporate Plan, and reflects the council's priorities and outcomes.

The council's Capital Programme sets out the capital investment plan for the next four years, from 2024/25 to 2027/28 which covers the following areas:

- Housing, which includes the delivery of new and affordable homes, the improvement of existing homes, and the regeneration of estates.
- Climate action, which includes the reduction of carbon emissions, the enhancement of green infrastructure, and the promotion of sustainable transport.
- Community safety, which includes the improvement of street lighting, the installation of CCTV cameras, and the prevention of crime and anti-social behaviour.
- Economic recovery, which includes the support of local businesses, the creation of jobs and skills, and the development of town centres and cultural venues.
- Infrastructure and assets, which includes the maintenance and improvement of roads, bridges, parks, schools, libraries, and other public buildings.

The capital programme has a total value of £1.2 billion over the four-year period, funded by a combination of sources, such as grants, borrowing, capital receipts, developer contributions, and revenue contributions.

The council has also developed a Reserves Strategy that sets out the policy and practice for managing the council's reserves and balances. The Reserves Strategy is based on the following principles:

- Maintaining a minimum level of general reserves, equivalent to 5% of the net revenue budget, to provide a contingency for unforeseen events and emergencies.
- Establishing and replenishing specific reserves, to support the delivery of the council's priorities and outcomes, and to mitigate the risks and uncertainties.
- Using reserves prudently and strategically, to support the budget in the short term, and to invest in transformation and capital projects in the medium term.
- Monitoring and reporting the reserves position, to ensure transparency and accountability, and to inform the financial planning and decision making.

Alongside this, the council's Treasury Management Strategy that sets out the policy and practice for managing the council's cash flows, borrowing, and investments. The Treasury Management Strategy is based on the following principles:

- Ensuring the security and liquidity of the council's funds, by investing in low-risk and high-rated institutions and instruments, and maintaining adequate cash balances.
- Achieving the optimum performance and value for money of the council's funds, by diversifying the portfolio, optimising the maturity profile, and monitoring the market conditions.
- Managing the borrowing and debt portfolio, by minimising the cost of borrowing, maximising the opportunities for debt restructuring, and complying with the prudential indicators.
- Monitoring and reporting the treasury management activities, to ensure transparency and accountability, and to inform the financial planning and decision making.

## Service performance and improvement

Ealing Council is committed to delivering high-quality services to its residents, businesses and visitors, while ensuring continuous improvement and innovation. The council has developed a Corporate Plan that sets out the vision, values and objectives of the council, and the priorities and outcomes that the council aims to achieve. The Corporate Plan is based on the following principles:

- Putting the customer first, by understanding and responding to the needs and expectations of the customers, and providing accessible and inclusive services.
- Delivering excellence, by setting and maintaining high standards of quality, performance and value for money, and learning from best practice and feedback.
- Working together, by collaborating and engaging with the staff, partners, stakeholders and communities, and fostering a culture of trust, respect and diversity.
- Being ambitious, by setting and pursuing challenging and realistic goals, and embracing change and innovation.
- Being accountable, by taking responsibility and ownership of the actions and decisions, and reporting and demonstrating the impact and outcomes.

The Corporate Plan covers the following priorities and outcomes:

- Good, genuinely affordable and secure homes, which includes increasing the supply of new and affordable homes, improving the quality and safety of existing homes, and preventing and reducing homelessness.

- A healthy and great place, which includes improving the health and wellbeing of the residents, enhancing the environment and biodiversity, and promoting the culture and heritage.
- A fairer and more equal borough, which includes reducing poverty and inequality, supporting the vulnerable and disadvantaged, and empowering the communities and voluntary sector.
- A strong local economy, which includes supporting the recovery and growth of the local businesses, creating and improving the skills and employment opportunities, and developing and regenerating the town centres and neighbourhoods.
- Safe and secure communities, which includes preventing and tackling crime and anti-social behaviour, protecting the children and young people, and strengthening the community cohesion and resilience.
- High-performing and financially sustainable council, which includes delivering efficient and effective services, managing the finances and resources, and improving the customer and staff experience.

The council has also developed a Performance Management Framework that sets out the policy and practice for managing and improving the performance of the council and its services. The Performance Management Framework is based on the following principles:

- Aligning the performance management with the council's vision, values and objectives, as set out in the Corporate Plan.
- Setting and measuring the performance indicators and targets, based on the priorities and outcomes, and the customer and stakeholder feedback.
- Monitoring and reviewing the performance data and information, using the performance dashboards and reports, and the benchmarking and analysis tools.
- Identifying and addressing the performance issues and risks, using the performance improvement plans and actions, and the escalation and intervention mechanisms.
- Reporting and communicating the performance results and achievements, using the performance scorecards and publications, and the engagement and consultation methods.

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

The council has been undergoing a significant service transformation programme since 2020, with the aim of delivering better outcomes for the residents and communities, while making the best use of the available resources. The programme has involved the following key elements:

- A comprehensive review of all the council's services, functions and processes, to identify the areas of improvement, efficiency and innovation.
- A co-design approach with the residents, staff, partners and stakeholders, to understand their needs, expectations and preferences, and to involve them in the design and delivery of the services.
- A shift from a siloed and reactive service delivery model to a more integrated and proactive one, focusing on prevention, early intervention and community resilience.

- A rationalisation and consolidation of the council's assets, facilities and contracts, to reduce duplication, fragmentation and overheads, and to optimise the use of space, equipment and resources.
- A development and implementation of a new operating model, organisational structure and culture, to support the service transformation, and to enable more agile, flexible and collaborative ways of working.

The service transformation programme has delivered significant benefits and savings for the council and the residents, such as:

- Improved customer satisfaction, engagement and trust, as evidenced by the increased use of online and self-service channels, the reduced number of complaints and queries, and the positive feedback from the surveys and consultations.
- Improved service quality, performance and outcomes, as evidenced by the increased achievement of the key performance indicators, the reduced waiting times and backlogs, and the positive impact on the health, wellbeing and safety of the residents and communities.
- Improved efficiency, productivity and value for money, as evidenced by the reduced costs, waste and errors, the increased income and revenue, and the positive return on investment and social value.

## Theme 2. How do 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 recognises the importance and potential of technology and data to support and enhance the service transformation, and to enable the council to respond to the changing needs and demands of the residents and communities. The council has been investing and innovating in the following areas of technology and data:

- modernisation and upgrade of the council's IT infrastructure, systems and applications, to ensure they are secure, reliable, resilient and scalable, and to support the remote and mobile working of the staff and partners.
- digitalisation and automation of the council's services, processes and transactions, to make them more accessible, convenient, user-friendly and efficient, and to reduce the reliance on paper, manual and face-to-face interactions.
- development and implementation of a data strategy, governance and architecture, to ensure the council has a clear vision, direction and framework for the collection, management, analysis and use of data.
- creation and utilisation of a data platform, dashboard and tools, to enable the council to access, integrate, visualise and share data from various sources and systems, and to support the decision-making, service design and use of resources.
- promotion and facilitation of a data culture, literacy and capability, to ensure the council's staff, partners and stakeholders have the awareness, skills and confidence to use data effectively and responsibly.

The council has been leveraging the technology and data to achieve the following outcomes and benefits:

- Improved online access and self-service for customers, reducing the demand for face-to-face and telephone contact, and increasing customer satisfaction and convenience, as reflected in our recent residents' survey.
- Enhanced customer experience, choice and empowerment, as evidenced by the increased availability, diversity and quality of the digital and online services, channels and options, and the improved customer feedback and satisfaction.
- Enhanced service innovation, improvement and adaptation, as evidenced by the increased use of data and insights to inform, evaluate and redesign the services, processes and policies, and to respond to the emerging and changing needs and challenges.
- Enhanced efficiency, productivity and value for money, as evidenced by the increased automation, integration and optimisation of the services, processes and systems, reducing duplication, errors, and manual intervention, and increasing operational efficiency and quality.

## Theme 3: What are your plans to reduce wasteful spend within your organisation and systems?

The council has been committed to reducing the wasteful spend within the organisation and systems, as part of the service transformation and the technology and data initiatives. The council has been implementing the following measures and actions to achieve this goal:

- A regular and rigorous monitoring, reporting and review of the council's budget, expenditure and income, to ensure they are aligned with the council's priorities, objectives and outcomes, and to identify and address any variances, gaps and issues.
- A robust and transparent procurement, commissioning and contracting process, to ensure the council obtains the best value for money, quality and performance from the suppliers, providers and contractors, and to avoid any unnecessary, duplicated or ineffective spend.
- A proactive and collaborative approach to partnership working, to ensure the council maximises the opportunities, synergies and benefits from working with other public, private and voluntary sector organisations, and to avoid any duplication, overlap or conflict of interests.
- A continuous and systematic identification, elimination and prevention of the waste, fraud and error within the council's services, processes and systems, to ensure the council protects and safeguards the public funds and resources, and to deter and detect any misuse, abuse or corruption.
- A promotion and encouragement of a culture of efficiency, accountability and responsibility, to ensure the council's staff, partners and stakeholders are aware of the importance and impact of the wasteful spend reduction, and to involve them in the identification and implementation of the improvement ideas and solutions.

The council has been achieving the following results and savings from the wasteful spend reduction:

- Reduced budget deficit, pressure and risk, as evidenced by the improved financial position, performance and resilience of the council, and the reduced reliance on the reserves, borrowing and external funding.
- Reduced operational costs, overheads and inefficiencies, as evidenced by the optimised use of the assets, facilities and resources, and the improved allocation, utilisation and management of the budget, expenditure and income.
- Reduced waste, fraud and error, as evidenced by the improved compliance, audit and assurance of the council's services, processes and systems, and the reduced losses, penalties and liabilities.
- Rationalised and optimised use of assets, such as buildings, vehicles, and equipment, reducing maintenance, running, and disposal costs, and enhancing environmental sustainability and social value.

## Theme 4. What are the barriers preventing progress that the Government can help to reduce or remove?

At Ealing Council, we are dedicated to continuous improvement and delivering exceptional services for our residents. However, external factors can put a strain on our ability to deliver the highquality services our community deserve. This is particularly evident in the housing sector, where national and regional pressures are compounded by Ealing's unique demographics, creating a complex and demanding environment.

Some of the barriers preventing progress that the government can help to reduce or remove are:

1. The lack of flexibility and autonomy in funding arrangements, which limits the ability of the council to invest in innovative solutions, align incentives across different sectors, and respond to local needs and priorities.

### What we need to move forward

**Stable funding:** Multi-year funding structures are vital for effective planning and resource allocation. We urge the government to move away from one-year allocations.

2. Complex and fragmented regulatory and policy frameworks, which create uncertainty, inconsistency, and duplication for the council and our partners, and hinder the development of integrated and holistic approaches to service delivery and outcomes.

### What we need to move forward

**Policy and collaboration pilots:** Our unique set of challenges and opportunities positions us well to contribute valuable insights to policy development. We are keen to participate in collaborative pilot programmes with government departments, building on existing successful partnerships.

**Streamlined reporting:** Reducing the burden of reporting requirements from central government would free up valuable resources that could be better utilised in directly serving our residents.

**Proportionate scrutiny:** Ealing Council is an ambitious, financially stable and effectively run councils. A proportionate and fair approach to government scrutiny is essential.

3. The skills gap and workforce challenges, which limit the capacity and capability of the council and their partners to deliver effective and efficient services, adopt new technologies and ways of working, and attract and retain talent and expertise.

#### What we need to move forward

**Funding and incentives** for local government employees to access training and development opportunities, such as apprenticeships, online courses, mentoring schemes, or secondments.

Sharing of good practice, innovation and development opportunities **across sectors**

**Collaboration and partnership** between local authorities and other organisations, such as universities, colleges, businesses, charities, or social enterprises, that can offer expertise, resources, or opportunities for skills development and learning in local government.

We welcome the new government and believe that by working together we can achieve remarkable outcomes. Through collaboration, streamlined processes, and a long-term vision, we can build a stronger, more prosperous Ealing for all.