



PRODUCTIVITY PLAN

DRAFT July 2024

Introduction

The Minister for Local Government asked all local authorities to produce productivity plans setting out how they will improve service performance and reduce wasteful expenditure to ensure every area is making best use of taxpayers' money.

This plan explains the significant challenges Cheshire East Council faces and how we are addressing those challenges head on to ensure we will deliver efficiencies and increase productivity against national targets, ensure a balanced budget and deliver better outcomes for our local communities.

The council is in a very serious financial position. The budget for 2024/25, agreed in February, was balanced using reserves and relies on us delivering a demanding set of proposals for savings alongside transformation of the organisation. Uncertainty about future government funding, the existing financial pressures and critically low levels of reserves continue to present a significant challenge.

Over the next four-years we are forecasting a funding gap of £100m and have proactively sought, in principle, Exceptional Financial Support of £17.6m from government. We are working with a transformation partner to develop a comprehensive Transformation Plan alongside in-year spending controls.

The Council's new Chief Executive has engaged the wider sector for support since his arrival in January 2024 to help us define and mitigate the issues. These actions include a [Corporate Peer Challenge](#) and Decision-Making Accountability (DMA) assessment through the LGA to help ensure strategic ambitions, leadership, governance and the [Medium-Term Financial Strategy](#) align and that the council is fit to tackle the problems effectively at pace.

Our [Corporate Plan 2021-25](#) has three key themes - Open, Fair and Green - which guide everything we do and provides us with the strategic direction for our performance framework and a focus for the design and delivery of our services. The [Cheshire East Plan](#) has been refreshed for 2024/25 to better reflect the financial context and a new Plan will be developed for 2025 onwards.

We also know we need to address service performance in some areas and recently received an inadequate judgement from Ofsted for our Children's Services [Inspection of Cheshire East](#). The inspectors rated the first three areas of the inspection as requiring improvement to be good. This was due to the amount of variability in practice. Ofsted rated the experiences and progress of care leavers as inadequate, therefore our overall judgement was inadequate.

The inspection highlighted areas of strength, including where we have changed services and achieved improved outcomes for children and young people, so we know we can and will continue to improve working collaboratively across the council and with partners to do so.

We have a relentless focus on getting the basics right to deliver value for money, continuous improvement and good outcomes for Cheshire East's residents. We are creating an ambitious transformation programme that will make us more productive and effective, and we will embrace the strength of our communities to shape the things that matter most to the people we serve.

Transformation

The critical financial position in terms of our financial sustainability means that we urgently need to transform the organisation.

We need to write a transformation and improvement plan and submit it to government by 27 August. We are working with our transformation delivery partners (Inner Circle) to do this. In parallel, action is being taken in response to the Corporate Peer Challenge recommendation and an action plan is being developed to the same timescales to ensure alignment across the Cheshire East Plan, MTFS, transformation and other improvement activity.

A significant number of opportunities have been identified through the initial stage of Inner Circle's activity and engagement with services and key stakeholders including cashable savings, cost avoidance and income generation. Some can be expedited immediately, others require further investigation and 'deep dive' activity, and many are strategic cross-cutting initiatives. There are also several initiatives in children's and adults which could reduce demand for services in these areas over subsequent years whilst ensuring we maintain the quality of services for our most vulnerable residents.

This will inform the development of the [Transformation Plan \[link to Full Council update paper 17/7 to be added\]](#) in the coming weeks. By pursuing the range of initiatives identified and commitments already in the MTFS, we could achieve financial recovery and growth underpinned by key strategic change including the overall operating model. This is to include key service design principles, with every service to undertake a whole systems redesign, incorporating a fundamental review of systems and processes.

The Council's transformation is led by the Transformation Board, supported by management delivery boards to ensure a Council wide approach to strategy, performance and risk, all of which have clear terms of reference, are chaired and sponsored by a member of Corporate Leadership Team, with the Chief Executive chairing the brighter futures cultural programme.

Additional support will be required across all services to support the change process and implement new ways of working, particularly if this is to happen at the pace required to ensure financial stability in the short-term as well as over the longer-term. Understanding organisational readiness and capacity are key pieces of analysis

which are already underway to support key transformation plans in the short to medium term.

The immediate priority of the programme is to ensure that the Council is financially stable. This will require rigorous prioritisation to focus on only those activities that add value and are affordable and consequentially explicit disinvestment from activities that are not affordable. The areas of focus will be:

- Intelligence and evidence led decision-making and approaches to service development;
- A digital programme to improve customer experience, and automate processes;
- Developing our approach to co-production, working alongside communities, partner organisations in the voluntary, public and private sectors to deliver social value;
- Developing the Asset Management Plan; and
- Streamlining of organisational structures to support good governance.

This will need to be under-pinned by culture change supported by a programme of staff development to create a genuinely great place to work for every member and employee of the council, with opportunities for progression.

Digital and Data

Our digital vision is to “Use the power of digital innovation to redesign the council and the services it provides – making Cheshire East a better place to live and work and supporting our residents and businesses to thrive.”

The Council published its [Digital Strategy](#) in March 2022, which set out our digital vision, aims, principles and actions. Our Digital Platform delivery is ongoing and on target, with accelerated delivery of digital options across council services planned to continue throughout 2024/25.

In our journey towards being financially sustainable, we are committed to making the most of digital and technological solutions as part of our wider transformation programme. Building on the existing strategy and to help us better understand what we can improve, we are working with Triple Value Impact (TVI) to support us by developing a ‘digital blueprint’. The blueprint focuses on three core areas which will underpin our wider transformation plan and achieve a significant impact:

1. **Outcomes:** Establishing and pursuing ambitious outcomes.
2. **Experiences:** Transforming experiences to exceed expectations for both customers and employees
3. **Efficiency:** Ensuring best use of our resources to add value and generate a positive financial return, which may include creating efficiencies or additional income.

This work has identified a range of digital products and solutions that may be suitable for Cheshire East Council, leading to discussions around the importance, suitability and priority of each proposal. Once fully identified, the projects to be taken forward will be part of our wider transformation plan while also seeking to offer additional benefits to the communities that we serve.

Business process transformation will change how many council services function, aiming to increase efficiency and reduce cost, by using information and technology to help staff perform tasks, gather data, and deliver smarter business decisions.

We need to ensure that we have effective engagement with customers which will help us to fully understand their needs and aspirations, and we will use the data we gather to design services around customers true needs.

We are reviewing the council's performance framework to ensure that we can demonstrate accountability and transparency through the information we provide to residents and Members and enable officers to lead and manage their services effectively through informed decision making. We have comprehensive [quarterly performance reports](#) to Committee and closely manage financial spend and forecasts, workforce information including use of agency staff as well as demand, performance and other organisational health measures. Further work is required to ensure the approach is robust, consistent and embedded to address the challenges faced. We recognise the need to be cognisant of the risk of discriminating against those who are digitally excluded and will ensure that non-digital options to transact, communicate with or receive a service from the council are available to those who cannot use digital tools and solutions. This is reflected in the Cheshire East Partnership [Digital Inclusion Plan 2023-26](#).

We compare our costs and performance activities against our statistical neighbours, using tools such as LGInform and OFLOG, which provides us with a clear view of our relative position. Most of our services perform well. However, recent benchmarking through our transformation partner indicates that some services are provided at a higher cost than our comparators. This is being explored and will further inform the transformation priorities and plan.

Communities and Diversity

A key part of being efficient and effective, isn't just about delivering services – it is to work alongside the people we serve and empower them to have greater resilience and independence. This means working alongside communities to encourage them to share their views, to help to inform and influence local decisions, and to get involved in the solutions to local challenges. This covers everything from communities playing their part in tackling climate change through to addressing the cost of living.

Our aim is to make equality an integral part of the way the Council works by putting it at the centre of everything we do. We are committed to celebrating diversity and promoting equality as an employer including through our staff networks, in the services we provide, in partnerships and in the decisions we make.

We recognise that promoting equality and diversity will improve public services for everyone. We want Cheshire East to be a place of equal opportunity, where everyone has a fair chance and people from all backgrounds take part in community life. Our [Equality and Diversity Strategy](#) is delivered through an annual work programme.

The council should also continue working efficiently and effectively with partners and stakeholders both within the borough and the wider Cheshire and Warrington and Cheshire and Merseyside geographies.

Tackling national barriers to productivity

We welcome the opportunity to identify national barriers which would be key for Government to focus upon. For Cheshire East we would welcome consideration of the following areas:

- Multi-year financial settlements for local government would provide an opportunity to focus upon more robust multi-year financial planning and would enable local authorities to better strategically plan for the longer term.
- Revisit the Fair Funding review to ensure that it provides a current assessment of need and ensure that the funding is sufficient to make local services fair and achievable.
- Enable, through additional funding, councils to be able to invest in prevention and early intervention rather than a reactive approach to increased need for services. Protection of investment into preventive services will stop more people falling into crisis situations. This should include the reinstatement of the cuts made to Public Health Grants since 2015.
- The Government's SEND and Alternative Provision improvement plan rightly acknowledges that while councils and their partners are working hard to meet the needs of children with SEND in their local areas, not all children and young people with special needs are able to access the support they need. Councils, with their democratic mandate, are best placed to lead local SEND systems, bringing health and education partners together to quickly deliver the right support to the children that need it. However, councils need the powers to hold partners to account. Without further change, sufficiency of funding will remain a major concern, as well as hampering efforts to ensure the needs of all children with SEND can be met effectively.
- Intervention in the care market at a national level and a focus upon the degree of profit making by private care providers (both adults and children's, but a specific focus upon children's) would be welcomed. Particularly as the care reform cap in Scotland and not-for-profit requirements in Wales come into

force. The council will also have an Improvement Board for Children's Services.

- Clarification of Social Care Reforms, including charging and ensure adequate funding is provided and support around social care recruitment, which is a national issue. There is currently significant national attention and drive around NHS, teaching and adults social care staffing (and funding) but a lack of focus on the crisis linked to children's social care recruitment. The option of capping agency rates nationally would be a key option to consider.
- The competitive bid grant model primarily used for carbon and regeneration funds is resource intensive and would be better replaced with funding allocations across all councils to achieve the government objectives in these areas.

Conclusion

Cheshire East Council faces a number of challenges and has taken action to address them in the immediate short-term and to transform the organisation over time whilst maintaining the quality of services our most vulnerable residents need. Progress will be monitored both internally through newly established cross-council boards to support improvement including Transformation Board and the council's existing committees. The council will also have an external Improvement Board for Children's Services. A comprehensive action plan in response to the Corporate Peer Challenge is also being prepared.

These governance arrangements will be used to monitor and challenge the deliver of the improvements required and associated metrics including later iterations of the productivity plan if required by government.