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'Back off Gove!'

 By Martin Ford (/article/author/Martin-Ford) | 31 January 2024

The Government has been accused of 'micromanagement' of council finances with the launch of new productivity measures.

Alongside the announcement of a £600m boost to the local government finance settlement, new demands for productivity plans and a clampdown on equality, diversity and inclusion (EDI) programmes by local government secretary Michael Gove have sparked alarm.

Councils will be required to submit productivity plans to the Department for Levelling Up, Housing and Communities (DLUHC) by the summer recess in July, detailing how they will 'improve service performance and reduce wasteful expenditure'.

The plans will be reviewed by an 'expert panel' put together by DLUHC, including the Office for Local Government (Oflog) and the Local Government Association, and used to 'inform funding settlements in future years' according to a ministerial statement.

Questions have been raised over the value of heaping more monitoring requirements on hard-pressed council officers.

LGiU chief executive Jonathan Carr-West told *The MJ*: 'If the secretary of state wants councils to be efficient and productive, this would be better served by stepping back and letting councils decide how best to serve the interests of the communities that elect them rather than setting up more time consuming reporting and compliance mechanisms.'

Chairman of the Special Interest Group of Municipal Authorities, Sir Stephen Houghton, said the sector had been left with no choice but to drive up productivity due to financial constraints.

He added: 'I'm sure the sector will do it, but I'm not sure what that would give the Government in terms of the information it wants to know.'

'It starts to feel like micromanagement.'

Mr Gove also specifically questioned 'expenditure on discredited EDI programmes' in his statement.

Public Services People Managers' Association (PPMA) president and assistant director at Leicestershire CC, Gordon McFarlane, said: 'As we navigate budget cuts, productivity and service outcomes are at the heart of the way we plan and deliver services.'

'This includes a commitment to organise our people so they both deliver political mandates together with the expectations of our diverse communities.'

'On this latter point, the EDI work that many councils do is hugely important.'

Sir Stephen added: 'It's important in the sector that we get that right among our staff.'

'I'm not sure what the evidence is for overspending in that area.'

The Levelling Up, Housing and Communities Committee heard this week the final form productivity plans will take had yet to be finalised.

Director general for local government, Catherine Frances, said they would be a 'very short document' and would be monitored both 'on a sectoral and individual council basis'.

However, they will not be considered as a new burden.

Frances said: 'Any competent council will be able to tell us what their productivity plans are.'

'I would hope they have thought about their productivity and thought about how they are going to manage their organisation over the next few years.'

The additional funding to the settlement has been welcomed by the sector, although it has been highlighted it is not a long-term solution to the financial pressures it faces.

The bulk of the cash is accounted for by £500m being added to the social care grant.

There will also be an increase to the funding guarantee to uplift core spending power to at least 4% before council tax.

The Rural Service Delivery Grant has been increased by £15m, £3m one-off funding has been pledged to councils struggling with internal drainage board levies, and the Isle of Wight and the Isles of Scilly will also receive more funding.

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