

[DCN] Productivity plans – central government barriers to local government productivity

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To:DCN <DCN@local.gov.uk>

Dear DCN members

In April the Local Government Minister wrote to councils setting out more detail about productivity plans and asking for them to be submitted by 19th June. The Department for Levelling Up has indicated that councils should still be working to submit their productivity plans by 19th July as this remains government policy and will continue to be so unless and until the Government changes the policy.

While we know there are differing views in the sector about the merits of the productivity plans, they do provide an opportunity for you to demonstrate the efficiencies you've delivered, highlight innovative transformation programmes and indicate where you're saving money for the rest of the public sector. This will be an important narrative whatever the outcome on 4th July.

Productivity plans also create an opportunity to highlight the obstacles that central government has put in the way of productivity in local government over many years. DCN is keen to emphasise this point with central government as part of wider engagement on future funding. If you're submitting a productivity plan, we'd strongly encourage you to complete Section 4: "Barriers preventing progress that the Government can help to reduce or remove."

To help you do that, we've produced template text and a menu of points to make – this is included below. Please feel free to adapt the text to fit your own council's experience and supplement it with local examples and evidence to demonstrate the impact of central government barriers.

Best wishes

The DCN Team



[Draft text for productivity plans – for individual councils to adapt for local circumstances](#)

The most significant central barrier to local productivity is single-year finance settlements. Without a clear indication about funding for multiple years, councils cannot effectively plan and deploy their resources.

We have also been hampered by the tendency of Whitehall to design and decide policy that affects councils without engaging the sector as fully and as early as it could. This has resulted in initiatives and funds that are more complicated than necessary and that are difficult and, in some cases costly, for councils to implement. We strongly support much closer policy co-design between central government and local councils.

We would also benefit from much greater flexibility for our council (and all councils) to decide how to raise and spend money locally. Central prescription and ringfencing constrain our ability to allocate our resources effectively.

We incur unnecessary spending and waste valuable officer time complying with rules, requirements, restrictions and processes imposed by central government and regulators. These include:

- The number of specific, formula-based revenue grants and their separate reporting requirements – it would be much simpler and more efficient to roll all specific grants into a single provision in the Local Government Finance Settlement.
- The wide range of separate one-off revenue and capital grant pots with onerous, costly and counter-productive bidding processes.
- Complicated, inconsistent, and misaligned processes for submitting data returns to central government.
- Lack of join-up between central government departments on issues including housing, homelessness prevention and asylum dispersal.
- Numerous statutory requirements to place notices in newspapers or issue written copies of routine notices.
- Excessive amount of information that is required in annual accounts or has to be published under the transparency code.
- Statutory overrides such as the requirement to value assets for accounts every year.
- Regulatory bodies seeking “to the letter” compliance with their statutory codes.

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