

9 JANUARY 2024

PR2-24 | LEVELLING UP, HOUSING AND COMMUNITIES COMMITTEE INQUIRY ON OFLOG

Introduction

We are writing in response to the Levelling Up, Housing and Communities (LUHC) Committee Inquiry on the Office for Local Government (OFLOG).

The National Association of Local Councils (NALC) is the national membership body that works with the 43 county associations of local councils to represent and support England's 10,000 local (parish and town) councils.

Local councils and their 100,000 councillors are the first tier of local government closest to the people and play an essential part in delivering hyper local services, building strong communities, and strengthening social fabric.

Local councils cover more than 90% of England and a third of the population and invest over £3 billion per year to improve and strengthen communities.

Summary

- NALC has welcomed engagement from the government about the creation of OFLOG, and subsequently with OFLOG itself. Throughout the establishment of OFLOG, NALC's chair, Cllr Keith Stevens, has been pleased to be invited by ministers to attend meetings along with the leaders of other local government bodies. In addition, Cllr Stevens has also met directly with OFLOG's chair, Lord Morse, to brief him directly on our sector of local government and to suggest areas OFLOG should be thinking about in the short, medium, and longer term.
- As a starting principle, NALC supports the overall context, rationale, and approach to setting up OFLOG, including its vision to provide authoritative and accessible data and analysis about the performance of local government, and support its improvement. However, OFLOG should be just that – an office for all local government – with its scope and activities covering every type of local authority.
- As such, OFLOG's remit should also include local councils as they are the first tier of local government in England and responsible for spending nearly £1 billion of council tax on a wide range of hyper local services, as well as having a wider community leadership and place-shaping role.

- Just as local councils provide locally relevant and locally determined support to individuals, businesses and communities, their own support needs are also hyperlocal. The local council sector has many self-improvement initiatives already in existence, as a baseline from which to build, yet lack investment including from the government.
- Since the National Improvement Strategy for Town and Parish Councils was published in 2016, there has been no direct investment from the government to support the delivery of its vision and initiatives. This contrasts with approximately £20 million a year of funding for sector support provided by the Department for Levelling Up, Housing and Communities (DLUHC) to the Local Government Association (LGA) through its Memorandum of Understanding.
- We note the approach and progress so far in developing the metrics for the Local Authority Data Explorer, which have been developed in stages and are limited to service areas of principal councils and taken from already available data.
- It is important to recognise that the metrics covered in the Local Authority Data Explorer apply only to the service areas of an individual principal council and are not a picture for a whole area. For example, data on council reserves will only illustrate financial sustainability of the tiers of councils covered, rather than all local government.
- If the Local Authority Data Explorer is going to deliver a greater understanding to central government of the operation of local government, it must include all the tiers. Not only will the challenges that different communities face vary for different areas, but the way that services are delivered in those areas is different. OFLOG can only be effective by taking a holistic approach to local government and with local councils taking on a progressively wider array of principal authority functions, it becomes misleading if data on local councils are not included.

Consultation questions

NALC's responses to the consultation questions most relevant to local councils in are below:

What is Office for Local Government (OFLOG)'s intended purpose and is it on-track to achieve it?

As a starting principle, NALC supports the overall context, rationale, and approach to setting up OFLOG, including its vision to provide authoritative and accessible data and analysis about the performance of local government, and support its improvement. NALC has positively engaged with OFLOG since its creation and is happy to continue to do so, finding OFLOG colleagues

communicative, receptive, willing to listen to our ideas and suggestions, and keen to build their knowledge and understanding of the local council sector.

We note that the scope of OFLOG only includes the principal council tier of local government in England – districts, borough, and city councils; county councils; unitary councils; London boroughs; metropolitan boroughs; and combined authorities (including those led by elected Mayors).

However, OFLOG should be just that – an office for all local government – with its scope and activities covering every type of local authority.

As such, OFLOG's remit should also include local councils as they are the first tier of local government in England and responsible for spending nearly £1 billion of council tax on a wide range of hyper local services, as well as having a wider community leadership and place-shaping role.

What problem is OFLOG seeking to resolve? What, for example, can OFLOG contribute to data and local government that is not already being done by bodies such as the LGA?

We agree with the collective desire to ensure that warning signs of potential serious governance and financial failure are spotted and addressed as early as possible, and to make the most of opportunities to make council performance even better such as learning from others and making the best possible use of data. But it is just as important to identify failures in local councils early as it is in the rest of local government.

Good governance is fundamental to ensuring an effective and well-functioning democracy at all levels. While most local councils are well-run, throughout the sector there are growing concerns about the impact bullying, harassment, and intimidation have on our councils, councillors, clerks, and council staff, and on the resulting effectiveness of local councils.

NALC is keen to strengthen the accountability and transparency of local councils and put them up for more scrutiny as a way of increasing their effectiveness and driving improvement. There is a current unfunded programme of local council improvement (via the National Improvement Strategy for Town and Parish Councils) ongoing in the sector as supported and endorsed by the Society of Local Council Clerks and NALC but requiring central government funding similar to that received by the LGA annually from central government.

Therefore, while we agree that OFLOG should start off small and build and mature over time, in the medium-term OFLOG's scope and functions should expand to cover local councils.

As the sector body representing local councils, NALC is keen to work closely with the government and OFLOG to achieve this, including on the metrics to be included in the Local Authority Data Explorer and how this data can be collected.

Should the Government ensure that OFLOG supports the Government's set aims of levelling up and if so, how?

A key part of any levelling up agenda is the delivery of strong and diverse local communities, and it is in this area that the local council sector has some of its greatest strengths. The majority of local councils deliver both a strong sense of place as well as delivering effective local services. The reason why NALC welcomed engagement with OFLOG is because of our commitment to building strong local communities.

The main role of OFLOG is to gather local government data, OFLOG should be just that – an office for all local government – with its scope and activities covering every type of local authority. As such, OFLOG's remit should also include local councils as they are the first tier of local government in England and responsible for spending nearly £1 billion of council tax on a wide range of hyper local services, as well as having a wider community leadership and place-shaping role.

How should OFLOG engage with local authorities and other stakeholders?

The initial approach of focussing upon existing and established data metrics and presenting this in a way that allows local authorities to better understand their comparative performance is the most effective way for OFLOG to demonstrate the value it can deliver.

We support the way that initial engagement has been established with the local council sector and we welcome further engagement as the local government functions covered by OFLOG is extended. NALC is happy to support engagement with other stakeholders in our sector.

We agree that OFLOG should start off small and build and mature over time, in the medium-term OFLOG's scope and functions should expand to cover local councils. As the sector body representing local councils, NALC is keen to work closely with the government and OFLOG to achieve this, including on the metrics to be included in the Local Authority Data Explorer and how this data can be collected.

How can the Government ensure OFLOG is not an additional resource pressure for local authorities?

For OFLOG not to be considered as just another additional resource pressure it has got to add value to the operations of local government. If it provides data that allow local authorities, at whatever level, to be able to benchmark themselves against authorities with similar challenges it will add

value. Each local authority has individual challenges to address, but many of these challenges are common across the sector.

OFLOG must empower a local government system where powers and funding are devolved as close as possible to their communities, paired with effective accountability; where councillors and the public are confident and have the information, they need to effectively scrutinise local decisions.

A successful OFLOG must be seen as not just a centralised function but a function that is owned equally with local government. Because of the diversity of local government in England many functions are delivered at multiple levels, and this must be recognised within the metrics.

OFLOG will need to establish its value to all levels of local government and be flexible enough to recognise that different levels of devolution will exist in different parts of the country.

This is a challenge that must be resolved, and NALC is keen to work with government, OFLOG and other relevant organisations, including the Local Government Association and the Society of Local Council Clerks to address this.

Will OFLOG make it easier to identify financial problems further in advance?

Possibly. In the very short-term, we are requesting OFLOG to expand the Local Authority Data Explorer for finance on council reserves to include data on the largest local councils and to work with NALC on how to achieve this.

We would suggest as a first phase this data collection should be piloted with NALC's Super Councils Network which comprises around 100 local councils with either annual precept (council tax) income of over £1 million or annual turnover of over £1.5 million.

What data should OFLOG collect and why?

We note the progress OFLOG has made since its inception in collecting data from already available sources and which are limited solely to the services of principal authorities. Just some of the data themes which we have identified so far, which over time we would envisage being included in OFLOG's metrics for local councils, could include, and not be limited to:

- neighbourhood planning
- sport, leisure, and recreational services (including libraries)
- parks and green spaces
- Local Government and Social Care Ombudsman complaints
- climate change mitigation and adaptation

- finance (including precepts, expenditure, assets, borrowing and reserves)
- audit (including Public Interest Reports).
- local elections
- Code of Conduct complaints.

How can the government ensure OFLOG collects data as efficiently as possible?

The government should ensure that OFLOG collects data from existing sources and works with bodies which hold that data. If such data is not available, the government should ensure that OFLOG works with relevant local government sector bodies such as NALC and the LGA on how best to collect that data in a way that is efficient and effective and not burdensome on councils.

Which areas of OFLOG's focus currently lack adequate published indicators?

In the very short-term, we are requesting OFLOG to expand the Local Authority Data Explorer for finance on council reserves to include data on local councils and to work with NALC on how to achieve this. We would suggest as a first phase this data collection should be piloted with NALC's Super Councils Network which comprises around 100 local councils with either an annual precept over £1 million or an annual turnover of greater than £1.5 million.

Could OFLOG support cross-departmental approaches to policy solutions and initiatives?

Once OFLOG is established as an effective part of the local government system, the potential to use it for cross-departmental approaches should be further investigated. NALC has engaged with departments such as the Department for Transport, the Home Office, the Department for Culture, Media and Sport, and the Department for the Environment, Food and Rural Affairs in addition to DLUHC.

How will OFLOG support central government's understanding of local areas and the challenges communities face?

If the Local Authority Data Explorer is going to deliver a greater understanding to central government of the operation of local government, it must include all the tiers of local government. Not only will the challenges that different communities face vary for those different areas, but the way also that services are delivered is different in those areas.

OFLOG can only be effective by taking a holistic approach to local government. So, if OFLOG can transition to a situation in which it is able to secure holistic granular data for all local government tiers in a given place for a particular service, it will then be in a stronger position to articulate the benefits of the Local Authority Data Explorer as being a powerful and more relevant tool.

For further information on this response contact Chris Borg, NALC policy manager via email at chris.borg@nalc.gov.uk or policycomms@nalc.gov.uk .

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