

Josh Goodman
Chief executive
Office for Local Government

Via email

22 November 2023

Dear Josh,

Re. Next steps for Oflog and new draft metrics

I am writing in response to your letter of 26 October 2023 to the chief executive's of principal councils in England inviting views on next steps for the Office for Local Government (Oflog) and the next set of draft metrics.

We were grateful to also receive your letter and be invited to submit feedback. In doing so, we have taken this opportunity to set out our position on Oflog and its development over the longer term.

About NALC and the first tier of local government

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

Local councils:

- are the first tier of local government in most of England.
- cover two thirds of England and a third of the population, investing over £3 billion per year in their communities.
- are the tier of government that is closest to the people, delivering hyper local services, building strong communities, place shaping, and strengthening social fabric.
- are changing, doing more and increasingly innovating to help tackle national and local challenges such as the [climate emergency](#), [cost of living](#), [Covid-19](#), [health and well-being](#), [housing](#), and [young people](#).
- are the only growing part of local government, with each year more new local councils established, more investment in local facilities and services, and more responsibilities being taken on, especially from principal councils.

NALC's vision for the sector is:

- Local councils across the country will be the centre of community effort, the natural focus of public activity and service delivery.
- Local councils will give a democratic voice to communities in the deliberations of other agencies and work in partnership with them.
- Vibrant, dynamic, and effective local councils will help communities help themselves build strength and resilience and improve residents' quality of life.

NALC's [Manifesto for building stronger communities across England](#) sets out our policy ideas to strengthen local leadership through local councils, with diverse funding, and by building their capacity and capability, can empower rural and urban communities and help them to level up their areas and boost prosperity and civic pride.

Development of Oflog

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 part 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.

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.

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.

That is why we are working with One Voice Wales, the Society of Local Council Clerks and county associations to address this through our [Civility and Respect Project](#). Our commitment is to deliver tangible resources, actions, and interventions in four main areas. Providing councils with the tools to support good governance, lobbying to strengthen the standards regime, and encouraging more people to get involved, training, and processes to intervene to provide support to struggling 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.

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.

Local council performance and improvement

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 which 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.

In the last few years, NALC has been pleased to work closely with the LGA on the provision of some welcome small-scale support through this funding for a series of peer challenges, a joint guide on loneliness, NALC's Make a Change campaign to encourage more people to become councillors, and work with local councils facing enhanced improvement or governance challenges.

There are around 100,000 local councillors in England – more than four times as many councillors than in principal councils – all volunteering their time (over 14 million hours a year) and taking up civic office to provide local leadership and make decisions about improving their area. Unlike councillors on principal councils who all receive an allowance, most local councils do not pay allowances to their councillors.

Current investment by the government in local government sector support is approximately £1,000 per principal council councillor and less than £1 per local council councillor. This underinvestment leads to constraints to increasing the sector's efficiency, securing improvement, and unlocking performance that only the government has the policy and financial levers to help with.

The capacity and confidence of local councils to improve their effectiveness and deliver the ambitions of their residents and level up their areas, could be greatly accelerated by increased investment and support. This could be fiscally neutral to the government and delivered through a proportion of existing investment in sector support for local government improvement.

There is also a lack of comprehensive and easily available data in a single place on local councils that citizens, local councils themselves and others such as government can use to understand performance and support improvement.

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. Such a lack of data on local councils also undermines the ability of government and bodies such as Oflog to improve their understanding and awareness of the sector and its performance.

It is because NALC itself is concerned about this lack of data that we are starting our own programme of work which we are keen to work closely with the government, Oflog and the LGA on.

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:

- local elections
- neighbourhood planning
- Code of Conduct complaints
- 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)

It is worth noting that some data on the metrics we are suggesting is already being collected such as by principal councils, DLUHC or the Smaller Authorities Audit Appointments (SAAA). However, this data is not aggregated or analysed in a coherent way, which means that in our view this is a missed opportunity. It also means that were Oflog to collate the data this would not require any significant burden of new research.

Based on our own experience of collecting data for our own research projects from principal councils, local councils, county associations and other bodies, we wholeheartedly recognise the challenge data gathering poses. Nevertheless, this is a challenge we must resolve and a challenge which we are keen to work with closely with the government, Oflog and others such as the LGA and Society of Local Council Clerks to address.

One solution for example, regarding local council financial information, would be to modernise the Annual Governance and Accountability Return (AGAR) process. Instead of local councils completing a paper form which is returned to their allocated external auditor, this process could be digitised and completed online. This would also allow for all the data to be held in one single place. SAAA is responsible not only for procuring external audit firms for smaller authorities (which include local councils) but also producing the AGAR forms and is actively considering a move to online, which NALC has pressed for and fully supports.

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 120 local councils with a precept over £1million.

We also recognise the work of the LGA, supported by investment from the government, in developing LG Inform as well as the additional LG Inform Plus as tools for data gathering and benchmarking for principal councils. We are keen to explore with the LGA whether LG Inform could be expanded to local councils as one way of addressing some of the issues we have raised.

Metrics for the Data Explorer

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. We want to take this opportunity to provide some brief comments.

Firstly, 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.

That is why 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 as a first phase this data collection should be piloted with NALC's Super Councils Network which comprises 120 local councils with a precept over £1million.

Secondly, it is also important to understand that some metrics cover concurrent functions or responsibilities which may be undertaken by different tiers of local government.

For example, taking the metrics for Parks and Green Spaces, and Sport, Leisure, and Recreational Services (including Libraries), these are concurrent functions which can be provided by both principal councils and local councils. In many principal council areas, which also have local councils, it is highly likely that it will be local councils who are delivering most of those services. To achieve a clear picture of this metric it will be necessary to include local councils who are delivering most of those services.

And lastly, as we have highlighted in the previous section, there are several data themes we have identified which over time we would envisage being included in Oflog's metrics for local councils.

NALC has welcomed engagement from Oflog to date and this opportunity to contribute to your consideration of next steps and the development of draft metrics. We hope that by setting out our position on Oflog and its development over the longer term, including our call for its scope to include all of local government, that this will provide a helpful, informative and constructive basis for further engagement and discussion.

Yours sincerely,



Justin Griggs
Head of policy and communications