



Department for Levelling Up, Housing & Communities

Rt Hon Michael Gove MP

*Secretary of State for Levelling up Housing &
Communities*

Minister for Intergovernmental Relations

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To All leaders of local authorities and mayoral
combined authorities in England

4 July 2023

Dear All,

Office for Local Government and Best Value Guidance

I am writing to let you know that the Office for Local Government (Oflog) has been established and new Best Value Guidance has been published.

As I set out in my speech at the Local Government Association's annual conference, Oflog will provide authoritative and accessible data and analysis about the performance of local government, and support its improvement.

By collating, analysing, and publishing existing data about the relative performance of councils, Oflog will help councillors and the public have the information they need to scrutinise more effectively local decisions. It will also ensure council leaders can compare themselves against their peers and find examples of good practice to learn from; and it will allow central government and its partners to identify where there might be challenges and a need to step in to give support, where appropriate.

Oflog will improve the transparency of local government performance by publishing data in a clear and accessible way on the new Local Authority Data Explorer. The Data Explorer brings together existing data that is often disparate, to publish a clear and more informative way. It initially includes a subset of relevant metrics covering four distinct areas – adult social care, adult skills, waste management, and finance. As data is added, Oflog will make sure it is comparable and contextualised as appropriate. We know that data alone does not provide the full answer, but it will help prompt questions about a local authority's performance.

Local authorities have a critical role in providing essential services and building stronger communities. Oflog will recognise and celebrate the councils who do this best – making sure that those local leaders get the credit they deserve and showcase the best in class so others can learn from them. It will also start work to detect local authorities at risk of potential failure earlier in the process of decline. Where local authorities are identified as at risk of failure, Oflog will convene dialogues between councils and expert local leaders to explore the issues in more detail.

In parallel, we have heard from colleagues that devolution needs to be matched with accountability. Given the scale of ambition of our devolution programme, it is right that we have the appropriate checks and balances in the system. Oflog will work closely with DLUHC and local partners, particularly the mayoral combined authorities, to make sure that the outcome metrics used are the most appropriate for holding devolved areas and their leaders to account for their performance.

It is important to be clear on what Oflog is not – it is not a return to the Audit Commission; it will not produce performance league tables; nor will add new responsibilities on local authorities. We have

also published a policy document, setting out our plans for Oflog in more detail. Further information on Oflog can be found on the Oflog Gov.Uk website: <https://www.gov.uk/government/organisations/office-for-local-government>.

I want to thank you for working with us as we develop Oflog. Minister Lee Rowley, Lord Morse, Josh Goodman – Oflog’s new interim chief executive – as well DLUHC officials, will continue working with you to ensure that we are building Oflog together so that it works as best for local government colleagues as it can.

Alongside the establishment of Oflog and to give greater clarity to local authorities – and help to identify potential failures – I am also launching a consultation into new statutory guidance on what constitutes Best Value and the standards authorities are expected to meet by government and residents. Further information on the Best Value guidance can be found on the Gov.Uk website: <https://consult.levellingup.gov.uk/local-government-interventions-policy/best-value-standards-and-intervention>.

This new guidance sets out seven themes of good practice for running an authority to secure continuous improvement and provide value for money. These include the characteristics of a well-functioning local authority and the indicators used to identify challenges that could indicate failure.

The guidance also sets out the models of statutory and non-statutory intervention available when standards are not upheld. We will publish the guidance after my department considers the results of the consultation.

Yours sincerely,

A handwritten signature in black ink that reads "Michael Gove". The signature is written in a cursive, slightly slanted style.

Rt Hon Michael Gove MP
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