



Levelling Up, Housing and Communities Committee

Oral evidence: The Office for Local Government, HC 64

Monday 22 April 2024

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Members present: Mr Clive Betts (Chair); Bob Blackman; Ian Byrne; Kate Hollern; Andrew Lewer; Mary Robinson.

Questions 163 - 262

Witnesses

I: Simon Hoare MP, Parliamentary Under-Secretary of State, and Catherine Frances, Director General, Local Government, Resilience and Communities, Department for Levelling Up, Housing and Communities.

Examination of witnesses

Witnesses: Simon Hoare MP and Catherine Frances.

Chair: Welcome, everyone, to this afternoon's session of the Housing Committee—sorry, the Levelling Up, Housing and Communities Select Committee. I nearly went back in time with that; the Committee has changed its name once or twice over the years, but it is definitely the Levelling Up, Housing and Communities Select Committee today.

We are pleased to have before us the local government Minister, Simon Hoare MP, and Catherine Frances, who is the director general in the Department responsible for local government.

This afternoon we are going to look at Oflog, the new body set up by the Government—I am trying to best describe it—to oversee, monitor or evaluate local government and its process and challenges.

Before I come on to questions for the Minister, I will ask members of the Committee to put on record any interests they have that may be relevant to this inquiry. I am a vice-president of the Local Government Association.

Kate Hollern: I employ a councillor in my office.



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Bob Blackman: I am a vice-president of the LGA, and I employ councillors in my office.

Q163 **Chair:** Thank you very much, Minister, for coming this afternoon. The Government has set up Oflog, this new body. Looking at the draft corporate plan that it has now produced—we have obviously had the chief executive and the retiring chair before us to answer questions previously—is it not strange that a new body with a new remit should not have a single KPI, a single way of measuring what its performance will be?

Simon Hoare: Chairman, first, thank you for your welcome. Can I just put on record, so that it does not get lost during this afternoon's meeting, my thanks for the work that Lord Morse did alongside Mr Goodman and others in starting to sink the roots of Oflog?

As you know, Oflog's operational independence is sacrosanct and very important. It has a set of tasks at hand, which I would paraphrase as being to work alongside and buttress other organisations—let's say, for example, the LGA, but they are not alone in this—to help drive efficiency, improvement and good performance from local government for the benefit of local taxpayers and service users.

I am tempted to say—and I do not say this flippantly—that we will know if it has been successful and we will know if it has been unsuccessful. At this stage, as it is developing its relationship across the sector, we are in very early stages, and it is not really appropriate to have KPIs. It is something that I think we would keep under review, but we want Oflog to have operational autonomy to do the job at hand.

Q164 **Chair:** How would you know if it has been successful, when there are no measures?

Simon Hoare: We will know if it is successful, Mr Betts, in the same way that one knows if anything is successful or not, and that is when it can point to changes made, when it can demonstrate very clear and good relationships and confidence and trust within the sector and among sector representatives. I think it will be demonstrable by its own action.

Q165 **Chair:** That is a very, very subjective form of measurement, isn't it? One person might say, "Oh, that's a good thing it's done," and somebody else might say, "No, it isn't because it hasn't done it properly." When you do not have any clear measures, you are bound to have differences of views, aren't you? In the end, it is anybody's guess—anybody's individual view—whether it has been successful or not. It is not a great position to start from, is it?

Simon Hoare: Siobhan Jones, who is the director for local government policy in the Department, is the senior sponsor for Oflog within the Department, and her team liaises regularly with Oflog officials to review performance. We are working at pace to establish a performance framework to provide further assurance that Oflog is delivering its



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objectives effectively and efficiently. We appreciate that it is a job that needs to be done. It is in hand, but I think that those KPIs will evolve as time goes on, rather than be preset.

I think the first job that Oflog had to achieve—and I think that, demonstrably, it is doing a good job, given the mood music with, say, the LGA—was to establish its credibility, its bona fides and its intent. That was a key piece of work that needs to be done, and that appears to be showing dividends.

Catherine Frances: If I could perhaps build off that, the Secretary of State has issued a remit letter to Oflog. As you rightly say, Chair, Oflog have consulted on a corporate plan for the next three years. If you look at the remit letter for Oflog, it sets out the priorities for the financial year 2024-25. They are set into three categories, which I know will be familiar to you, around “inform,” “warn” and “support” the sector. We have found that those are the three areas where Oflog can most add value.

The remit letter sets out the types of activities that we would expect Oflog to undertake. If I could give you an example, under “inform” the specificity is to add additional metrics to Oflog’s Data Explorer, which will help local councillors, local councils and individuals living locally to see the performance of their council and to support improvement. We specified to Oflog that we would like it to work towards a set of metrics that cover all services by mid-2025. In the same remit letter, we have asked that Oflog revisits the metrics in the Data Explorer and considers and refines them further, and we have asked them to improve the functionality of the Data Explorer.

You can see in the remit letter that the same sort of specificity exists under the subsection of “warning”—as I am sure we will come on to, that is the second role of Oflog—and also supporting the sector in the important role of its improvement. There is quite a lot of specificity there.

I think you spoke to the chair previously, and he outlined that we are going to have to evolve over time a sense of how we measure what the best indicators are of success. In a sense, we will know that through iterating with Oflog and through them iterating with the sector. But there is quite a lot of specificity set out in the remit letter, just to assure you on that.

Q166 **Chair:** Yes, but a requirement that simply says, “You must produce this amount of data” is not terribly helpful if you do not know whether that data itself is going to be helpful and whether the local authorities or the public are finding it helpful. It is not really a great measure of their success, is it?

Catherine Frances: I think it is the tasks that need to be done. Oflog have been very clear that, with the full support of the Department, they work in a collaborative and supportive way with local government. We will have to talk to local government, as will Oflog, about what it is that



indicates that the sector is using the material and that citizens in the country use the material that Oflog is producing. Of course, you can imagine, as I think the chief executive set out to you, various measures that might indicate that people are really engaging with this product, but we do need to get that right and take the time to make sure we learn what the best indicators would be.

Q167 Chair: How does the performance framework help? Does it measure anything?

Simon Hoare: As I say, I think the approach that has been adopted—we hope it is the right one, and we believe it is, but we could be proved wrong—is to have as light a touch approach as possible in this initial phase. That is to allow an iterative and organic approach to performance and its monitoring and assessment to evolve, not top-down, but in partnership, and by asking what the performance indicators and others are that, collectively, the sector will find of help and use to bolster the reputation of Oflog. As I say, it is a judgment call, Mr Betts, that we have taken. We think we have taken the right one.

Q168 Chair: Very briefly, when is Oflog going to produce the results of its consultation on the draft corporate plan, and when will it have all the staff in place to deliver it?

Catherine Frances: The Department and Oflog are both considering the consultation, because we felt that both the established central part of the Department and Oflog have an interest in views and responses that we have on the corporate plan. The teams are processing that now. I don't have an exact date for when we will issue it finally, Chair, but we are in the midst of the work now and we have had a decent response and engagement from local government.

Q169 Chair: And the staff?

Catherine Frances: As the chief executive said when he was here, the plan for Oflog so far is to recruit to a level of, as I think he put it, just north of 100, which is absolutely right. They are recruiting and expanding exactly in accordance with the practical plan and, at the moment, they are at around 80 staff. When you saw the chief executive and the chair, they were at around 60, from memory, although I may be slightly out on that.

So they are just recruiting up on the plan to reach that position of being an organisation that, at just over 100, we think will have significant capability and significant specialism within it—people who are data analysts, people who know local government and people who are policy analysts. But we also want to keep it at a reasonably limited size and scale to keep it nimble and, as the Minister has said, to keep it quite a light-touch organisation that performs both the improvement and the performance elements of its role.

Chair: Moving on to Oflog's priorities, Bob Blackman.



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Q170 **Bob Blackman:** Thank you. Catherine, you very helpfully outlined the priorities set by the Secretary of State. Of course, another one was added, which was to engage, which fits naturally with what has gone on.

No doubt you have viewed the evidence that we have gathered, and there was a lot of criticism of using Data Explorer and whether we were going to end up with two separate systems for comparing data. That is something that must be looked at very carefully.

In terms of what the Chair has just pointed out, we do not know yet what the budget for 2024-25 looks like or beyond. In evidence, Josh Goodman said he believes that it is sufficient to do what is required, but how confident are you that Oflog will actually be able to achieve the priorities for the current financial year and for the two years that follow?

Simon Hoare: I think it is in a good place to do so. We would obviously respond sympathetically to any overtures or case made for either additional personnel—

Q171 **Bob Blackman:** Has there been a case made for additional resources or for a complete budget? That was not clear to us in the evidence that we received.

Simon Hoare: It is establishing and growing iteratively. Those are germane and important questions, and they will be able to be answered in the round when it finally takes shape. But we do not want to put a full stop halfway through the paragraph, if that makes sense.

Catherine Frances: Perhaps I can elucidate further on that. Oflog have estimated that they need 110 staff—that is their estimate. That is exactly what we are business-planning for, for the organisation. In terms of the budget being settled, the Department is now in the phase of finalising our own internal resource planning across all the budgets of the Department, so the budget for Oflog will fall out of that.

Q172 **Bob Blackman:** Given that they are building up the numbers, people will be recruited part way through the year, which obviously means that the budget for 2024-25 is potentially lower than that required for 2025-26, where they would presumably be fully staffed.

Catherine Frances: The critical question is the corporate plan. The corporate plan sets out what Oflog is going to do in 2024-25 and beyond. The Department have agreed that corporate plan to go out for consultation. We did so on the basis of a proper conversation about what we want this organisation to do.

I can assure you that, for 2024-25, although the people may not be quite there, because Oflog are in the process of upscaling, like any organisation as it is being set up, the staffing arrangements—the head count, if you like—are there and are exactly as the chief executive set out. The budget will follow. We just need to go through all the central processes.

Q173 **Bob Blackman:** When do you expect the budget to be settled?



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Catherine Frances: I do not know exactly when all our budgets will be settled as a Department, but we will—

Bob Blackman: We are already in the financial year.

Simon Hoare: Two things. It will not be left under-resourced in terms of either finance or people, as long as a case can be made to address both of those to ensure that Oflog can achieve what we need it to and what it wants to.

The point that you reference in your first question, about data, is an important one, as important as the “engage” point. Engagement is pivotal to all of this. This is not a bossy, finger-wagging, top-down organisation; it is one that engages with the sector, sharing a common goal.

On the data, this is not a demander of the creation of masses of new data and a whole load of things that councils just find onerous and useless and cannot see the point of. In very great part, the role of Oflog is to take the data and to translate it into language that the man or woman on the Clapham omnibus can understand and that is not written in complex local government speak. Some of the best assessors and commentators on the activities and output of a local authority are its own citizens, communities, and voters. So let us give them the tools to assess what their council is doing and to do that in an accessible way. That is an important role that Oflog has in front of it.

Q174 **Bob Blackman:** One set of evidence we received from the previous session on Data Explorer suggested that the data may be the same, but that the questioning, the reporting and how you analyse the data is key. It does seem there is a potential duplication here that is unnecessary. I leave that for you to consider going forward for Oflog.

Simon Hoare: There is always a risk, which one must monitor and reduce to hopefully zero, but I do not think there is an axiomatic drive towards duplication. There may be duplication in some of the commentary on the data, but it does not mean, per se, that new sources of data will be demanded, or data reporting duplicated or those sorts of things. It is more to do with the interpretation, translation and accessibility of that data to make it user-friendly—when I say “user-friendly,” I am talking about council tax payers.

Q175 **Bob Blackman:** Yes. That is how relational databases work anyway, but okay.

Finally from me, how do you see the priorities changing from the initial ones to going forward? Clearly, the organisation is coming up to speed. It is getting involved in its strategic plan but it is about the detail and, as you said, Minister, what the end person—the end customer of a local authority—sees. That is the key point. Where do you see that changing?

Simon Hoare: It is a good question, and I do not have a crystal ball. I suppose you have to break it down into digestible chunks. The first chunk



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to be digested—which I think a lot of people who wished Oflog ill thought it just could not deal with—was to build a professional working relationship with the Local Government Association, and that is now well in hand. That is encouraging.

Where does it end? You know, sir, from your experience in local government that this sector of our national public life is continually evolving, innovating and changing. Demands change, both in terms of customers and what they want to see, and how that is funded and so on. There is not a sort of “This is when you reach nirvana” of Oflog, and we can all just press “Stop” and admire it from afar like a piece of art in a museum. It is something that is going to continually evolve.

That is why that operational independence is so important—so that Oflog can reflect on what they are seeing. They can glean and learn from engaging with operators directly within the sector, but also organisations and bodies—I have referenced the LGA, and one could think of CIPFA and Solace—

Q176 **Bob Blackman:** Are you saying, then, that Oflog will be free—within limits—to decide its own course without political direction?

Simon Hoare: That is my interpretation of independent operationability. I think it works best when Oflog feels as free as it can to investigate, comment upon and report. That is how it is going to prove its bona fides and legitimacy across the sector.

Catherine Frances: It is important to clarify, exactly as you say, the point about the changing nature of local government and the extent of the freedom. The Secretary of State has been crystal clear—exactly as the Minister says—that Oflog are to take the strategic objectives set out in the corporate plan, and the more defined objectives for the next financial year, and are, within those constraints, free to operate in the most appropriate way. But, as a Department, we are, of course, as we would with anybody, setting a set of objectives for the organisation, and those are exactly those that you have talked about, and which I have set out, which have been augmented.

Just building a little on what the Minister says about change, in terms of where the local government sector gets to, there is a lot of data around about local government, as you rightly allude to. But, in a world where we are asking councils to do a huge amount, improving the basic accessibility of data will help with local scrutiny and will help councils to work out where they are stronger or weaker and to learn from each other. We have heard that a lot from the sector.

One of the things that we would hope on the Data Explorer side is that Oflog becomes a centre of excellence in a few years’ time. I think the Secretary of State described it in his letter, as almost as a “what works centre,” so this is what we should be measuring in local government, and this is what we recommend to Government that we look at. That would



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enormously strengthen the sector where there is a multitude of sources of data but where there is not that much that is clearly curated and edited down so that you can use it clearly as a member of the public.

On the second, “warn” objective, I think we can be more specific about the ultimate objectives for the organisation.

Chair: We will come on to that.

Bob Blackman: I will leave it there.

Q177 **Chair:** Just very briefly, Oflog’s budget comes out of the Department’s budget. It is not separate.

Catherine Frances: Correct.

Q178 **Chair:** So, it is around £10 million. Where is it coming from?

Catherine Frances: From the Department’s DEL.

Q179 **Chair:** What will not be done to fund Oflog?

Catherine Frances: Technically speaking, it is funded from the Department’s main DEL—main delegated limit. It is not funded, for example, like the LGA is funded, which has historically been funded from local government. It is not funded like that; it is funded from our main departmental DEL.

Q180 **Chair:** Something else would have been done with that money if Oflog had not been created, so what was that something?

Catherine Frances: Our Ministers have set out a set of core objectives, and that is what we have bid to the Treasury for funding for and been given in the normal course of business.

Simon Hoare: This is not an either/or. It is as important to do the work in the way that the work of Oflog is envisaged to be done as it is, in the broader sense of the term, to spend. If you are not looking at outcomes and checking on data, are you just throwing a whole load of cash into some priority workstream, some black hole or whatever, without having any understanding with regards to the benefits that accrue from it? In a Department that spends a tremendous amount of money, and allocates a tremendous amount of money, the taxpayer is going to get great value for money from the service that Oflog can deliver.

Q181 **Chair:** I am tempted to ask you whether your description of what would not be done without Oflog—in terms of throwing money at things without any idea of what the effects were—is how the Department has been operating for the last 13 years.

Simon Hoare: Mr Betts, that would be a question beneath you.

Chair: Okay. Let’s move on to the relationship between Oflog and local audit—Mary.



Q182 **Mary Robinson:** In response to the Redmond review into local audit, the Government announced plans to create a new audit, governance and reporting authority, ARGA, as the system leader for local audit, replacing the Financial Reporting Council in this role. We have heard from experts that Oflog should take over as system leader for local audit oversight. Would you agree with them?

Simon Hoare: No. I think the workstream of Oflog is very clear and the audit function is also very clear. Ms Robinson, you will be aware of the work that we have in hand to clear the audit backlog, for reasons which we do not necessarily need to go into this afternoon, unless you wish to. I think the work that Oflog has is a big and chunky enough section of work to get on with.

Of course, audit is vitally important. When we get, post the autumn, to the end of this consultation implementation decision phase, we will clearly need to give due and proper serious consideration to the future of local government audit. But I am certainly advised at the moment—if I can paraphrase the advice that I have—that, “It is in hand, Minister. There is nothing to be anxious about, but let’s keep these two workstreams of audit and Oflog separate.” I am entirely persuaded of the merits of following that advice.

Q183 **Mary Robinson:** Yet, the experts within the field—CIPFA and so on—were unanimous that it would be a good idea, because ARGA is not up and running yet, that it would be a good idea to give it to Oflog and to have one system leader.

Simon Hoare: I am certainly aware of the case that they have made. The suggestion that they arrive at, is not one that either the Secretary of State or I share. That is not to say that their position is not entirely respectable and arguable; we just arrive at a different conclusion. Oflog does not have the bandwidth, in terms of budget or personnel, to deal with the audit scenario. That is a complex piece of expertise work.

The work that Oflog has at hand going forward is sufficient to occupy it, without growing it into some sort of almost shadow Department in terms of magnitude. That is the position that we are settled upon now. I do not know if Ms Frances wants to add to that.

Catherine Frances: It is a very good exposition. To add a little further, the audit situation in local government is obviously very challenging at the moment. There is a very significant backlog, and that is why the Government has consulted on really quite a major set of reforms, to rectify the backlog.

To be really clear with the Committee, the organisations that are acting as the shadow system leader at the moment for audit are well set up and functioning. The Department first consulted on the system leadership question following the Redmond review back in 2021.



The director who leads an excellent unit in the FRC, leading on the question of local audit and how they should play their system leadership part, joined the organisation well over a year ago. We have an established MOU in place with the FRC. I am not denying that it is an incredibly complex piece of work—leading the audit market leadership piece. We know it is very challenging, but that is up and running.

We are not complacent about that, but all partners are working together—CIPFA, NAO, the Department, Treasury and many others I could name. We all sit together on a liaison committee chaired currently by the FRC, and the absence of that last piece of legislation has only one effect: that the NAO continue to lay the code of practice. Apart from that, the FRC are able to do everything that they would otherwise be able to do if the legislation were passed.

Q184 Mary Robinson: What is the timeline for the legislation to be passed and for ARGAs to come into force?

Catherine Frances: My understanding is that the lead Minister in the lead Department appeared with the relevant Select Committee and said that that was unlikely to happen this Parliament. But, as I have said, the rest of the role can be carried out by the FRC, with the exception of laying the code of audit practice, which remains with the NAO, who are committed to working with the FRC in their system leader role.

Q185 Mary Robinson: Can I move on to productivity plans? We have heard that local authority productivity plans need to look at allocative productivity rather than technical productivity. When will the Department confirm what type of productivity these plans should report on, allocative or technical?

Simon Hoare: I wrote to all council chief executives last week. The date for response is 19 July. We have set out in some detail what it is that we are looking for. We have not provided a box-tick template. I think it is for local authorities to respond while addressing the key areas that we have set out.

Q186 Mary Robinson: Can you reassure local authorities now that those plans will not be used to pass judgment on them as individual local authorities?

Simon Hoare: I have been very clear throughout that local government works best when it is working collaboratively with the centre. I do not like the finger-wagging, pointing, name-calling—call it what you will. We should all be focused on, and none of us should be afraid of, a forensic spotlight getting into performance, expenditure, value for money and all those attendant good things.

If there are egregious examples, the Department and I would be failing in our duty if we did not draw attention to them. I want to be absolutely clear that these productivity plans are not designed to create “gotcha” moments in either the national or the local government press. They are there, at a time when, as we know, there are general and significant



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pressures on the public purse, to convince people that local authorities are working as hard as they can—which they, in the main, are—to deliver value for money.

That is something that I am very pleased to be able to put on the record before you. These are not “gotcha”-type things trying to harvest headlines for the next 21 press releases or anything of that nature. These are serious endeavours to improve value for money, efficiency and public service.

Q187 Mary Robinson: Thank you very much for that answer, Minister. What role will the long-term sustainability panel have in achieving this? Where do you expect savings to come from? Do you think the panel can achieve a set reduction in local government expenditure, for instance?

Simon Hoare: I think it can draw upon identifying best practice. We are all very good at saying, “We tried this, and it worked brilliantly.” Often there is more learning, and saying, “We tried this, but it didn’t quite turn out how we thought it was going to” or “It turned out in an entirely different way” is how we learn from our mistakes. I think the long-term sustainability panel and others can work in that spirit to try to drive up efficiency, improvement of performance, and customer satisfaction.

Q188 Mary Robinson: How will you look at avoiding duplication of effort with Oflog’s own work on sharing best practice with these bodies?

Simon Hoare: That is absolutely key, because we do not want to create unnecessary burdens on the local government sector. My instinct is that Oflog, the productivity plans and the work in the improvement arena that LGA, CIPFA and Solace do will all find among themselves an accommodated modus operandi to ensure that they derive the maximum benefit without creating a hugely onerous reporting regulatory regime.

I am tempted to use the phrase “common sense will apply,” and I have every trust and confidence that the bodies that I have mentioned will ensure energetically that the scenario that you wisely ask me about does not materialise.

Q189 Mary Robinson: The issue could be that plans can sometimes turn into targets. Judgment against those targets could be, as you say, a judgment, and local authorities could be judged to fail. Therefore, how much detail will the meeting summaries that will be published online be able to go into?

Simon Hoare: Certainly, I think Oflog will have a role in that translation service. I am a firm believer in as much information being in the public domain as possible, as long as that information and data is usable and digestible and is efficacious in coming to a view on the outputs of any public body—it does not have to be within the local government sector.

We have come through, and hopefully are coming out of, a cost of living crisis. I think the country heard very clearly, as Ministers and the



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Treasury did, the cri de coeur from the local government sector in the autumn, prior to the final local government finance settlement. I do not think that people out in the street will be at all surprised that the Government and others are keen to monitor, explore, evaluate and seek best practice and the like. I think that is now a legitimate expectation of the citizen on our high street.

Q190 **Mary Robinson:** One of the first objectives of Oflog is to inform. Therefore, how much detail will the panel's findings go into? Will they be published to inform the general public?

Simon Hoare: My understanding is that they will be published, but to protect and preserve the operational independence of Oflog, it is for Oflog to decide how they deal with those matters.

Catherine Frances: I think the conversation may run the risk of being slightly confused between different things. To be very clear—

Simon Hoare: In which case, the confusion is probably on my account.

Catherine Frances: Not at all. Each council will produce a productivity plan covering transformation, technology, whether there is any wasteful expenditure, and their barriers to productivity improvement. That is a real opportunity for councils to describe all those areas. We have asked them to put them up on their website and, exactly as the Minister says, to also return them into us.

We will then pull together that panel and, exactly as the Minister says, pull out themes. I anticipate, exactly as you said, Minister, that that will be informative to both us and local government about where the opportunities are and where the pitfalls are that we all need to avoid. Yes, we can produce that work together, and Oflog will join us on that panel with other experts from the sector, but that is somewhat separate from what Oflog will then be doing. Oflog, of course, will be doing their informing work, which is core to their purpose. You asked a question about whether we would rate councils, and Oflog have been very clear, as we have been very clear, that they will not be rating councils—absolutely clear on that point. I hope that helps clarify a few different pieces.

Chair: We will now move on to the issue of identifying problems in local authorities—Kate.

Q191 **Kate Hollern:** Just before I move on to my question, can you explain what you mean by allocative productivity? Can you give me some examples?

Simon Hoare: Allocative productivity?

Catherine Frances: I think it was in the question.

Kate Hollern: It was in the previous question, yes.

Simon Hoare: I do not know what the previous question meant by it.



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Catherine Frances: I think I do, because I think it is a relatively bureaucratic definition.

Simon Hoare: In which case, I am not relatively bureaucratic, so—

Catherine Frances: The bureaucrat can answer this question. I think it is a question around how central Government allocates funding to local government. We have said that we will look at funding reform, demonstrably not for this financial year, which we are in the middle of, but for the next spending review. The Secretary of State has been clear about that. I think that is what the question is about: how we allocate funding. That is my interpretation of the question, unless you think it means something different.

Q192 **Mary Robinson:** We did have some discussion with the experts on this. They were quite keen on knowing the difference in how these things would be dealt with—"technical" being things such as improvements in IT, improvements to productivity and so on, while "allocative" leans more to whether the money is spent in the right place, value for money and so on.

Simon Hoare: So how the local authority is allocating it?

Mary Robinson: Exactly. Sorry, I was not aware that you did not understand my question on that.

Simon Hoare: Forgive me. How local authorities discharge their statutory duties is clear. What they do in the non-statutory arena is clearly between them, their electorate and the manifestos that they put before the electorate at election time.

Ms Frances touched upon this. I have received some quite strong representations from a number of local councils at the secondary tier to say, "We are really conscious we have not done enough about procurement efficiencies, and we don't quite know how to go about it. When we have slightly nibbled away at it, the payback time appears to be overly long and almost not worth the candle to embark upon."

Through the work of the productivity plans, if there is an emerging theme of impediment to delivering efficiencies through procurement, then, just as we have done on previous occasions, and as predecessors in my seat have done, we could create a funding stream to help with IT and cyber-security, as two examples—those are things that can be done.

I do want local government to see that there is huge potential benefit to them with regards to how we, as a Department, allocate money, particularly if it is ringfenced for certain workstreams that the sector has identified need some additional turbo-boosting. It would then allocate that to delivering within that policy change arena.

Again, I make no apology for standing alongside the council tax payer, and indeed the central Government taxpayer, to ensure that the



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maximum bang is derived for each and every buck. I think that is our collective duty and you, as a Select Committee, as well as the PAC and others, do important work in this arena.

Q193 **Kate Hollern:** Would you like to add anything to that, or do you think that is a clear explanation?

Catherine Frances: Thank you for the clarification of what the previous evidence was. I think it is absolutely legitimate in any organisation to think about the different ways that you drive productivity and the different ways that you drive efficiency. In local government, exactly as the Minister has said, decisions will sometimes be taken, if you think about allocation, on the basis of central Government specificity—"We would like this grant to be for this purpose"—but also, entirely legitimately, because local leaders and local councillors will make different decisions dependent on their own political priorities. That is fine in allocative terms, but I think we are seeking to capture both that and, as the Minister said, technological opportunity. For example, we have asked about issues like capital access and lots of things where, from our experience, when you talk to councils, they have ideas—they have productive, good thoughts—about how they might develop further in the future, and we want to hear those.

Q194 **Kate Hollern:** We will leave it at that. Josh Goodman told us that local authorities feel more comfortable disclosing soft intelligence to Oflog rather than the Department. Does that reflect a lack of trust in the Department?

Simon Hoare: I would hope not. I have been phenomenally clear with all of my engagement across the local government sector that not only is my door open, but I have metaphorically taken the door off the hinges. I draw upon my 14 years as an elected councillor, and in the albeit short and limited time I have been fulfilling this role I have been told by operators in the sector that they are buoyed up and confident in an improving relationship between local and centre.

The one thing I have been very clear to say, Ms Hollern, is that, particularly with regards to councils who may have concerns about financial stability—not in this financial year, maybe not in the next financial year, but three or four years down the line—I want them to have confidence. As you know, the Department has a reservoir of willing public servants, with a huge bank of knowledge and expertise, who can help, advise and point in the right direction, if those are the requests made by councils.

I would much prefer local authorities to come to us when they just see a little whiff of smoke, rather than a huge conflagration taking place in their area. That is a relationship of trust. I think it is work in progress. I think great strides have been made. There is more work to do. I am committed to doing that, as is the Secretary of State and the wider ministerial team.



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I would hope, in terms of the friendship, trust, mutual respect and cadre of analysis, that Oflog and the Department would be ranked equally in the minds of the sector. It may well be—this is why speaking to the operational arm’s length approach of Oflog is key—that sometimes somebody does want to talk to an organisation or an individual who is in some way detached or semi-detached from the centre as a whole. It is often just to ask for advice—“How best should I approach this? How best should I phrase it? Who is it best that I talk to about it?” I think that Oflog can fulfil that role very well and very neatly.

Q195 **Kate Hollern:** Yes. You still have not explained why local authorities are reluctant to share important information with the Department.

Simon Hoare: In all honesty, Ms Hollern, my experience—and I can only speak to my experience—is that that is not the case. The whole engagement exercise that we undertook regarding consultation on the local government finance settlement secured the highest level of feedback from local authorities in England than at any other time.

Q196 **Kate Hollern:** Saying they do not have enough money.

Simon Hoare: They said a variety of things, but I think it fundamentally underpins my point—and, I say respectfully, undermines yours—that I don’t think that that would be the data if that relationship of friendly trust was not there and evolving. I hope and pray, and certainly recommit through you, Mr Betts, to continue that piece of work of building that strong relationship.

I will not bore you too long, but I have bored myself saying that local and central Government share one really important word, and that is “government”. It is not a question of either/or. If all politics are local, most people look to their town hall or county hall for a solution to a pressing problem. We must work collaboratively. I don’t think it is an either/or, and I do not honestly think the electorate would tolerate—and they would be right not to tolerate—anything other than the most cordial and friendly relationships between local and centre.

I am fully engaged in that process. In terms of the leadership of the LGA—Shaun Davies, for example, who I am sure you will know through many appearances before this Committee—Councillor Davies and I have the warmest and friendliest professional relationship. I cannot thank him enough for the work that he does, engaging on behalf of the sector with me and the wider Department, and also for the way that he goes about it. That is being replicated by council leaderships up and down the land.

Q197 **Kate Hollern:** Unfortunately, the evidence to the Select Committee says otherwise, but I am pleased that you are hoping to build on those relationships.

Catherine Frances: Can I come in on a factual point? I think it is important. Exactly as the Minister said, the Department are well known for having very strong relations with local government. I think I am on



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record at this Committee as saying that we have not previously been surprised when things go wrong in councils, and that is the case. That line of communication is, sadly, open when things go wrong, but it is very open.

The evidence that Mr Goodman gave to the Committee, looking at the written record of that, was talking about early warning conversations. That is an area where we think it is beneficial that Oflog is there, because we have the statutory framework that we can use if a council is facing significant issues or may be close to that.

Chair: We are going to come on to the early warning.

Catherine Frances: Yes, and that was the context in which he made his comments.

Q198 **Kate Hollern:** Okay. On that note, how will Oflog seek to encourage local authorities to better understand why this data is being collected and how to make the most of the data that has been collected?

Simon Hoare: In shorthand terms, because it benefits the individual council and the wider sector. The more information and trend data that we have, the better placed the centre is in devising and shaping the financial packages of support and in understanding the challenges that the sector faces today and that it envisages it is going to face in the short, medium and longer term.

This is something—I am very keen to posit it, on this ground—that is designed principally and primarily to be of help to the local government sector. One thing I have certainly found is that some of the data that we and central Government rely upon in many things, often appears—certainly to the layman—to be slightly out of date by the time the decision is being taken. This is a much more “in real time” way of maintaining a deep and fluid understanding of pressures within the sector. That then allows Treasury and the Department to, hopefully, respond in a way that local government would like to see.

If I may speak to the point that Ms Frances was making—I will not delay the Committee with all the details of the example—the Minister, namely me, came up with an idea I thought local government might be helpful with. The first thing that officials very kindly did on my behalf was to pick up the phone to trusted partners across the sector to say, “The Minister is thinking about asking you to do this. What is your response? What do you think any impediments might be? What do you think the advantage might be?” and so on.

Those conversations of trust take place, and I have been impressed and staggered by the range and the depth. We have seen that over the implementation of the changes to the Elections Act with those that flow through from the delivery of elections. This Committee should take great heart from the level of conjoined professional relationships that exist



between the officer corps within local government and the civil service corps in the Department.

Q199 **Kate Hollern:** How can Oflog take a role in establishing a consistent data standard? Coming from a local government background, I think the data has not always been consistent and can quite often, as presented, be quite misleading. To get confidence in Oflog, and hopefully in the Department, how is Oflog going to establish consistency in explanation and transparency of the data?

Simon Hoare: I am going to ask Ms Frances because she is our data guru. If she did not know she was our data guru, she knows now—I have just appointed her.

Catherine Frances: The answer to your question is that there is variation locally in what people collect, and quite legitimately so. What Oflog is doing is turning, area by area, to aspects of local government's work and saying, "There may be tens or even hundreds of metrics in a particular area. What are the seven or eight that everybody will have? We know that central Government or another body—maybe the NHS or something—are already collecting, working with councils." Oflog can then pull together a representative data set that represents the range of ambitions and aims that you are trying to achieve as a council in a given area of business.

When Oflog are looking at metrics like that, they first say to us, "We think we should have a metric in the following area." They then work with local government to iterate, through workshops and a process of consulting them, what the most appropriate metric would be. They get other experts in the room when they do that. Interestingly, when they did a waste network set of metrics recently, they had DEFRA as the lead Government Department, local government representatives and the representative bodies like ADEPT—the experts—who really know about this stuff in the local government sector. Together, they came up with a set of metrics. Oflog then represented that back in to central Government and said, "These are the ones we recommend." It is through that iteration and quite close working.

But let there be no mistake: at the moment there is so much data. There is too much data for most members of the public or councillors simply to ask, "How is my council doing compared with somebody else? Let's look at where we are good and let us look at who we might want to copy or learn from." That task of curation and editing is absolutely core to Oflog's work.

Simon Hoare: I go back to this point about iterative development. Oflog should not be confused with being the local government equivalent of the Spanish inquisition. It does not arrive on black horses demanding ideological and doctrinal purity. It is there, as Ms Frances has said—she has referenced waste management and so on—to work across the piece to work out what needs to be done that will have most benefit, rather



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than coming with some top-down diktat to say, “We have decided that this is how you have got to do it, and we have decided how it is going to be.” All of these things will evolve.

I think the outputs will be better, but I also think it is a very sensible way of forging a relationship of trust between the sector and Oflog. There will be disagreements along the way, do not get me wrong, but as a foundation stone, this is imperative.

Q200 Kate Hollern: That trust and support is vital, isn’t it? It is about improving services and proper measures.

Simon Hoare: Yes. Let me say again that Oflog has not been created to beat local government up. It has not been created to name and shame and to castigate. It has been created to deliver digestible data to voters and taxpayers and—alongside other trusted partners—to help that very dynamic and ever-changing sector that we collectively refer to as local government to better meet today’s and tomorrow’s challenges. It is there as a helpful resource to local government and as an advocate of the sector across the piece, and that is also an important role.

Q201 Kate Hollern: I will just finish on this point. Given that it has no KPIs, that is going to add to mistrust about the performance of Oflog.

Simon Hoare: I respectfully disagree because one’s advocacy for it has been gentle, evolving, collaborative, organic, evolutionary, iterative—call it what you will. If Oflog arrived with a predetermined, prescribed set of KPIs and said, “Now, look, this is what we are going to have to measure you against because this is what we are being measured against,” that would be a rather arid exercise and would be likely to get the backs up of local government.

I think the approach that it is using, which we are hugely supportive of, is the right way to go. As I said, either to Mr Betts or to Mr Blackman earlier, it is a judgment call on that—it is a mood music call, if you will. I think we have made the right one. The proof of the pudding will be in the eating, but I am pretty confident that the stance we have taken will deliver the greatest harvest.

Kate Hollern: Time will tell.

Simon Hoare: Time will tell—precisely. Let’s hope, Ms Hollern, that both of us are here to see if the time is right to tell it.

Q202 Chair: Very briefly, on the issue of consistency of data standards, I understand that Oflog will be picking which data it is the best to use for measurement. The problem is that, even the same data is often collected very differently by different authorities. That is something that—if I dare mention it—the Audit Commission used to try to resolve. Is Oflog going to try to do that and to look at how data is collected on a consistent basis between authorities, so that you can measure something meaningful?



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Simon Hoare: That falls within the operational parameters of Oflog, which will clearly have, as one of its key drivers, how they can maximise the benefit that they can derive. If there is clear and demonstrable benefit in a harmonisation of methodology of data harvest and collection, then let them make the analysis and the case for that. I would put that very firmly in their operational court.

Chair: Okay. Let's move on to early warning conversations, which we have touched on already, but let's go into some detail—Mary.

Q203 **Mary Robinson:** In February 2024, Oflog conducted a pilot early warning conversation process with Oxfordshire County Council. Minister, what discussions have you had with Oflog about its learnings from this pilot and how will it be applying these going forward?

Simon Hoare: Conversations that I have had directly? None.

Q204 **Mary Robinson:** What is the outcome of the pilot?

Catherine Frances: The Oflog team have completed the pilot onsite and are in the process now of finalising a report. I have spoken to the chief executive about the learning, and the chief executive of the council has also described publicly some of the learning.

The Oflog team are at pains to discuss that that was a pilot because they wanted to test, iterate, learn and refine their own methodology by going into that council, and to do that in a context where they were not in an early warning conversation in reality, in the sense that it was not a council they were worried about. They were testing the methodology.

I think Oflog have learned some practical things about how they run those processes, and I am sure they will reflect on those. I am not the chief executive of Oflog, so I am probably not the person to give you the detail. When we move to the report stage, I think we will see what they found about the council, as a separate process.

Simon Hoare: In the interests of absolute transparency, Mr Betts, through you, I think one or two people thought that Oxfordshire had been chosen by me because I had been an elected member of Oxfordshire County Council. I did not choose Oxfordshire; I was merely told that Oxfordshire was going to be the pilot. The choosing of the council was nothing to do with me.

Q205 **Mary Robinson:** Thank you for the clarity. Will there be further pilots, or is Oflog still on track to have conducted its first early warning conversations over the summer?

Simon Hoare: We are going to have one in the autumn, isn't that right?

Catherine Frances: My understanding from them is that they have not finalised their plans yet, but they expect that they will do one further pilot, rather than moving straight to a full early warning conversation. As



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the Minister was intimating, I think they are planning on doing the next pilot somewhere in the summer months before doing a final—

Q206 **Mary Robinson:** The learnings from the Oxfordshire pilot will be used to refer to.

Catherine Frances: Yes, in the pilot process, so that they are really comfortable. They are absolutely clear that they do not want to rush that process. It is really important that they do it absolutely right. They have not publicly announced that, but the chief executive has confirmed that is his current expectation.

Simon Hoare: That speaks back to something I hope the Committee will welcome and the sector will welcome as well. Again, it reinforces the fact that they are not operating in a straitjacket and that this is an evolutionary thing. I know that that is frustrating, because you and the sector ask questions about how this is going to be done or what is going to be done with x, y, or z. We do not have all the definitive answers at the moment. We know in broad terms how this thing looks, feels, smells and so on. It speaks back to the importance of evolution, building trust, learning, capturing that learning, reshaping, re-sculpting and moving on.

Q207 **Mary Robinson:** On that, how will the next pilot council be chosen? Obviously, we have had Oxfordshire County Council. Will it be a borough council?

Catherine Frances: Oflog will choose the next council. I cannot answer that, but the chief executive of Oflog would be able to do so.

Q208 **Mary Robinson:** It is difficult for me to ask Oflog questions, because I do not have Oflog here to give the answers to them. You will not know, then, whether Oflog have a shortlist of local authorities.

Simon Hoare: These are operational issues. I think it is perfectly proper that I do not know. I think it is perfectly proper that Ms Frances does not know. I think Mr Goodman has appeared before you; I am not quite sure what the date was, but I think it was relatively recently. I do not want to answer on his behalf, because I do not have the authority to do so, but I am absolutely certain that, were your Clerk—I do not want to make more work for the Clerk—to send him a list of supplementary questions, he would pick those up. I hope that our inability to answer that question underlines what we have been saying with regards to operational independence.

Q209 **Mary Robinson:** We already have the LGA corporate peer challenge, and CIPFA, for instance, has a support package with benchmarking clubs and so on to help local authorities. Oflog seems to cover some of the same sets of metrics and investigations providing information. Is this Oflog early warning conversation going to be just a light-touch version of what is already happening?



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Simon Hoare: I think “light” or “heavy-touch” are subjective terms. Your knowledge as a Committee of the developing challenges to local government will be greater than even Ms Frances’s, and certainly greater than mine. I have never been a one-club golfer—I am not a golfer, but I think most golfers will play a better round of golf if they have more clubs in their bag than just one. Solace, CIPFA, the LGA and Oflog can all, in their various, sometimes complementary, ways help what is a very dynamic sector.

If you are now running an upper-tier council, you are effectively running a multimillion-pound business. If you think of all the resource that a successful business can pull in to advise on its corporate strategy, how to deliver service and so on, there is a whole army of consultants out there who do that work. I make no apology for having multiple options for local government to use to help them improve their offer. If we expect them to run on businesslike lines, they should have access to the resources that businesses have when operating comparably sized budgets.

Q210 **Mary Robinson:** For a poor golfer, a club that is a nine is pretty much the same as a club that is an eight.

Simon Hoare: But different to a putter, I would suggest.

Q211 **Mary Robinson:** In terms of that analogy and the way all these different abilities will help local authorities, with public funding and potentially 100 people being employed by Oflog, it is important that we ensure that there is no duplication where there are other processes in place.

Q212 **Simon Hoare:** Yes, as a matter of principle, and I think those circumstances will weed themselves out. For example, if we had a best value notice or commissioners coming into a local authority, then Oflog coming to knock on the door simultaneously might be seen as eccentric and possibly something to be avoided.

It is the “Who guards the guards?” question, isn’t it, or “Who peer reviews the peer reviewers?”? In terms of having several sets of eyes, given the scale of the issues at hand—which we are alert to because local government tell us about them at every intervention they have with us—I can see that it could potentially go wrong if it is not monitored. But I have every confidence it will go right.

Catherine Frances: Critically, there is a space, exactly as the Minister says, between the corporate peer challenge world, which is almost universal in the sector, and the relatively significant interventions that the Department can undertake, whether they are statutory or non-statutory. There is a space there for a focused conversation, that is exploratory and data-driven in the first case, to say to a council, “There are these worrying signs. What do you want to do about that?” Very sadly, our reflection as a Ministry is that there have been enough cases where it has been difficult in recent years. So, with regret, we think it may have been preferable that someone was having those early warning



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conversations a little earlier. That space is a very productive space for Oflog to be.

Simon Hoare: I think you may have heard in evidence—if I apportion it to Councillor Abi Brown of Stoke incorrectly, then my apologies to Councillor Brown—that the LGA has noticed the issue. Councils are not obliged to have their broader performance reviewed by the LGA with their improvement goggles on, but requests into the LGA from authorities that have been backwards in coming forwards in asking for a review have got a lot faster. Whether that is in preparation for the coming of Oflog or whether councils think that it could be an either/or, I do not know.

However, if it has served no other purpose, it is all to the good that councils have reached out to the LGA that have hitherto tried to look the other way, to say, “We would welcome you coming in and having a look at what we are doing.”

Chair: Moving on to that very point—Mohammad Yasin.

Q213 **Mohammad Yasin:** My question is about supporting local authorities. Local government representatives have told us that Oflog should use early warning conversations and step in only when a local authority is unwilling to engage with LGA’s offer of support through corporate peer challenges. Do you agree with this?

Simon Hoare: No.

Q214 **Mohammad Yasin:** Why not?

Simon Hoare: For the reasons that I have suggested in answer to earlier questions. There is, at least theoretically, considerable benefit in having many eyes trying to look at the same set of problems.

People should not see that in a negative, hostile or adversely challenging light. I am very keen that the sector takes away the message that it is because we have heard what they have said with regards to budgetary issues, meeting service demand and so on that we are fully persuaded that the more hands you have on the pump who are looking to help, identify, advise and so on, the better it is for each individual council.

Q215 **Mohammad Yasin:** Can you clarify whether you will be asking Oflog to publish the reports produced from early warning conversations?

Simon Hoare: I think they have said that they will. Yes, they have already confirmed that. That was an operational decision for them.

Q216 **Mohammad Yasin:** What details would be included in that report?

Simon Hoare: Again, that is probably a question best directed in your ancillary questions to Oflog. I cannot—

Q217 **Mohammad Yasin:** You have no role in it?

Simon Hoare: No.



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Q218 **Chair:** It is all right having multiple hands on the pump, as has been explained, but what happens if the peer review hands are on the pump and Oflog's hands are on the pump at the same time? Is that not going to get rather confusing?

Simon Hoare: No, because many hands make light work.

Chair: Many cooks?

Simon Hoare: It means less strain in the pumping, Mr Betts, and hopefully a greater volume of water as a result. *[Interruption.]* Mr Blackman has found a double entendre where none was intended, I suggest, by the smile on his face.

Bob Blackman: I think you are mixing your metaphors, but never mind.

Simon Hoare: The point I am trying to make is that none of these organisations should be seen as being anything other than helpful. What is there, as a matter of principle, to suggest reticence about more than one doing something, either at any one time or consecutively? I am conscious of the need not to place additional burdens on organisations, by asking for new data and so on, and I am absolutely certain that this will come out through operational evolution. All I can see are considerable benefits to the sector.

Q219 **Chair:** Okay. Some degree of clarity around this issue might be needed at some point, but we will—

Simon Hoare: I do not think I can be any clearer.

Catherine Frances: Just to reiterate, Oflog have been clear that they will be carrying out a relatively small number of early warning conversations. I think that is important context for the Committee to understand, because, of course, corporate peer challenge can be much more widespread.

In answer to your question about whether we know the contents of the report, we are absolutely saying that Ministers, quite rightly, are not going to get involved in that, in the same way as a council would not be involved in the description that Oflog writes in one of its reports, except for factual clarification. Oflog are trying to sit in an independent space and to offer that as a really distinct role in a small number of cases each year.

Q220 **Mohammad Yasin:** Do you have data on how many councils are unwilling to accept the support?

Catherine Frances: The LGA will have data on the corporate peer challenge. But as I said, the early warning conversations, by nature of being triggered by something in the data that causes Oflog to ask a question about whether the organisation is okay or not, are performing a different function to the peer challenges. The LGA will have that data about corporate peer challenges.



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Q221 **Mary Robinson:** When an early warning conversation takes place, who do you anticipate speaking to within a council?

Catherine Frances: It will be done by the Oflog team. I am sorry, but you would have to get Oflog back in to ask them. Once they have done their pilot conversation and their pilot report, that might be the point for them to answer further questions that the Committee has, because they will be able to report on the methodology they have used.

Mary Robinson: Yes, I would like to follow up.

Simon Hoare: Can I just repeat this? I have sat on your side of the table—not you personally, but on the inquisitorial side of the table—and there can be a frustration when a Minister or an official says that you have to go and ask somebody else. I would urge you to derive some benefit from what we have not been able to say—that is not because we are obfuscating, but because we do not know, and it is not proper that we know—in the sense that that, in itself, underlines what we have been talking about all along, which is the independence of operations that Oflog needs to have. It is not a servant of any Minister, and nor should it be. *[Interruption.]*

Chair: Thank you. We are about to have a vote. We will suspend the Committee for 20 minutes, as we will probably have two votes. We will be back at 5.32 pm.

Sitting suspended for Divisions in the House.

On resuming—

Chair: We are back in session now.

Q222 **Kate Hollern:** We heard from experts that the Data Explorer could add most value by including analyses and commentary on national-level trends. How will Oflog ensure that the Data Explorer provides this, rather than simply presenting data on a dashboard?

Simon Hoare: Again, Ms Hollern, it is absolutely right to get that right. How Oflog do it will, of course, be up to Oflog. One of their key tasks is to make sure that whatever they put into the public domain is easily understood by the public—that is, it is devoid of triple-letter abbreviations, acronyms, and local and central Government jargon—to make it as accessible as possible. Again—I am conscious I am sounding a wee bit like a stuck record on this—that is an iterative and organic process. They will work out the words that work, the descriptions that work and so on. I shall leave it to Mr Goodman and his team to pursue that.

Q223 **Kate Hollern:** Anything to add, Catherine?

Catherine Frances: I think the chief executive explained that there will be some level of description on exactly that national basis, drawing some themes out. He also explained that that is some way into the future. The



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priority for Oflog is to get the metrics up and running. But they are thinking about exactly that, I know. It is a good question.

Q224 **Kate Hollern:** How accessible is the site for somebody in Blackburn?

Catherine Frances: I think it is very accessible. If you go on it, you just type in your postcode, and councils pop up in your area. There are different services you can look under and then they have quite a clear pictorial representation of your council relative to other statistically similar councils.

Q225 **Kate Hollern:** When you say “statistically similar,” what do you mean by that?

Catherine Frances: They use underlying statistical neighbours. Basically, you do not look at the council who is just next door to you; you look at other councils across the country that have the same characteristics, in population terms, as your council. When you go on the website you can see that the individual council you look at is highlighted on a distribution, but it also highlights other councils that are similar in terms of the underlying characteristics of the population.

Q226 **Kate Hollern:** Demographics?

Catherine Frances: Exactly. They have used material with other experts in the sector in order to make statistical neighbours. It is quite an established methodology. Of course, it is very important to local government, quite rightly, that you are not compared on an “apples and pears” basis, but you are compared with other councils that face similar opportunities and challenges.

Q227 **Kate Hollern:** Blackburn and Ribble Valley just would not be—

Simon Hoare: That would not be a fair comparison.

Q228 **Kate Hollern:** Minister, have you tried it?

Simon Hoare: What?

Kate Hollern: Had access?

Simon Hoare: No, that is a pleasure I have not availed myself of. I am reserving that for a special treat.

Q229 **Kate Hollern:** Do you know how many members of the public to date have used the Data Explorer?

Simon Hoare: I do not, but I would have thought that Oflog’s data managers would. I am afraid that is another question to ask Mr Goodman.

Catherine Frances: One of the things Mr Goodman said is that Oflog are keen to make the site yet more accessible and user-friendly. He is also reflective of the Committee in that one of the things Oflog are interested in learning from is how many members of the public are using the site.



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Making it more and more accessible is part of their own measurements, in thinking about their success and their impact on people. If a member of the public is using it, that will tell us something.

Kate Hollern: Of course, how many use it today and going forward is measurable, isn't it,?

Catherine Frances: Exactly.

Q230 **Kate Hollern:** Do we know if there has been any feedback from the public?

Catherine Frances: I think it is as covered in the earlier evidence session. I am not sure they have gathered feedback directly from the public themselves. When they talk to practitioners in councils, people have offered helpful insights on how the data is laid out, how to make it yet more transparent and how to make various improvements. Josh Goodman has a team that includes some people who are real experts at data presentation and analytics.

Q231 **Kate Hollern:** Yes, but the Minister said earlier that it was important that the public could read it and understand it.

Simon Hoare: Yes, exactly.

Kate Hollern: So I think it is important to get feedback from users.

Simon Hoare: It would be my hope. We all know that there are lots of ways of engaging the public for feedback, but I would certainly encourage Oflog to pursue the public's feedback on its usability, its usefulness and any suggestions that they might have. It is all well and good operators within the sector going, "Yes, that all looks fine and dandy," because it uses the language we use on a daily basis, not necessarily the language in The Dog & Duck at Blandford Forum. It has to be sense-checked for The Dog & Duck at Blandford Forum in my constituency—I hasten to add that there is not a pub called The Dog & Duck, but there is a town called Blandford Forum.

Q232 **Kate Hollern:** It would be pretty pointless if people can access the same information and understand it another way—it would be pretty much a big waste of money, wouldn't it?

Simon Hoare: It would be missing one of its key goals if the public said, "This is another forum of technical gobbledegook. I am not understanding it. I am switching off. I am going to ignore it." That would be a signal—*[Interruption.]*

Kate Hollern: I think you have to switch off because the bell is ringing for a vote.

Chair: I am afraid we will have to suspend the Committee.

Sitting suspended for Divisions in the House.



On resuming—

Chair: Andrew has some questions about the relationship with the sector.

Q233 **Andrew Lewer:** You touched on some of this earlier in the session, so it is just a case of whether you have anything to add. To what extent are you feeling that the local government sector trusts Oflog? Do you think there has been some significant shift in that, from the intelligence that, as you were describing earlier, you had received from the sector? How will the Department support Oflog to build that trust and buy-in, but do so in such a way that it does not feel like Oflog is purely a departmental creature, given the value that some of our witnesses have placed on the sense of independence that Oflog has?

Simon Hoare: My assessment is that Oflog makes its own way in the world reputationally, and that is really important. There were gradations of hostility and uncertainty—“What’s it for? What is it going to do?” I take my hat off to the work that Mr Goodman and Lord Morse have done and their honest and frank engagement across the sector.

I would say that, in the four months or so that I have observed these things as closely as I have, the temperature has changed very considerably, which is a good thing. I always think it is quite good if both sides tell you the same thing, and I am told by both the LGA and by Oflog that their relationship is warm, cordial, professional, mutually supportive and so on, and that particularly the LGA are not seeing Oflog as a threat.

So this is ongoing. I think this is one of those things where, as Oflog sets down a wider network of roots and matures, that relationship-building will grow. Again, I think it will grow more swiftly because there will be more and more examples of Oflog acting in a dispassionate, independent way.

Q234 **Andrew Lewer:** You would say that the mood of hostility has moved on. Do you feel that the mood of, “Yes, but what is it actually going to do? Will it really add any value?” has also moved on, or is that the next stage?

Simon Hoare: I think it is moving on. Again, the proof of the pudding is in the eating, but from the initial suspicions as to why, you then move to, “What can you do to benefit me?” and put flesh on the bones of the narrative. As time goes by and as it evolves, I think Oflog will self-demonstrate its utility in the space.

Catherine Frances: At officer level, the feeling from the sector, exactly as the Minister said, is of growing acceptance. If I talk to my opposite numbers in councils, what they would say is that there is a real acceptance of the value of some data synthesis and transparency across the sector and an understanding that that can be used to support improvement, like in any sector. People are keen to learn from each other, and some of the stretched chief executives, who have busy jobs, say, “I do not spend enough time looking at straightforward data in a comparative way.” There is quite a positivity about that.



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On the “warn” function of Oflog, there is a regretful but accepting sense that there have been sufficient problems recently, albeit in a minority of councils, that it is helpful to have an organisation that gets into the sector and tries to spot issues before they emerge. Most of the sector, who are obviously mostly excellent, do not want the conversation to be dominated by failure. There is a value in that, and the feedback I get shows an acceptance of that.

Where we have more to do is Oflog’s work to support the sector and support quality improvement and development. I think we all feel that there is more to be done there. As a Department we work with the LGA and others, but it is quite a mixed tapestry of organisations. That is yet to come.

Q235 **Andrew Lewer:** From the discussion earlier about productivity statements, the productivity statement was supposed to have an indication of waste in it. I cannot understand why any local authority would volunteer a statement that they were wasting money or that they had identified waste. That would seem quite a difficult thing for any organisation to front up about.

Simon Hoare: Yes. That is a fair point, but let me give you that example again about procurement. “We know that we could be saving money” is another way of saying, “We know that we are spending money unnecessarily, because our procurement is not as sharp and as focused as it perhaps could be. We do not quite know how to move from A to B. When we see some analysis, the payback time is longer than hoped for and we have found it difficult to move that down.” Now, in essence, that is, I suppose, a waste of money, because it is spending money that could be saved. I suppose it is phraseology. I do not think anybody is ever going to write, “Dear Minister, I must confess I have wasted £750,000 on pink elephants in the park” or whatever it may happen to be.

Q236 **Andrew Lewer:** It will be, “We have found ways to be even more efficient.”

Simon Hoare: Or, “We are identifying ways where we could be more efficient, but we are having difficulty finding ways of delivering it. How can you help?”

Chair: Moving on to the important issue of the independence of Oflog—Ian.

Q237 **Ian Byrne:** Thanks, Chair. Just building on what Andrew was talking about, Minister, which was about trust, we have heard throughout this inquiry that independence is the most important thing Oflog could have to build trust and buy-in. However, some of the evidence that we have had is worrying and may contradict a little bit what you are saying about building up that trust. Hounslow borough said that the level of Oflog’s independence was currently unclear and that clarity around this needed to come to ensure its professional credibility. This District Councils



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Network said Oflog was not currently perceived to be “genuinely independent of Ministers”. Why does the Department refuse to let Oflog be truly independent?

Simon Hoare: I just hope that some of the answers we have not been able to give indicate operational independence, not ministerial or official helicoptering. There is, of course, the potential to create an arm’s length organisation. That is kept under review. However, I think good progress has been made—from a pretty low base mark—in Oflog demonstrating to the sector its operational independence.

Q238 **Ian Byrne:** Why does it remain part of the Department? What reasons are there for that?

Simon Hoare: It is at an initial phase. It is being set up. I think that is right, rather than trying to create something that is a very important body and asking it to be free-standing from day one. I keep using this phrase about the evolutionary approach, and I think we have to have an evolutionary approach on governance as well.

Q239 **Ian Byrne:** If it is seen as another arm of the Government by the stakeholders who wrote in, people will be questioning the value of Oflog if that independence is not there. I know you are saying there is a spirit of independence, which has been mentioned before, and I understand that you are saying it is in its infancy, but is there a timeline for when it will be free of Government interference, potentially?

Simon Hoare: If that was right, I do not necessarily think that it makes Oflog a devalued thing—that it is not entirely divorced from Government at this juncture. Again, it should give comfort, as people understand more and we learn more because there are just more conversations going on, that Ministers do not choose councils. We do not tell Oflog who to go and talk to. We do not tell Oflog who to go and ask, what to ask and so on. That does give operational independence.

As I say, the wider future governance arrangement will always be kept under review. The key jobs that we have in hand are to identify a new interim chairman to take over from Lord Morse and then, of course, to find a permanent chairman of Oflog. All of that governance work walks alongside, and in tandem with, that process.

Catherine Frances: Exactly as the Minister said, the pace means that this was established as an office in DLUHC. Obviously, the levelling-up White Paper was originally clear that we would be committed to a new body. Ministers have been very clear in all of the documentation and in the approach to Oflog about the spirit of independence. We have an emphasis on transparency, robustness and publication while Oflog exists as an office in DLUHC at the moment, for time reasons.

As we mentioned earlier, the Secretary of State has, in remitting Oflog, been very clear that he wants them to act with a spirit of independence.



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A quote from that, “Once I have agreed your final corporate plan for 2024 to 2027, Oflog will be free to deliver that Plan as it sees fit”.

In addition, we were very mindful of the fact that when Lord Morse suddenly had to step down, it was important that the chair was in place, and in place at some pace, for this organisation, given his fundamental role. The Secretary of State has written to the chief executive, who is a civil servant, and instructed him to operate with the same spirit as if he had the independent chair in place. The intention is to keep developing this independence but, as the Minister has said, we are where we are at the moment in the process.

Q240 **Ian Byrne:** Okay. To build that trust, as Andrew talked about, or to build on that trust and move forward in the right manner, the independence element is hugely important—that is what we are getting as a Committee. Without that, Oflog is devalued and potentially not seen as what you want it to be seen as.

Simon Hoare: I see no necessity for it to be devalued. I am not trying to point you into the predetermination of a decision, but in terms of the range of groups that we discussed in earlier questions who help the local government family improve performance, outputs and so on, you could construct an argument that having one with close links to Government might be helpful. Now, that is a philosophical point to take. We have not arrived at any conclusion on that point, and I say that in all sincerity.

Q241 **Ian Byrne:** Okay. Just building on what you said about jobs that need doing and about the chief executive, what about the board? What will the role of Oflog’s board be?

Catherine Frances: The corporate plan for the next phase anticipates an advisory board in Oflog. We are yet to fully constitute that and design it, but I think it would follow lots of the roles that a board normally does in an organisation: to challenge, to support and to do all of those things. I would expect that a board, in the case of Oflog, would have quite a strong role, with the chair, in ensuring that it operates in the spirit of independence and holding some of that space. But we have not gone into the detail of that yet.

Q242 **Ian Byrne:** There is no timeline for the construction of that board?

Catherine Frances: That is not set out yet, no.

Q243 **Ian Byrne:** Okay. Do we have any idea who the Secretary of State plans on appointing to the board?

Simon Hoare: No.

Ian Byrne: No. Thank you, Chair.

Chair: Moving on to the chair of Oflog—Bob.

Q244 **Bob Blackman:** Obviously, Minister, you have set out the position in



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terms of needing to recruit an interim chairman, which we understand, and then a process for a permanent chairman.

Simon Hoare: Yes.

Bob Blackman: What is the timeframe for the selection of the interim chairman?

Simon Hoare: We are working to make an announcement as to who it will be by Whitsun recess.

Q245 **Bob Blackman:** What is the timeline? You are saying Whitsun?

Simon Hoare: By Whitsun recess. Of course, in terms of start date, it would depend on whether they have a notice period to serve and so on. But we are working towards being able to announce the name of the new interim chair by Whitsun.

Q246 **Bob Blackman:** That is about five weeks away. Presumably you have someone in mind.

Simon Hoare: We aim to make an announcement before Whitsun.

Q247 **Bob Blackman:** Is there one person? Three? Five? Are you making approaches or headhunting?

Simon Hoare: It is a public appointment. It has to go through the usual process of a public appointment. The rules will need to be—

Q248 **Bob Blackman:** When is the closing date for applications?

Catherine Frances: We are doing this on a direct appointment basis because it is another interim posting. In the light of Lord Morse, sadly, having to step down, we think it is very important that there is a chair in place fairly promptly for Oflog, for all the reasons we have talked about—having that sense of independence and that anchor of independence. The process that we are following is to use a direct appointment in this context. Now, you will know that, under normal rules for direct appointments, there is an outside time limit that we would normally appoint for, which is up to 18 months. In this case, I think the Minister would anticipate it may be—

Simon Hoare: My anticipation is that the interim chair would be interim chair for no more than 12 months.

Q249 **Bob Blackman:** But, obviously, we do not know at this point of time when that person would start.

Simon Hoare: Correct.

Q250 **Bob Blackman:** This Committee has constantly asked about the opportunity for us to be involved in pre-appointment. I understand completely that, for the interim chairman, that is quite a challenge, but for the permanent appointment, are you going to be prepared to enable this Committee to do exactly what you are asking for—to look for



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independence, transparency and so on—and to have a pre-appointment hearing?

Simon Hoare: Can I break that down into two parts? On the interim appointment, I am very happy that we facilitate a conversation between the new interim chair and you, Mr Betts, on a “getting to know you” basis, because an interim chair is going to have a relationship with this Committee.

There are, Mr Blackman, as I know you know, criteria for the role of permanent chairs, which they have to get over in order to qualify for pre-appointment scrutiny by the relevant Select Committee. We have that position under review. We have heard the request of the Committee loud and clear, and we understand what underpins it. It is under review.

Q251 **Bob Blackman:** When are you going to complete that review?

Simon Hoare: When I tell you yes or no.

Q252 **Bob Blackman:** I realise that. You must have a timeline. Potentially you could appoint an interim chairman, who might end up being the permanent chairman.

Simon Hoare: That is feasible, yes.

Q253 **Bob Blackman:** Then that person would not even have been scrutinised by this Committee as to their suitability for the role.

Simon Hoare: Precisely. As I say, we keep it under review. There are criteria, which are not authored by my Department, with regards to public appointments. We would need to take advice from the relevant team in the Cabinet Office, I think, as to whether this meets the test or not.

My personal, principled stance is that I always see an upside in forging, from an early stage, good relations with the Select Committees one works with and reports to, if you will. If that gives you any indication as to my starting point, you can take that indication.

Q254 **Bob Blackman:** The point I would make is that we have obviously done pre-appointment hearings for other arm’s length bodies from the Department.

Simon Hoare: Yes. It is not one size fits all. There is what you can call a rubric or a criterion that is set out as to whether the position—its role, scope and so on—meets that assessment point.

Q255 **Bob Blackman:** Who makes that decision?

Simon Hoare: That is the Cabinet Office.

Q256 **Bob Blackman:** That is the Cabinet Office. It is not you and it is not the Secretary of State?



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Catherine Frances: We will use the governance code from the Cabinet Office and apply that to this role, and then take a view on that. As the Minister said, there are a few criteria that have to be met. I think what you are saying is that—

Simon Hoare: The Cabinet Office write the bible, and we apply it in the same way that the Department of Health would, or the Department for Education or whoever.

Q257 **Bob Blackman:** You are intimating that you are in favour of us having that pre-appointment hearing?

Simon Hoare: Well, no. I always see merit, and I have mentioned the facilitation of an informal conversation between the Chairman of the Committee and the new interim—

Q258 **Bob Blackman:** An informal discussion is one thing because, obviously, that is a sensible relationship. Indeed, Lord Morse, when he was interim chairman, came around, I think, to all the members of the Committee on a one-to-one basis to explore what our expectations were. That is perfectly reasonable. That is a private conversation.

What I am talking about is a public hearing where we examine the person and their ability and suitability to take on the role. Particularly given the view that you have given, quite rightly, that this will be independent of Government, at arm's length, we would want to ensure that that was the case.

Simon Hoare: Well, if the Cabinet Office appointment rules allow it, then it will happen. If they don't, it won't.

Q259 **Chair:** The thing is that the rules have not changed much in the last year, as I understand it, and the review has been going on for at least a year.

Simon Hoare: That may be so, but that is the hand of cards I am dealt and, dare I say it, that is the hand of cards you are dealt. Can things be done better or more speedily? I have little or no doubt, but that is the process that we have at the current time, and that is the one to which we are operating. If it changes, we would, of course, abide by any new guidance that was forthcoming.

Q260 **Mary Robinson:** I am moving slightly on, if I may, to the chair of Oflog and his or her responsibilities. A person may, in the course of an early warning conversation, raise an issue of a whistleblowing nature. As I understand it, Oflog is not set up as a prescribed body, or the chair would not be a prescribed person under our existing legislation. I am concerned about how that person, who may be in a local authority, could raise an issue that could be to do with fraud, procurement or something that strays into an area where they would expect to have their disclosure protected. What remit do you see the chair and Oflog having?

Simon Hoare: I will ask Catherine to pick that up.



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Catherine Frances: Thank you. This line of questioning was very helpful, I know, in the hearing with Lord Morse and Josh Goodman. As you know, there are individuals and organisations in the local government sector who are nominated to deal with whistleblowing concerns and so on. What Lord Morse said in that hearing, which is something I absolutely concur with, is that we need to make sure that Oflog is in a position to deal in exactly the right way with any such queries that are raised, to enforce all of the whistleblowing protections that are normally in place. We learned from the conversation in that hearing and found that very helpful. Lord Morse was, of course, already thinking about this and, just to assure you, we will carry on working on it. We totally understand its importance.

Q261 **Mary Robinson:** Thank you. Could it acquire some status of its own, or are we talking about it simply being signposting?

Catherine Frances: I would not want to predetermine what the answer is, but it certainly may be the latter. I do not know. We will need to work that out.

Q262 **Chair:** Thank you, everyone, very much for the questions. Minister, thank you very much for the answers you have given us this afternoon.

Just to follow on from your comments at the beginning about Lord Morse, we all want to thank him for the work he has done in a challenging situation to get this organisation up and running and to generally keep good will among all parties. We want to send him our best wishes, given the health issues that have forced him to step down.

Simon Hoare: Indeed. He is a great loss to the organisation, but I know, Chairman, that he will appreciate the remarks you have just put on the record.

Chair: We will formally write to him on those grounds as well.

Simon Hoare: Thank you very much indeed.

Chair: That brings us to the end of our public proceedings for today.