



Ministry of Housing,  
Communities &  
Local Government

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*Dear Clive,*

### **Enhancing oversight of local authority governance**

Local Government is at the forefront of delivering sustainable and quality public services for all. My Department, along with the sector itself has a role to play in ensuring the sector is best placed to meet the challenges ahead. Beyond securing a sustainable financial settlement for the sector, we must ensure the broader policy framework functions to ensure local government acts appropriately to secure better outcomes for the communities they serve. I would like to take this opportunity to set out how my department will enhance the approach we take to oversight of the accountability system for local government we develop for the future.

The National Audit Office's recent report on local governance clearly sets out that the frameworks in which local government operates is functioning but is increasingly under pressure. It also sets out a number of helpful challenges to the department around the effectiveness of the accountability system, including, for example, in relation to the role and status of statutory officers, audit committees, overview and scrutiny, and the internal audit function.

In responding to these, we want to take a positive approach and enhance how we work with the sector on these issues.

The approach we take starts from some key principles. Firstly, a localist one: that local government is independent of central government and that it is not therefore for central government to manage the performance of local authorities.

Secondly, we recognise that the accountability framework for local government is distributed across a wide range of partners. Some of the components of the framework, such as local authorities' codes of conduct, oversight and scrutiny committees and the internal audit function, sit with local authorities themselves. Others


are owned by professional bodies such as CIPFA and still others set in legislation or codes of practice issued by central Government departments. This distribution of responsibility is a strength of the system.

Within that context, though, a range of growing pressures on local governance arrangements, including rising demand for services necessitating new delivery models, with new approaches to local partnerships, and a range of approaches to commercial activity arising from the general power of competence, mean that it is appropriate to look again at how we support governance in local authorities and exercise a system stewardship role in relation to the local authority accountability system.

We therefore want to enhance our role on oversight of the system. We propose to:

- play a clearer role as conveners of the accountability framework overall, bringing partners together in an accountability framework panel, with a remit to review the accountability framework as a whole and ensure it remains fit for purpose; and
- work more closely with our partners in other Government departments to build a richer picture of the issues and challenges in individual local authorities, built on a more transparent data set.

To this end I am also writing to Lord Porter at the Local Government Association and have copied you into that letter.

Yours ever,  


**RT HON JAMES BROKESHIRE MP**