



Department for
Communities and
Local Government

Strengthening Local Government Transparency

Consultation on changes to the Local Government
Transparency Code 2015



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1. Scope of the consultation

A consultation paper issued by the Department for Communities and Local Government on behalf of the Secretary of State

Topic of this consultation:	This consultation paper sets out the Government's proposals for updating the Local Government Transparency Code 2015.
Scope of this consultation:	<p>The Department for Communities and Local Government is consulting on proposals to update the Local Government Transparency Code 2015, in particular to change the way that local authorities record details of their land and property assets, and publish information about their procurement, their contracts and the delivery of some of their services. We are also proposing to include in the Code new requirements about information on parking charges and enforcement and about the way transparency data is published and presented. Finally, we are proposing to include in the Code recommendations that local authorities publish information about their dealings with small and medium-sized enterprises.</p> <p>Any change to the Local Government Transparency Code requires secondary legislation to revoke the existing Code and put a new, updated, Code in place.</p>
Geographical scope:	The Local Government Transparency Code 2015 applies to certain authorities in England, including local authorities, National Park Authorities and fire and rescue authorities.
Impact Assessment:	No impact assessment has been produced for this consultation. The consultation asks about the impact any new requirements will have on the authorities that are subject to the Local Government Transparency Code.

Basic Information

To:	This consultation is open to everyone. We particularly seek the views of individual members of the public, of those bodies that are subject to the requirements of the Local Government Transparency Code, of those bodies that represent the interests of local authorities at all levels, and of those bodies that have an interest in transparency.
Body responsible for the consultation:	The Conduct and Council Constitutions Team in the Department for Communities and Local Government is responsible for conducting the consultation.
Duration:	The consultation will begin on 12 May 2016. The consultation will run for 8 weeks and will close on 8 July 2016. All responses should be received by no later than 8 July 2016.
Enquiries:	<p>During the consultation, if you have any enquiries, please contact:</p> <p>Jim Jobe email: jim.jobe@communities.gsi.gov.uk TEL: 0303 44 42556</p> <p>How to respond: Please respond by email to:</p> <p>TransparencyCode@communities.gsi.gov.uk</p> <p>Alternatively, please send postal responses to:</p> <p>Jim Jobe Department for Communities and Local Government 2nd Floor, NE, Fry Building 2 Marsham Street London SW1P 4DF</p> <p>Responses should be received by close on 8 July 2016.</p>
How to respond:	<p>You can respond by email or by post.</p> <p>When responding, please make it clear which questions you are responding to.</p> <p>When you reply it would be very useful if you could confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:</p> <ul style="list-style-type: none">- your name

- | | |
|--|---|
| | <ul style="list-style-type: none">- your position (if applicable)- the name and address of your organisation (if applicable)- an address, and- an e mail address (if you have one) |
|--|---|

2. Introduction

1. The Department for Communities and Local Government is consulting on proposals to update the Local Government Transparency Code 2015 ('the Code'), in particular to change the way that local authorities record details of their land and property assets, and publish information about their procurement, their contracts and the delivery of some of their services. We are also proposing to include in the Code new requirements about information on parking charges and enforcement and about the way transparency data is published and presented. Finally, we are proposing to include in the Code recommendations that local authorities publish information about their dealings with small and medium-sized enterprises.

2. The government believes not only that transparency is the foundation of local accountability, the key that gives people the tools they need to hold their councils to account, but also that the availability and format of certain data can provide new opportunities for analysis of public spending and the management of public assets.

3. Since 2010 town hall transparency has improved greatly. The changes to the Code proposed in this consultation are the next step in further improving town hall transparency and further increasing the accountability of those entrusted with the stewardship of public resource and assets.

The Local Government Transparency Code

4. In 2011 the government issued the Code of Recommended Practice for Local Authorities on Data Transparency, to place more power in citizens' hands, to increase democratic accountability and to make it easier for local people to contribute to the local decision making process and help shape public services.

5. The scope and content of the 2011 Code of Recommended Practice for Local Authorities on Data Transparency was reviewed in 2012, with the Department consulting on a proposed update of the Code. As a result of the consultation, the Government published a revised Local Government Transparency Code in October 2014, and further updated the Code in February 2015.

6. Since October 2014, compliance with Part 2 of the Code has been mandatory. The Local Government Transparency Code 2015 requires certain authorities to publish certain information, and recommends that those authorities publish certain other information.

7. The Code requires that authorities publish, on a quarterly basis, details of expenditure exceeding £500, government procurement card transactions and information about procurement and contracts.

8. The Code requires that local authorities publish, on an annual basis, information about local authority land, social housing assets, grants to voluntary, community and social enterprise organisations, their organisation chart, details of trade union facility time, their

parking account, details of the number of parking spaces in the local authority, local authority senior salaries, the local authority's constitution, the pay multiple in the local authority and details of local authority fraud detections.

9. The Code recommends that local authorities go further than the minimum requirements for expenditure, procurement, land, parking spaces, local authority organisation, grants and fraud prevention.

10. Data published as a requirement, rather than a recommendation, must be published in open and machine-readable formats. However, no particular format for the presentation of the data is stipulated, nor does the Code mandate exactly where local authorities should publish all their data. In practice, most local authorities publish their transparency data on their own websites.

11. The original purpose of the Code was to place more power into citizens' hands to increase democratic accountability by requiring local authorities to publish certain information about financial transactions and assets, allowing the public to access this key data, so enabling the public to more effectively engage with, and challenge, their local authority.

12. Local data is valuable. Making the best use of local data to ensure that public money and assets are being effectively managed requires going beyond the original requirements and intention of the Code with its focus on the publication of local data on local websites for local use. Certain local data produced by authorities can be of more use if it is published in a manner that allows analysis not just at a local level, but at a national one too.

13. It is thus proposed that the Local Government Transparency Code 2015 be updated to provide the opportunity for greater town hall transparency and also to enhance scrutiny of the use of public assets and resources, including through better comparison of data.

14. The Local Government Transparency Code 2015 is available at:
<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

3. Proposed changes to Part 2 of the Local Government Transparency Code 2015 – Information which must be published

Land

Existing provisions

15. The Local Government Transparency Code 2015 requires that local authorities publish, on an annual basis, details of all land and building assets including all service and office properties occupied or controlled by user bodies, both freehold and leasehold, any properties occupied or run under Private Finance Initiative contracts, all other properties local authorities own or use, garages unless rented as part of a housing tenancy agreement, surplus, sublet or vacant properties, undeveloped land, serviced or temporary offices where contractual or actual occupation exceeds three months and all future commitments, for example under an agreement for lease, from when the contractual commitment is made. The land or building asset in question is identified by reference number, address and map reference.

Proposal

16. In the Spending Review 2015 the government committed to consulting on updating the Transparency Code to require all local authorities to record details of their land and property assets in a consistent way on the government's electronic Property Information Management System (ePIMS).

17. The government considers that collecting data on local authority land in a central space would allow for a more strategic consideration of how public land can best be used and enable closer collaboration with central government and the wider public sector. This is important if we are to use land and property as enablers for local growth including housing growth, better services and to create efficiency savings that can be reinvested.

18. To ensure greater and more collective transparency, it is proposed that the data would be publically available on the Government Property Finder, which is currently used for central government data.

19. We propose that the Code be modified to require the annual publication of land and building asset data to ePIMS, rather than to local authority websites. In practice, local authorities would need to fill out and submit to Cabinet Office, via email, a standard Excel spreadsheet, which the department would then upload to the ePIMS system.

20. We are clear that this proposal will entail only the publishing of data to a different place, in a fixed format, rather than any new data collection requirement. As a

consequence, this may not result in new burdens and may instead result in savings and wider benefits to the local authority; including:

- access to data on central government land and buildings creating collaboration between central and wider public sector
- advance information of surplus land before it is disposed of outside of government
- detailed property searching and mapping, including land registry titles of all land packages and vacant land and property
- free access for all users - local authorities will not have to establish their own systems at their own cost
- standardised and consistent data capture, which allows for better estate planning and management between public sector bodies
- benchmarking capability
- further improvements and technical additions to the e-PIMS system to support and provide a wider functionality for local authorities
- support from Cabinet Office

Q1: Do you agree that authorities should record details of their land and property assets in a consistent way on ePIMS?

Q2: What do you consider are the benefits/disbenefits of authorities recording details of their land and property assets in a consistent way on ePIMS?

Q3: Can you quantify the added cost or saving to your authority of publishing this data to ePIMS rather than publishing it on your own authority's website?

Q4: Can you quantify the added or saved man-hours involved in your authority publishing this data to ePIMS rather than publishing it on your own authority's website?

21. In terms of collecting new data, we propose that in addition to the existing data on land and property assets published by local authorities, local authorities also publish, on ePIMS:

- the extent of the land in hectares for each piece of land
- whether that land is surplus to requirements
- whether there are current or future plans to release the land for housing development
- if there are plans to release the land for housing development, what is the current planning status
- if there are plans to release the land for housing development, how many homes can be accommodated, and
- for properties of 10,000 square foot or larger, the floor area of that property, the number of floors and the number of car parking spaces that property has.

22. We understand that suitability of land for housing may be a subjective judgement. However, local authorities should be able to make that judgement and rely on their housing plans. By planning status we mean what the existing permitted land use for that land is, and, if an application is in preparation or submitted for a change to housing use,

what stage that application is at. Where plans do exist for the release of land for housing development, we consider that there will usually have been an assessment of how many homes can be accommodated.

Q5: Do you agree that authorities should record the additional data proposed above, in a consistent way on ePIMS?

Q6: What do you consider are the benefits/disbenefits of authorities recording the additional data proposed above, in a consistent way on ePIMS?

Q7: Can you quantify the added cost, if any, to your authority of publishing this additional data?

Q8: Can you quantify the added man-hours, if any, involved in your authority publishing this additional data?

Procurement

Existing provisions

23. The Code currently requires local authorities to publish certain procurement data quarterly, including details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5k and details of every contract, commissioned activity, purchase order or framework agreement with a value that exceeds £5k. This data must be published on a quarterly basis.

Proposal

24. Updating the Code provides an opportunity to increase the consistency of local government procurement data, including contracts data, through the development of a national reporting mechanism.

25. Increasing the standardisation and transparency of procurement and contract data, for instance by publishing to a central source, such as data.gov.uk, which is designed for this purpose, would enable the data to be more easily interrogated for the purpose of detecting fraud, bribery and corruption.

26. Moreover, the Government considers that the chances of detecting procurement fraud would be enhanced if local authorities were to publish their procurement data in a more prescriptive format. Publishing procurement and contract data from different local authorities in a fixed format would enhance comparability, enabling the data to be more easily interrogated.

27. We are clear that local authorities will continue to publish procurement and contract data, just as they do at present, but publish it in a fixed format to a central source. The data would remain, as it is at present, in an open and machine-readable format.

28. This central source could also house procurement data from central government. This would allow the central source to undertake the analysis of local and central government procurement and contract data to help increase transparency and allow for the comparison of data to spot markers of fraud and corruption in public procurement.

29. Such an approach not only brings potential benefits in the detection of fraud and corruption, but the increased transparency and ability to compare data would allow local authorities to compare their own procurement with other local authorities on a national basis, allowing local authorities to get a better deal for the taxpayer.

Q9: Do you agree that authorities should publish procurement data in a fixed format to a central source?

Q10: What do you consider are the benefits/disbenefits of publishing procurement data in a fixed format to a central source?

Q11: Can you quantify the added cost or saving to your authority of publishing this data in a fixed format to a central source rather than publishing it on your own authority's website?

Q12: Can you quantify the added or saved man-hours involved in your authority publishing this data in a fixed format to a central source rather than publishing it on your own authority's website?

Contracts

Existing provisions

30. The Local Government Transparency Code 2015 requires local authorities to publish details of their existing waste collection contracts.

31. The Code also requires local authorities to publish details of any contract, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000. The local authority must publish details of the contract reference number, title, the local authority department responsible, the description of goods and services being provided, the supplier name and details, the value of the contract, VAT that cannot be recovered, the start, end and review dates of the contract, whether or not the contract was the result of an invitation to tender and whether the supplier is a small or medium-sized enterprise.

Proposal

32. A local authority should go through due process when making decisions to ensure they are providing high-quality, value-for-money services for council taxpayers. Where decisions are made regarding the deployment of 'in-house' services, the costs and benefits of these decisions should be documented and made available. Given the Code already obliges local authorities to provide details of contracts with external providers, this

levels the playing field where transparency is concerned. A local authority should be able to demonstrate a clear and transparent approach to service and cost evaluation using robust data, quality comparators and a clear options assessment and therefore be able to justify to its residents why its services are being provided in-house rather than a private company. It is expected that local authorities already do this analysis when taking insourcing decisions, and in many cases already make it public (for example, through cabinet papers). This requirement would ensure that the information is readily available in one place on the council's transparency website.

33. We therefore propose that the Code be updated to require local authorities with 'in-house' services to provide a one-off set of information for their local residents which sets out details of the in-house service and justifies to residents that the service is being delivered cost-effectively.

34. Specifically, a local authority should publish, within one month of taking such a decision:

- information on how it has 'tested' its in-house provision against the market to ensure the service is being delivered cost-effectively. Local residents should get the best possible value for money service
- assumptions of the operational costs of the service
- where appropriate, other relevant assumptions: for example, in a waste services context, those relating to household recycle sales and assumptions about future revenues from recycling and business waste collections.

35. The local authority should set out for how long the current in-house service is expected to be in place and should reassess the costs and benefits of in-house services against provision by private firms after an appropriate time period – for example, every 7 years

36. This information should be presented on authorities' transparency websites, with the relevant information (including the above) contained in a single document and clearly labelled.

37. In order to minimise burdens for local authorities, this requirement could be limited to services above a threshold – for example, contracts with a value in excess of £500,000.

Q13: Do you agree that authorities should publish information about the decision making process of retaining, or taking, a service 'in house'?

Q14: What do you consider are the benefits/disbenefits of publishing information about the decision making process of retaining, or taking, a service 'in house'?

Q15: Should the requirement apply to all services, or should it apply to specific key services - such as waste services, leisure services and human resources where a decision has been made to provide the service in-house?

Q16: If the requirement were to apply to all services, what should the threshold be for the value of these services?

Q17: What aspects of this requirement will give rise to burdens for local authorities and how can these be minimised while still increasing transparency?

Q18: Can you quantify the added cost, if any, to your authority of publishing this data?

Q19: Can you quantify the added man-hours, if any, involved in your authority publishing this data?

Parking

Existing provisions

38. The Local Government Transparency Code 2015 requires that local authorities must publish, on their website, or place a link on their website to this data if published elsewhere, a breakdown of income and expenditure on the authority's parking account. The breakdown of income must include details of revenue collected from on-street parking, off-street parking and Penalty Charge Notices. Local authorities must also publish a breakdown of how the authority has spent a surplus on its parking account.

Proposal

39. Department for Transport (DfT) guidance requires local authorities that enforce parking to produce an annual report about their enforcement activities within six months of the end of each financial year. The report should cover financial, statistical and other data reflecting the revenues received from their parking operations. DfT require this data to help develop parking policy and there is a concern that the data being supplied is not as comprehensive as it should be, and most local authorities do not feel obligated to do so.

40. Accordingly, we propose that the requirements to publish data relating to a local authority's parking account be expanded to include greater detail about parking charges as well as statistics about the enforcement of parking restrictions by the local authority.

Specifically, we are proposing that local authorities are required to provide data on:

- total income and expenditure on the parking account kept under section 55 of the Road Traffic Regulation Act 1984, and Off-street parking charges and penalty charges which are not covered under section 55 Road Traffic Regulation Act 1984.

Breakdown of income:

- on-street parking charges
- on-street penalty charges
- off-street parking charges
- off-street penalty charges

Breakdown of:

- total surplus or deficit on the parking account
- action taken with respect to a surplus or deficit on the parking account
- details of how any financial surplus has been or is to be spent, including the benefits that can be expected as a result of such expenditure.
- breakdown of running costs of parking provision outside of the section 55 account

Statistics

- number of higher level penalty charge notices issued
- number of lower level penalty charge notices issued
- number of penalty charge notices paid
- number of penalty charge notices paid at discount rate
- number of penalty charge notices against which an informal or formal representation was made
- number of penalty charge notices cancelled following an informal or a formal representation
- number of penalty charge notices cancelled following an appeal made to an adjudicator.
- number of penalty charge notices written off for other reasons (e.g. an error by the civil enforcement officer or driver untraceable)
- number of vehicles immobilised
- number of vehicles removed

Q20: Do you agree that authorities should publish further details of their parking finances and enforcement?

Q21: What do you consider are the benefits/disbenefits of publishing the parking data as set out above?

Q22: Can you quantify the added cost, if any, to your authority of publishing this additional data?

Q23: Can you quantify the added man-hours, if any, involved in your authority publishing this additional data?

Method of publication

Existing provisions

41. The Local Government Transparency Code 2015 requires that local authorities must publish data in a format and under a license that allows open re-use, including for commercial and research activities. Data that is covered by Part 2 of the Code, that is, data that must be published rather than data that it is recommended is published, must be published in open and machine-readable formats.

Proposal

42. We consider that navigating to local authority transparency data should be a straightforward matter. Accordingly, we propose that local authorities should have a link to a common 'landing page' where the public can find all the transparency data required by the Transparency Code, as well as that transparency data that is published because the Transparency Code recommends it.

43. Moreover, we consider that it would be beneficial for those seeking transparency data if all local authorities were to use a common template web page that lists the data required by the Transparency Code, with links to that data that the public can click on to access the data.

Q24: Do you agree that authorities should ensure that their transparency data is clearly signposted and easy to navigate?

Q25: What do you consider are the benefits/disbenefits of prescribing a fixed format for local authorities to present their transparency data?

Q26: Can you quantify the added cost, or saving, if any, to your authority of establishing a transparency page on your authority's web site?

Q27: Can you quantify the added man-hours, or saving, if any, to your authority of establishing a transparency page on your authority's web site?

44. As proposed already in this consultation, the government considers there may be merit in the publication of certain local authority data in a standardised format and to a central source. Publishing local authority data in a standardised format to a central source facilitates easier analysis, comparison and benchmarking of that data. The government proposes that such standardisation of publication to a central source be extended to local authority data such as expenditure exceeding £500, housing asset values, grants to voluntary, community and social enterprise organisations, senior salaries, pay multiples and fraud.

Q28: Do you consider that the publication of certain local authority data in a standardised format to a central source will facilitate analysis, comparison and benchmarking of that data?

Q29: Can you quantify the added cost, or saving, if any, to your authority of publishing the proposed data in a standardised format to a central source?

Q30: Can you quantify the added man-hours, or saving, to your authority of publishing the proposed data in a standardised format to a central source?

Compliance with the Code

45. Since October 2014, compliance with Part 2 of the Code has been mandatory. The Code is intended to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Authorities should then publish the information required by the Code. We are seeking views, particularly from those who use the Code, on how compliance with the Code might be measured and enforced.

Q31: How should compliance with the Code be measured and enforced?

4. Proposed changes to Part 3 of the Local Government Transparency Code 2015 – Information recommended for publication

Small and Medium-Sized Enterprises

Existing provision

46. The Local Government Transparency Code 2015 requires local authorities to publish details of any contract, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000. The details that must be published include whether or not the supplier is a small or medium-sized enterprise.

Proposal

47. The government is committed to one third of central government procurement spend going to small and medium-sized enterprises by 2020. Central government already publishes what percentage of procurement spend goes to small and medium-sized enterprises on an annual basis.

48. We are clear that it is right that local authorities should do the same. The Code already requires local authorities to identify where contracts over £5,000 are awarded to small and medium-sized enterprises.

49. We propose that the Code be modified to recommend that local authorities publish, on an annual basis, what percentage of their procurement spend goes to small and medium-sized enterprises.

50. Moreover, in line with the government's commitment to creating a supportive environment in which businesses can flourish, we propose that the Code be modified to recommend that local authorities publish data on the time taken for local authorities to pay undisputed invoices from small and medium-sized enterprises.

Q32: Do you agree that the Transparency Code should recommend that authorities publish information about their dealings with small and medium-sized enterprises?

Q33: What do you consider are the benefits/disbenefits of authorities publishing details about their dealings with small and medium-sized enterprises?

Q34: Do you think that publishing this data should be a requirement rather than a recommendation?

Q35: Can you quantify the added cost, if any, to your authority of publishing this data?

Q36: Can you quantify the added man-hours, if any, involved in your authority publishing this data?

About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.
Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact DCLG Consultation Co-ordinator.

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