



About LLG & AMO

Lawyers in Local Government (LLG) is the professional membership body representing, promoting and supporting the interests of local government legal or governance officers working within a local authority.

The Association of Monitoring Officers (AMO) is the new national professional voice and support network for Monitoring Officers and Deputy Monitoring Officers aimed to promote excellence in local government governance.

This consultation response has been prepared on behalf of both organisations following engagement with our membership. References to LLG should be read to include representations on behalf of AMO.

1. General Comments

- 1.1 LLG welcomes the Government's proposed revisions to the Best Value Statutory Guidance and particularly supports the shift towards prevention, self-assessment, early intervention and strengthened governance arrangements. We agree that councils should be supported to identify and address emerging risks before they develop into systemic organisational failure.
- 1.2 However, we believe the revised guidance should place greater emphasis on the central role of legal and governance functions in securing Best Value.
- 1.3 The guidance would also benefit from significant simplification. In its current form it risks becoming too lengthy and complex to achieve its intended purpose. If authorities are expected to engage meaningfully with and apply the guidance, it must be accessible, readable and capable of being readily understood by members, officers and governance professionals. LLG would encourage the Government to reduce the overall length of the guidance substantially and consider publishing a concise summary document highlighting the key expectations and principles.
- 1.4 Whilst financial sustainability and organisational performance are rightly recognised, the guidance should more explicitly acknowledge that lawful, transparent and accountable decision-making is a prerequisite for achieving Best Value. Equally, effective democratic governance should be recognised as a core component of Best Value. Local authorities derive their legitimacy from democratically elected members making decisions on behalf of their communities, supported by professional officer advice. Strong governance



arrangements should therefore support democratic accountability rather than simply organisational compliance.

- 1.5 Experience from local authority interventions consistently demonstrates that governance failures often emerge before financial or service failures become apparent. Strong governance arrangements, underpinned by empowered statutory officers, effective scrutiny and a culture of constructive challenge, are therefore essential preventative mechanisms.

2. The Role of the Monitoring Officer

- 2.1 LLG welcomes the greater focus on governance within the draft guidance. Nevertheless, the statutory role of the Monitoring Officer could be strengthened further.
- 2.2 The Monitoring Officer has a unique statutory responsibility to ensure legality, constitutional compliance, ethical governance and standards of conduct. These responsibilities place Monitoring Officers at the heart of organisational assurance and risk management.
- 2.3 We recommend that the final guidance:
 - Explicitly recognises the Monitoring Officer as a key source of assurance regarding organisational governance and institutional health.
 - Requires evidence that Monitoring Officers have direct access to senior decision-makers and elected leaders.
 - Recognises that Monitoring Officers must be engaged at the earliest stages of policy development, transformation programmes and major commercial decisions.
 - Encourages authorities to undertake periodic reviews of Monitoring Officer capacity, resilience and access to specialist legal support.
 - Recognises the importance of organisational arrangements that enable Monitoring Officers to provide independent advice, raise concerns and challenge decision-making without fear of undue pressure or detriment. The ability of statutory officers to speak openly and provide candid professional advice is a critical component of effective governance and organisational resilience.
 - Recognises the role of Deputy Monitoring Officers and other senior governance professionals in supporting organisational assurance, resilience and continuity of statutory governance functions.

- Encourages authorities to ensure Monitoring Officers possess appropriate professional knowledge, skills and experience and to support ongoing professional development through maintaining membership of a recognised professional body, reflecting the importance and specialist nature of the role.
- Recognises the importance of Monitoring Officers having access to organisational performance information and core performance metrics, enabling governance considerations to inform organisational performance management and improvement activity.

2.4 Authorities should be encouraged either to embed governance considerations within their core corporate performance framework or to develop specific governance metrics capable of demonstrating organisational governance health and resilience.

3. The Golden Triangle of Statutory Officers

3.1 LLG strongly supports the principles set out in the LLG/CIPFA/SOLACE Code of Practice concerning the relationship between the Head of Paid Service, Monitoring Officer and Chief Finance Officer. The effectiveness of this "golden triangle" is one of the strongest indicators of organisational resilience and good governance.

3.2 We recommend the guidance expressly recognises that:

- Regular formal meetings between the three statutory officers should be regarded as an element of good governance.
- The three statutory officers should have unfettered access to information, senior leadership discussions and decision-making processes.
- Authorities should periodically assess the effectiveness of relationships between statutory officers as part of their governance assurance framework.
- Any restrictions on the ability of statutory officers to discharge their functions should be treated as a potential Best Value concern.
- Authorities should ensure an appropriate balance of resourcing between the three statutory officer functions. The effectiveness of the golden triangle may be compromised where one statutory officer function lacks



sufficient capacity, expertise or organisational support relative to the others.

- Authorities should periodically assess whether each statutory officer function has access to equivalent organisational influence, information and resources necessary to discharge its respective responsibilities effectively.

4. Resourcing and Independence

- 4.1 The revised guidance should place greater emphasis on the need for authorities to properly resource statutory officer functions.
- 4.2 Several intervention reports have identified instances where governance, legal or financial oversight functions lacked sufficient capacity to provide effective challenge. The statutory responsibilities of Monitoring Officers and Section 151 Officers can only be exercised effectively where appropriate staffing, professional expertise and organisational support are available.
- 4.3 The guidance should recognise that organisational independence is not secured solely through reporting lines and formal responsibilities. Independence can also be undermined where statutory officer functions are inadequately resourced in comparison to other corporate functions, limiting their ability to provide effective challenge and assurance.
- 4.4 LLG recommends that the final guidance should:
 - Specifically reference the requirement to provide statutory officers with sufficient resources to discharge their duties.
 - Encourage periodic external review of governance capacity and capability.
 - Recognise professional development and succession planning as key elements of organisational resilience.
 - Encourage authorities to maintain adequate resilience within governance functions through appropriately empowered Deputy Monitoring Officers and senior governance professionals.
 - Promote succession planning arrangements that extend beyond the statutory officer postholder to include wider governance leadership capacity.

5. Decision-Making Quality

- 5.1 LLG supports the draft emphasis on evidence-based decision making. We recommend strengthening the guidance by recognising the role of legal assurance in achieving Best Value.
- 5.2 Best Value is not solely concerned with outcomes and efficiency. Decisions must also be lawful, procedurally fair, transparent and capable of withstanding public scrutiny.
- 5.3 The final guidance should therefore encourage authorities to ensure that:
- All significant decisions receive appropriate legal, financial and governance advice.
 - Alternative options are properly considered and documented.
 - Equalities, risk management and public law considerations are fully incorporated into decision-making processes.
 - Governance assurance forms a routine component of organisational self-assessment.

6. Shared Services, Partnerships and Alternative Delivery Models

- 6.1 LLG welcomes the draft's recognition of governance risks associated with partnerships and external bodies. Local authorities increasingly deliver services through shared arrangements, companies and partnership structures. These models can deliver innovation and value but often create governance complexity.
- 6.2 The guidance should therefore require authorities to consider:
- Governance arrangements within shared service models.
 - Oversight of council-owned companies, arm's-length entities and joint ventures, including clear separation between the authority's shareholder role and company director responsibilities.
 - Conflicts of interest involving officers and members.
 - Adequacy of legal and governance assurance across partnership structures.
 - Assessment and management of conflicts arising between shareholder, commissioning and company board functions.

- Consideration of the competence, expertise and training of members and officers appointed as company directors.
- Appropriate governance arrangements to ensure individuals appointed to company boards understand and discharge their legal duties as directors.

6.3 A number of local authority company failures have highlighted the need for robust company governance arrangements, clear accountability structures and a thorough understanding of directors' responsibilities.

7. In Summary

7.1 LLG supports the overall direction of the revised guidance and particularly the move towards prevention, self-improvement and early support. However, we believe the final guidance would be strengthened by a more explicit recognition that effective governance is not merely a component of Best Value but one of its essential foundations.

7.2 The Government should therefore place greater emphasis on:

- The statutory role of Monitoring Officers.
- The effectiveness of the golden triangle of statutory officers.
- Independence and resourcing of governance functions.
- Governance assurance as a core indicator of organisational health.
- The importance of lawful, transparent and evidence-based decision making.

7.3 By doing so, the guidance would better support authorities in identifying and addressing governance weaknesses before they escalate into wider organisational failure because strong governance is not a compliance exercise, but a critical enabler of sustainable organisational performance and public trust.

Consultation Response

Question 1

Do you agree with the scope of this guidance?

Response: Yes, with some caveats.



- Q1.1 LLG supports the broad scope of the revised guidance and welcomes its emphasis on prevention, organisational resilience, self-assessment and early intervention. The guidance appropriately recognises that Best Value extends beyond financial sustainability and service performance to encompass leadership, governance, culture and accountability.
- Q1.2 However, the scope would be strengthened through more explicit recognition of governance as a foundational requirement for Best Value. The guidance should place greater emphasis on the role of legal, constitutional and ethical governance frameworks in preventing organisational failure. It should also recognise that effective democratic governance is itself a key contributor to Best Value. Elected members possess a democratic mandate to make decisions on behalf of their communities, and it is through effective member-officer relationships that this democratic legitimacy is translated into sound decision-making and service delivery.
- Q1.3 LLG believes that governance failures frequently emerge before financial or operational failures become apparent. For this reason, the contribution of Monitoring Officers, Chief Finance Officers and Heads of Paid Service should be more explicitly embedded throughout the guidance.

Question 2

Do you agree with the six guiding principles?

Response: Yes

- Q2.1 LLG supports the six guiding principles, particularly the focus on prevention, openness to challenge and support, local accountability and empowering local ownership.
- Q2.2 These principles align with established good governance practice. We particularly welcome the recognition that authorities should be encouraged to identify and address risks at an early stage rather than waiting until intervention becomes necessary.
- Q2.3 We would recommend that openness to challenge explicitly references the importance of independent professional challenge from statutory officers, internal audit and scrutiny functions. Effective challenge is essential to ensuring lawful and well-informed decision-making.



Question 3

Do you agree with the seven Best Value themes?

Response: Yes

- Q3.1 LLG supports the proposed themes of Continuous Improvement, Leadership, Governance, Culture, Use of Resources, Service Delivery and Partnerships and Community Engagement.
- Q3.2 Collectively, these themes provide a comprehensive framework for assessing organisational health.
- Q3.3 However, governance should be recognised not simply as one theme among many but as the enabling framework through which all other themes operate effectively. Strong governance arrangements underpin lawful decision-making, risk management, financial stewardship and public confidence.

Question 4

Are there any Best Value themes missing?

Response: Yes

- Q4.1 LLG recommends consideration of an eighth theme focused on:
- Assurance and Statutory Accountability
- Q4.2 Whilst governance features prominently within the framework, the role of statutory officers and assurance functions could be more clearly distinguished.
- Q4.3 This additional theme would recognise:
- The role of the Monitoring Officer.
 - The role of the Section 151 Officer.
 - The role of the Head of Paid Service.
 - Internal audit.
 - External audit.



- Scrutiny.
- Risk management and assurance frameworks.

Q4.4 The effectiveness of these arrangements is often a leading indicator of broader organisational health.

Question 5

Do you agree with the characteristics relating to Continuous Improvement?

Response: Yes, with additions

Q5.1 LLG supports the proposed characteristics.

Q5.2 To strengthen this section, the guidance should emphasise that continuous improvement includes:

- Learning from governance failures.
- External challenge and peer review.
- Lessons learned from complaints, ombudsman findings and legal challenge.
- Continuous professional development for statutory officers and governance professionals.
- Independent external challenge and assurance activity.
- Periodic governance health checks.
- Constructive engagement with external inspectors, auditors and peer review processes.

Q5.3 Authorities should evidence not only performance improvement but also governance improvement.

Question 6

Do you agree with the characteristics relating to Effective Leadership?

Response: Yes, with additions



- Q6.1 LLG strongly supports the recognition of leadership as a core Best Value component.
- Q6.2 The guidance should, however, place greater emphasis on the relationship between political and officer leadership, including:
- Respect for officer impartiality.
 - Constructive challenge.
 - Ethical leadership.
 - Support for statutory officers to discharge their duties independently.
- Q6.3 The effectiveness of the relationship between elected members and statutory officers is a significant determinant of organisational resilience.

Question 7

Do you agree with the characteristics relating to Governance?

Response: Yes, but this section should be strengthened substantially

- Q7.1 The final guidance should recognise that good governance includes:
- Effective operation of the "golden triangle" between the Head of Paid Service, Monitoring Officer and Chief Finance Officer.
 - Early involvement of statutory officers in decision-making.
 - That statutory officers are able to provide independent challenge and raise concerns without inhibition.
 - Direct access of statutory officers to senior members and decision-makers.
 - Appropriate constitutional arrangements.
 - Effective member-officer relationships.
 - Robust standards and ethics frameworks.
 - Transparent and evidence-based decision-making.
 - Effective governance oversight of major transformation, devolution and local government reorganisation programmes.

Q7.2 Potential indicators of failure should include:



- Statutory officers being excluded from decision-making.
- Evidence that statutory officers are unable or unwilling to raise concerns openly.
- Organisational cultures that discourage challenge or independent professional advice.
- Governance advice being disregarded.
- Weak constitutional compliance.
- High turnover of statutory officers.
- Inadequate legal and governance capacity.
- Significant governance or financial failures within local authority-owned companies.
- Persistent breakdowns in member-officer relationships.
- Evidence of inappropriate interference in officer responsibilities.
- Significant organisational change programmes proceeding without meaningful involvement of statutory officers or appropriate governance assurance arrangements.
- A culture of mistrust between political and officer leadership.

Q7.3 Local authorities are currently experiencing an unprecedented period of change through local government reorganisation, devolution initiatives and wider transformation programmes. The guidance should more explicitly recognise the governance risks associated with major organisational change and the need for continuous statutory officer involvement, challenge and assurance throughout such programmes.

Question 8

Do you agree with the characteristics relating to Culture?

Response: Yes

Q8.1 LLG welcomes the recognition of organisational culture as a Best Value factor.

Q8.2 The guidance should specifically recognise that a healthy culture is one which:

- Encourages challenge.
- Supports speaking up.
- Promotes ethical behaviour.
- Values professional advice.
- Protects statutory officer independence.
- Responds appropriately to whistleblowing concerns.

Q8.3 A culture that discourages challenge or marginalises professional advice should be regarded as a significant warning sign.

Question 9

Do you agree with the characteristics relating to Use of Resources?

Response: Yes, with additions

Q9.1 LLG supports the proposed framework.

Q9.2 The use of resources should extend beyond financial management to include organisational capability and governance capacity.

Q9.3 In particular, authorities should be expected to demonstrate:

- Adequate investment in legal, governance and finance functions.
- Succession planning for statutory officers.
- Appropriate governance support arrangements.
- Sufficient resources to discharge statutory responsibilities.

Q9.4 Failure indicators should include under-resourcing of statutory functions and the inability of statutory officers to fulfil their legal responsibilities effectively.

Q9.5 Authorities should be able to demonstrate that statutory officer functions are resourced proportionately and that no individual statutory officer function is materially disadvantaged in its ability to discharge its responsibilities. Particular attention should be paid to ensuring governance and legal functions have sufficient capacity to provide challenge alongside financial and operational functions.

Question 10

Do you agree with the characteristics relating to Service Delivery?

Response: Yes

Q10.1 LLG agrees that effective service delivery is central to Best Value.

Q10.2 However, service delivery assessments should also consider whether:

- Decisions are lawful.
- Appropriate legal and financial advice has been obtained.
- Risks have been properly assessed.
- Equalities and public law obligations have been fully considered.
- Authorities should demonstrate how residents and stakeholders have informed strategic priorities and service delivery decisions.

Q10.3 It should also ensure:

- Quality of evidence supporting decisions.
- Appropriate consideration of alternative options.
- Transparency of decision-making processes.
- Effective use of legal, financial and governance advice.

Q10.4 Delivery outcomes should not be evaluated solely on performance data; decision-making quality is equally important.

Q10.5 LLG considers that service delivery and strategic planning should be supported by appropriate resident, stakeholder and community engagement. Whilst authorities must retain flexibility to determine the most appropriate approach, the guidance would benefit from greater clarity regarding expectations for consultation and engagement where strategic plans, corporate priorities and service transformation programmes will materially influence future service delivery.

Q10.6 Effective service delivery should be assessed not only through outcomes but also through the quality of the decisions that underpin those outcomes. Sound decision-making processes provide assurance that service changes are sustainable, lawful and in the public interest.



Q10.7 Strong governance should be recognised as a key enabler of effective customer service. Authorities that make lawful, transparent and evidence-based decisions are better placed to deliver services that meet residents' needs, respond to complaints effectively and maintain public confidence.

Question 11

Do you agree with the characteristics relating to Partnerships and Community Engagement?

Response: Yes, with amendments

Q11.1 LLG welcomes the inclusion of partnership governance.

Q11.2 The guidance should recognise increasing complexity arising from:

- Shared service arrangements.
- Local authority companies.
- Joint ventures.
- Combined and strategic authorities.
- Multi-agency partnerships.

Q11.3 The guidance should include the need for:

- Ongoing assessment of the financial viability and sustainability of council-owned companies.
- Robust scrutiny of business plans and delivery assumptions.
- Clear arrangements for shareholder oversight and risk escalation.

Q11.4 Potential indicators of failure include:

- Failure to identify or respond to deteriorating company performance.
- Significant viability concerns within council-owned companies.
- Inadequate oversight of authority exposure to company liabilities or loans.

Q11.5 Authorities should be expected to demonstrate effective governance oversight of these arrangements and manage conflicts of interest appropriately.



Q11.6 Indicators of failure should include poor visibility of partnership risks, weak assurance arrangements and unclear accountability structures.

Q11.7 Authorities should be expected to demonstrate robust arrangements governing council-owned companies, including clear separation between shareholder oversight and company management, appropriate reporting arrangements and effective management of conflicts of interest.

Q11.8 The guidance should also recognise the importance of ensuring that officers and members appointed as company directors possess the necessary skills, experience and competence to discharge their duties effectively and understand the distinct legal obligations that arise from directorship.

Question 12

Are you happy with the level of clarity and detail regarding support and intervention?

Response: Broadly yes, but greater transparency would be beneficial

Q12.1 LLG supports the proposed framework and welcomes the emphasis on proportionate intervention and early support.

Q12.2 However, we believe the guidance would benefit from additional clarity regarding:

- The indicators that may trigger departmental concern.
- The role of governance intelligence in risk assessment.
- The circumstances in which early assurance activity may be initiated.
- How the views of statutory officers will inform departmental assessments.
- The distinction between informal support, assurance activity and formal intervention.
- The scope and effect of any statutory directions.
- The powers retained by the authority and those exercised by Commissioners.
- The basis upon which intervention powers will be exercised and reviewed.

Q12.3 LLG particularly recommends that the guidance explicitly recognises the Monitoring Officer, Chief Finance Officer and Head of Paid Service as critical sources of evidence when assessing potential Best Value concerns.

Q12.4 A stronger emphasis on governance intelligence and statutory officer engagement would support earlier identification of risks and help prevent organisational issues from escalating into formal intervention.

Q12.5 LLG considers there remains an important role for external assurance mechanisms in identifying emerging concerns before they become systemic failures. Independent inspection, peer challenge, audit and assurance activity can provide valuable external perspectives and help authorities address issues at an earlier stage.

Q12.6 Where statutory directions are issued, they should be drafted with sufficient precision to enable members, officers, residents and stakeholders to understand clearly the respective responsibilities of the authority and Commissioners. Greater transparency would assist accountability, reduce uncertainty and support effective governance during the intervention process.

Q12.7 LLG also notes that Commissioners are appointed by and accountable to the Secretary of State. Consideration should therefore be given to ensuring there is transparency regarding governance, accountability and indemnity arrangements applicable to Commissioners, recognising that authorities may not be able to provide indemnities or insurance protection for actions over which they have no control.

8. Overall

8.1 LLG strongly supports the revised guidance and its preventative approach. The principal enhancement we would wish to see is a stronger recognition that good governance is not merely one element of Best Value but one of its essential foundations. The final guidance should place greater emphasis on statutory officer independence, the effective operation of the golden triangle, governance capacity, ethical leadership and legal assurance as critical enablers of long-term organisational success.