



Openness & Democracy in Local Government: Making Financial Information Accessible

Research for Action

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Summary

This report is the outcome of a collaboration between Research for Action and the University of Sussex, and examines barriers to making local authority financial information accessible under conditions of austerity, strained council capacity, fragmented sources of finance, and lack of data standards. It draws on expert interviews to map existing issues with making budgets and accounts accessible to councillors and the wider public, and to generate a set of policy recommendations for central and local government. The report shows that even experienced researchers, accountants and councillors struggle to find and understand local authority financial information; there are no standard formats for reporting financial information or publishing that information in machine-readable format; councillors and in some cases council officers do not have the training and expertise required to understand, scrutinise and make decisions on the basis of local authority budgets and accounts; and austerity cuts to local authority finances have hit finance departments so that officers do not have capacity to ensure financial information is accessible to elected officials and members of the public. Accessibility of financial information is often a low priority and not recognised as a fundamental ingredient of public participation and effective democracy. We provide twelve recommendations for central and local government, including adopting open data standards, centralised repositories of financial information, and strengthening budget literacy among councillors and the public. Implementing these recommendations would improve the accessibility of local government financial information, and thereby contribute to public participation and robust local democracy.

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Introduction: Accountability, Accessibility and Local Authority Finance

In the past year, the crisis in local authority funding has become impossible to ignore. The stark increase in the number of councils issuing 'section 114 notices' between 2020 and 2024 has garnered significant media attention.¹

This increase in these notices, and a growing number of Local Authorities deemed to be 'at risk' by the Ministry of Housing, Communities and Local Government,² reflects consistent funding cuts that began in 2010 alongside the transfer of additional responsibilities to local authorities under what has been termed 'austerity localism'. The pressures of austerity localism have been further compounded by inflationary pressures, increased demand for services and the rising costs of social care, particularly in the wake of Covid-19.

A 2024 analysis of three-year financial strategies produced by 317 local authorities in England shows that 303 of these councils expect a funding shortfall by 2026-27, with a collective deficit of £9.3bn.³ Generating three-year financial strategies has become increasingly speculative, as local authority officers and elected officials have been forced to prepare budgets on the basis of single-year financial settlements since 2017/18. At the same time, spending during the year is shaped by reactions to unpredictable and ad-hoc grant allocation. Pressures on local authorities to find new sources of income through investments in property and private sector partnerships⁴ has also increased the complexity and transparency of local authority financial reporting. This creates a challenging environment in which even with the best intentions, local authorities struggle to produce open, accessible and accountable financial information for councillors and members of the public to scrutinize.

This report is the outcome of a collaboration between Research for Action and the University of Sussex⁵, and examines barriers to making local authority financial information accessible under conditions of austerity, strained council capacity, fragmented sources of finance, and lack of data standards. It draws on interviews with councillors, finance officers, accountants, academics and journalists to map existing issues with making budgets and accounts accessible to councillors and the wider public, and draws on these expert interviews to generate a set of recommendations for central and local governments to implement. Accessible information on local authority budgets (planned spending) and accounts (reported spending) is vital for ensuring that elected officials can

scrutinise council spending, and that local residents can hold elected officials to account. As the pressures of austerity have left councils in a position where there are ‘no good cuts left’⁶, and ‘efficiency savings’ have been pushed as far as they can go, holding local authorities to account for the spending decisions they make is more important than ever. Yet oversight of local authority budgets is at a particular low.

Following the abolition of the Audit Commission in 2015 and the privatisation of local audits, there has been no audit regulator in place designed to produce transparent information for both councillors and members of the public.⁷ While David Cameron and Eric Pickles championed the notion that an ‘army of armchair auditors’ would be empowered to scrutinise local authority accounts in place of the Audit Commission, previous work by Research for Action has shown that ‘citizen auditors’ require a high level of skill, and are frequently treated as ‘trouble-makers and time-wasters’ by overstretched council officers.⁸ Although some interviewees argued that, in the face of a mounting crisis in local authority finances and service provision, financial accessibility and accountability was not a priority, it is important to note that accessible financial information is not a luxury. It is key to accountability, and as such to effective local democracy.

Analysis of participatory budgeting in 20 cities across different continents has shown that when citizens are able to draw on open budget data to define local authority priorities, basic service delivery is prioritized, and key ‘missing’ services may be opened up as new budget lines.⁹ A review of 221 municipalities during a period of mandatory participatory budgeting in South Korea has shown improved fiscal sustainability due to increased information sharing, monitoring, and citizen capacity to promote responsive municipal governance.¹⁰ Open and accessible financial information is a crucial step in the journey to participatory budgeting, and a vital ingredient in ensuring responsive municipal democracies that prioritize services that respond to citizen needs. In this report, we work with an understanding of ‘accessible’ financial information that is not limited to simply being placed online. Accessibility of budget and account information requires that financial information be open, freely distributed, and both *machine* readable (to enable analysis and comparison) and *citizen* readable (to ensure public participation and local democracy). In our analysis and recommendations below, we show how and why centralised, standardised, machine-readable standards for local authority financial information could help to improve oversight by councillors and democratic engagement at the local level.

The June 2025 UK Government response to the ‘Local authority funding reform objectives and principles consultation’¹¹ includes a welcome commitment to multi-year financial settlements, and to consolidating a ‘patchwork system of competitive bidding’ for grants.¹² In the July 2025 English Devolution and Community Empowerment Bill, the government has also outlined plans for a Local

Audit Office, a new body that will oversee local audits.¹³ These commitments are welcome and reflect some of the key concerns and recommendations for actions among our interviewees. However, there are a number of other barriers to accessible financial information that also need to be addressed. In addition to the lack of multi-year budgets between 2017/18 and 2026/27, our key findings show that:

1. Even experienced researchers, accountants and councillors struggle to find and understand local authority financial information
2. There are no standard formats for reporting financial information or publishing that information in machine-readable format
3. Councillors and in some cases council officers do not have the training and expertise required to understand, scrutinise and make decisions on the basis of local authority budgets and accounts
4. Austerity cuts to local authority finances have hit finance departments and officers do not have capacity to ensure financial information is accessible to elected officials and members of the public
5. Accessibility of financial information is often treated as a low priority and not recognised as a fundamental ingredient of public participation and effective democracy

These findings have informed the key recommendations presented in detail at the end of this report, namely that: the new Local Audit Office should be given responsibility for local government financial data, including creating a new, publicly-available traffic light system for council finances; new data standards should require councils to publish links to all their financial data in one place, and present financial documents in machine-readable formats to improve accessibility, standardisation and transparency; and there should be greater resources available to the public and support and training for councillors to better understand council finances.

Methodology:

The findings and recommendations in this report are based on interviews with 26 councillors, council officers, academics, accountants, journalists and members of organisations including the Chartered Institute of Public Finance and Accountancy (CIPFA), and organisations representing local councils. The interviews took place between March and June 2025. The project under which this research was carried out received ethical approval by the University of Sussex.¹⁴ Efforts were made to contact interviewees with representatives of councils across a wide geographical spread, from a range of council types (county, district, and unitary), and to include elected officials from all national parties as well as some independent councillors and representatives of small local parties. Despite follow-up requests, we only received responses from 14% of the councillors we approached for interview. As such, the responses here are not fully representative of all councillors across all regions and

parties. Most interviewees were based in England and as such the issues discussed reflect a focus on English councils. Nonetheless, the commonalities in responses of our interviewees (across councillors, officers, academics, journalists and representatives of sector bodies), combined with comparisons from existing published literature, provide confidence in the depiction of local authority finances contained in this report.



Openness and Democracy in Local Government: Making Financial Information Accessible

How accessible is council financial information at the moment?

One of the most prominent themes from our interviews was inaccessibility and inconsistency and in how council financial information is presented to the public. Budget documents, council accounts and other financial documents such as budget monitoring reports are often hard to find, difficult to understand and compiled and formatted in different ways by different authorities.¹⁵

Most interviewees told us that Council finances are inherently complicated.. A director from the local government sector said:

“The financial information and the accounts that councils are required to produce is very complex. Councils are very complex organisations. The rules relating to local government accounting are very complex. It's frankly, more complex than it is in relation to private organisations and therefore something that meets the accounting regulations isn't necessarily something that is easily understood by the normal person.”

Dr Ben Worthy from Birkbeck University noted:

“I spoke with a professor of accounting of about 30 years, and he said it took him a week to understand one local authority budget.”

Multiple interviewees noted patchy or limited access to council financial information. An academic we spoke to said:

“I've been researching this topic for more than 10 years and it's taken all that time to develop the knowledge of where that information is held. That knowledge is still shaky and I still have to work very hard to get information.”

This level of complexity prevents public participation in and scrutiny of local budget decisions. As we show below, it also creates problems for councillors tasked with scrutinising budget decisions. Our interviewees identified the fragmentation of local authority financial information and the lack of data standards as two factors creating inaccessibility.

Fragmentation

Lots of people said there was a fragmentation and lack of standardisation that makes council finances more difficult to understand and comparisons across councils even harder.

Alex Parsons from mySociety co-wrote a 2023 report on fragmented data published by local councils.¹⁶ Speaking to us about local authority data in particular, he said:

“There are requirements for local authorities to publish data but often this is incredibly fragmented because all the councils publish in their own way in different places, and as such there is a bit of a burden on councils to produce data, and at the same time you can't get value from the data... This information is public, I can go council by council, it is accessible, but it is still a mountain of work that is beyond our capabilities to pull together.”

Tracy Bingham, a Section 151 officer and Finance Policy Officer for the District Councils Network, said budget monitoring throughout the financial year is “very inaccessible”:

“Every council has its own way of financial reporting. Some areas are really high level, some are more detailed. The language used in those reports – variance, adverse, favourable – it's not the common language. Some authorities use their debits and credits in different ways. All that makes it completely inaccessible.”

Alex Homer, a senior journalist at BBC Shared Data Unit, which has done multiple projects collating information on council finances, said budget documents are made even harder to understand because they're not joined up and use different terminology.

“There's not a consistent format that things need to be presented in... There's no set lexicon for councils either so they come up with some incredible phrases to refer to different types of expenditure.... If you're talking about comparison across the piece, there needs to be not just the standardisation of how numbers are presented, but terminology needs to be consistent as well.”

As noted below in our recommendations, a machine-readable reporting standard and centralised data publication for local authority financial information would address the lack of standardisation that several commentators highlighted as a barrier to transparency and comparability of council experiences.¹⁷

Examples from Elsewhere: Zagreb's radical open spending data

In 2021, a green-left coalition government took over Zagreb City Council. One of the administration's priorities is open data, and they have created an Office for Information System and Technical Administration, also referred to as the Digitalisation Office. It both facilitates the use of existing data by the public and civil society, and creates new applications for opening up more data.

Aleksandar Gavrilovic, who is a member of the working group on digitalisation that answers directly to Zagreb's mayor, described the development of an application called 'Transparency Zagreb', an open data website that lists all of the council's financial transactions, almost in real time. The challenge with this application was getting spend data from multiple service lines into one place and one format:

"This was the biggest project in it, I think, in our mandate, because every enterprise owned by the city and every institution that's part of the city has its own system, so putting them all together into one system, and then publishing every financial transaction online is difficult, but we have done this, and it has worked since the first of January last year. So now [it's been] a year and a half, and you have hundreds of thousands of transactions where you can see who's sent what money to whom, and so on..."

As Gavrilovic notes, however this can be 'overwhelming' and depends a lot on media organisations to 'start digging', and relies on sectoral knowledge: "you have to understand what, what does it mean when somebody sends money to somebody?"

"You can see who sends money to whom, how much money is it, when was it sent, and what's the ID, what's the reason for it? But then, of course, you have to have some sectoral knowledge to know what this ID pertains to, what contract, what public tender and so on."

The example of Zagreb highlights both the possibilities for generating transparent data repositories for citizen and media scrutiny, but also the risks that 'open' data remains inaccessible to most because it requires a specific set of tools, expertise and knowledge to render it intelligible.

Lack of Data Standards

Lots of people we spoke to said the formatting and file types make it harder to understand council financial information. Homer said:

"You've got tables and text in one big document, often in PDFs because they want the sanctity of the document to be left as is, which often makes it difficult to analyse at scale."

He gave the example of councillors registered interested that are presented in PDFs:

"Who is going to analyse 80 PDFs for their local council, they're scanned PDFs, they're pictures. I don't see how that's open."

Martin Fodor, an experienced Green councillor in Bristol, said that the overreliance on PDFs made his job harder:

"One of my frustrations was when they assemble a budget, each document would be a PDF in a bundle that isn't connected."

Others noted that even when councils do publish data in spreadsheet format, there is little effort to make the information genuinely accessible. The BBC Shared Data Unit hosted a hackathon in Birmingham looking at council spending over £500, which all councils are legally obliged to publish on a monthly basis. Commenting on this, Homer said:

"It had to be a theoretical exercise because when things aren't standardised, based on that exercise, I couldn't give you a crib sheet that would say what you could do with every council's £500 data because it doesn't look the same."

The Ministry of Housing, Communities and Local Government publishes quarterly data on local government finances based on submissions from councils. But some interviewees said these were limited and difficult to use for analysis. Bingham said completing the government financial returns is an arduous task but also done in slightly different ways by different councils, which creates a discrepancy in the data that makes sector-wide comparisons more difficult. Homer said:

"I've done so many reports over the years when you do some analysis of the government data, and then when you approach the councils for comment on the findings, then councils say that's wrong because the date return is erroneous... If you analyse a government dataset which is based on the councils' return to the government, and then the council says it doesn't recognise the figure - where are we?! The exercise falls apart."

A representative of an organisation from the local government sector explained the reason behind these discrepancies:

“There are issues in that different councils do take different approaches in what they record in different categories in the RO [Revenue Outturn] and RA [Revenue Account] returns, so councils may present info in one way in the budget report because that reflects how the council is run and that information is meaningful for members, but the information in some cases has to be chunked up and presented in different ways to meet the government's requirements about how it's decided how it wants to categorise financial info. There will be inconsistencies about the approaches taken to that when there is a mismatch between the categories used at local level and the government ones...To an extent that reflects the different contexts in which councils are working.”

Although the UK Open Government Network has existed since 2012, and there has been experimentation with civil society-led open data platforms for local authorities, none of these have been long-lived. While public sector spend data must be published, it is often packaged in a way that helps companies win outsourcing and service delivery contracts from councils, and not with an eye towards public participation and accountability.¹⁸

There are broader issues with accessible data infrastructures in the UK, despite commitments to open data: Between 19-31% of datasets on data.gov.uk are considered inaccessible for most users due to being unpublished, inoperable or requiring specific access permissions. Only 35% of databases which could be accessed were sufficiently granular (i.e., had not previously been processed or aggregated) to count as open or truly accessible.¹⁹

In our recommendations we echo mySociety's call for central government to support the co-production of data standards with local authorities, standard publication tools for council officers to use, and a central repository to allow comparison of financial data across authorities.²⁰ Without such standardization, it is hard to ensure accessibility, accountability and public participation - or to gain an accurate picture of which councils are at more financial risk.

Examples from Elsewhere: Japan's traffic light warning system

An academic we interviewed drew comparisons between the current situation in the UK and the experience of Japanese local authorities two decades ago. Historical investments in infrastructure and social spending, plus an increase in self-funding or fiscal decentralisation, has left many Japanese local authorities with considerable debt burdens.²¹

As a response, the Japanese government introduced five key financial indicators to monitor the resilience and health of local authorities. Local authorities must publish the indicators which provide information on the deficit, the ratio of debt repayment to revenue, future burdens imposed by debt obligations, and annual funding shortfalls.

As our interviewee said: "These indicators are permanently available to the public so effectively work as a traffic light system. It's very clear, very transparent, all local authorities have to do it, and it's out there, so you can see immediately if there's a local authority at risk of insolvency."

They suggested implementing a similar system in the UK, with an organisation like the new Local Audit Office being responsible for introducing a 'traffic light' system of this kind

Councillors and Council Officer Understanding

Research carried out by former CIPFA staff found that 65% of 546 councillors surveyed across the UK found their own authority's statement of accounts highly complex, with more than a quarter reporting they did not or only marginally understood their local authority's finances.²² The LGA has noted that few councillors receive a comprehensive induction, and that financial aspects of their role often remain "opaque."²³

Most people we spoke to said that it is not only difficult for the public to understand council finances, but the same goes for councillors too. This limited understanding of an authority's finances among councillors is due to a lack of expertise, limited training and sometimes poor relationships with officers, which can restrict access to information. James Brackley from the Audit Reform Lab, who is an expert in the crisis and government intervention at Birmingham City Council, said:

"Generally, local authority accounts are very complicated and difficult to deal with. And you've got councillors who are not financial experts often working part-time, so there's generally a big information asymmetry, so you get officers presenting financial information and auditors commenting on that and it's very difficult for councillors to do anything other than just take that at face value."

Mark Green, director of finance and resources at Maidstone Borough Council, who is also part of CIPFA's Better Reporting Group, said that the level of knowledge of council finances was generally low among opposition councillors and the general public. Peter Murphy, Professor of Public Policy and Management at Nottingham Business School, said he doesn't think councillors have sufficient capability or capacity to provide oversight over financial information. "They're not properly helped by the financial system but I also have doubts about the capability and capacity of elected members to be able to process that data and info in the current system."

The pressure placed on local authorities to be financially self-sufficient and find new sources of income to balance their budgets in the face of austerity²⁴ has intensified the risks of inadequate training and capacity among councillors. Jason Lowther, Director of Institute for Local Government Studies at the University of Birmingham and former Assistant Director of Strategy at Birmingham City Council, said:

"When you're looking at hundreds of pages, I don't think councillors have read and understood all those. It's hugely daunting... But the devil is in the details. You look at cases like Woking and Thurrock, where really massive financial risks were being taken."

Woking and Thurrock are two of the most severely distressed local authorities, having accumulated enormous debts and received bailouts from central government in the wake of their section 114 notices. The extent of the debt accumulation has been taken as an example of the failures of local authority audit

²⁵ combined with extreme risk-taking as authorities sought to balance their books via speculative investments.

A member of the Local Government Information Unit, who run training courses on local government finances for councillors, said elected members don't always have the right knowledge, skills and support to really understand their council's finances.

"The kind of support when you become a councillor or even a cabinet member probably varies quite a lot and you do need that unless you have a good background already, which shouldn't be a requirement... There are definitely some places where you have quite senior councillors who don't have a grip on the finances... They might be well-embedded in their communities and be doing a great job in a lot of ways but that policy detail I think is often lacking."

Jez Hall, an expert in participatory budgeting, said: "Many people become a councillor because they have one political beef or interest and then are befuddled by the complexity of the budget that they're presented with, and frankly officers run rings around councillors."

Some interviewees noted that even council officers don't always have the right access or sufficient understanding of council financial information. When asked if officers always have access to the financial information to do their job, Bingham said:

"Definitely not, no. This is something we're looking to change internally by modernising our finance system so that we're making use of a dashboard function that officers can have a look at financial info in real time. At the moment, we're relying on financial info that is a number of weeks out of date before it's being reviewed by officers."

Patrick Ketterick, a Green councillor in Leicester said:

"I would imagine that most council officers have exactly the same experience as us, not being able to access financial information and if they can access it, they don't have the skills to intelligently interpret it, or even if they do, there's no policy framework to address it. There's this whole dysfunction where nothing changes."

Mark Green said that officers having access to the information they need depends on having an effective finance function.

"A lot of my job is making them understand the figures and alerting them if the figures are indicating a problem. In my organisation [Maidstone], I would say council officers have the information they need to make decisions, but it will vary from place to place."

In our recommendations, we highlight the importance of greater support and training for councillors, drawing on the above findings. It is also clear that without reversing more than a decade of austerity imposed on local authorities, efforts to ensure adequate training, oversight, and scrutiny will always be frustrated, not least by pressures created on finance officers to pursue high-risk strategies to balance the books in the absence of strong local authority audit.

Public Understanding

Another key theme that emerged from the research was the need for financial data and reports to be supplemented with contextual information and explanation in order to make it accessible to the wider public. Accounting scholars have shown that financial information, budgets and accounts can

never simply be 'answer machines' that transparently tell a story about an organization's finances.²⁶ Narrative statements with contextual explanations accompanying the budget and accounts are vital for improving accessibility, and enabling public participation and effective local democracy. Expanded narrative statements were identified as a key option for 'enhancing the transparency and usefulness of local authority financial statements' in the 2020 Redmond Review.²⁷ As Dr Worthy said: "It's about legibility and having the time and resources to make it legible to people and useful to their lives."

Green said:

"There's a huge amount of information, arguably we produce too much, but the problem is for people making sense of it... There's also an onus on council officers like me to present the information in a way that non-experts can understand. With our audit committee, I go to a lot of trouble to explain the information in the simplest possible terms because it really is a disincentive for people to be presented with information that is too complex. A non-accountant presented with a statement of accounts that is 120 pages long without guidance or explanation, where do they start? It's a real challenge."

But others noted that this providing of contextual information is yet another drain on officer capacity which is already stretched thin.

Another interviewee said:

"I don't think local authorities or even central government ever really consider how to present information in an intuitive, user-friendly format. They just see their task as releasing information into the public domain and it's up to the public to collect the crumbs... There is scope for innovation around how you disseminate information, there is a gap there, but there are resource implications for that and when I look at the list of priorities for local government to deal with each year, it's not going to be top."

As discussed in the next section, pressures on staff capacity since the introduction of austerity localism in 2010 - that is, the combination of increased responsibilities and decreased funding - have also impacted on finance officers' capacities to ensure that local authority finances are accessible to the public. In the introduction to this report, we noted that accessible financial information is vital to public participation and effective democracy, and that local democracy cannot be considered an

afterthought. The next section highlights the pressures that council officers have been under, the impact that austerity has had on cultures of transparency, and the urgent need for governments to reverse local authority austerity in order to ensure councillor capacity, data accessibility and public participation.



The Impact of Structural Issues on Transparency and Accessibility

A number of structural issues facing local government also emerged during the research, including the impact of austerity on access to and oversight over financial information, the councillor-officer relationships affecting transparency, the varying cultures created by different political systems, the centralised state and the need for long-term financial planning.

Austerity and Staff Capacity

Most interviewees said that austerity since 2010 has reduced the ability of finance teams to invest time in improving accessibility because staff capacity has been hollowed out and they have to focus on finding savings every year.

One interviewee argued that austerity has had a "huge" impact on councils' ability to make data available and accessible.

"I think local authorities could do more to publish more data proactively instead of people needing to use FOI requests, but the reality is local authorities have been in a tailspin for years, they're even beyond the tailspin now, delivering even more. Even if you go down organisational innovation routes, they're still drowning in the reality of trying to serve all the needs of a local population."

Proactive publication of accessible data rather than forcing concerned members of the public and journalists to use Freedom of Information requests is particularly important as responses to FOI requests in the UK have been hitting an all-time low, with only one third of requests granted in 2023.²⁸ It is conceivable that both the lack of accessible published data and the failure to respond to FOIs is related to declining staffing levels under austerity.

The cuts to staff also impacts on support for councillors to understand accounts. Lowther said: "A lot of councils have cut their central staff, which includes financial staff, so sometimes there isn't that professional expertise to help officers and members access and understand financial data."²⁹

Councillor Martin Fodor said:

"We used to get reports that were quite well polished when I first became a councillor in 2014, and a few years later there were loads more cuts coming in and you'd find reports with errors in them, and

you got the impression officers were running to stand still. They were doing two jobs and now they're probably doing three jobs. It's pretty desperate and the stress levels are high."

Jason Leman, an academic who has worked for the Green group on Sheffield City Council said:

"One of the real impacts of austerity has been on its own finance system. They [Sheffield Council] sacked about half of the finance staff, the managers now do a lot of finance rather than finance officers. It seems like it's all semi-cobbled together and there is a loss of experience and knowledge. The council did move to a really good finance system, now it's moved to a much poorer finance system that's cheaper, which basically seems like a bunch of spreadsheets. I'd worry about the quality of information and the level of internal oversight.... Austerity has created pressure on departments to make savings, but the projected savings are almost inevitably over-optimistic. That is an issue because a budget might look balanced but isn't."

Hazel Watton, CIPFA's public sector financial reporting manager who used to work on her county council's finances, said:

"Teams are much more stretched to do everything else. The statement of accounts falls down the list a bit. In the good old days, you used to have a break after the auditors came before you started looking at the next year's accounts, where you could work on making things more accessible and update the wording. Finance teams don't get that break anymore, it's relentless."

Recruitment and retention problems are also affecting finance departments, which is contributing to a loss of skills and institutional memory. An interviewee said:

"There's a huge capacity issue at the moment. A lot of the stronger authorities with more buoyant incomes have bigger finance departments and the ability to digest their information and make strategic decisions. But those which are struggling and are on the limits of viability, they've lost a lot of staff, they have recruitment and retention problems, you then have a capacity issue where you're delivering the achievable not the ideal."

Green added: "The other constraint is struggling to recruit people in our finance teams, which may be because we're not able to pay as well as the finance sector." Stephen Sheen, also a member of CIPFA's Better Reporting Group, added: "Many authorities are using interim staff to prepare accounts, so a lot of the preparation of the public material is done in a short window of time by external people." As we argue in our recommendations, ensuring adequate funding for local authorities, so that staff have capacity to provide councillors and members of the public with accessible information, is the vital first step in ensuring accessible local authority financial information.

Accessibility as a low priority?

Some interviewees also stressed that improving accessibility is likely to be a low priority, when councils are being forced to decide which frontline services to cut in order to avoid section 114 notices.

A representative from a local government sector organisation said:

"In a world where councils have very limited resources, diverting additional resources to translate something that meets the financial regulations into something that can be easily accessible requires an additional resource that could otherwise be spent on delivering services to people – those are the hard decisions that councils are having to make."

Lowther agrees that there are more urgent issues facing the sector:

"We have an audit system that has completely broken down so they have to sort that out first and think how they're going to build capacity in the system, set some sensible standards, think about how they're going to report on value for money, so there's a lots to do and maybe those are earlier priorities than getting useful information for citizens, but I definitely think it should be on their agenda."

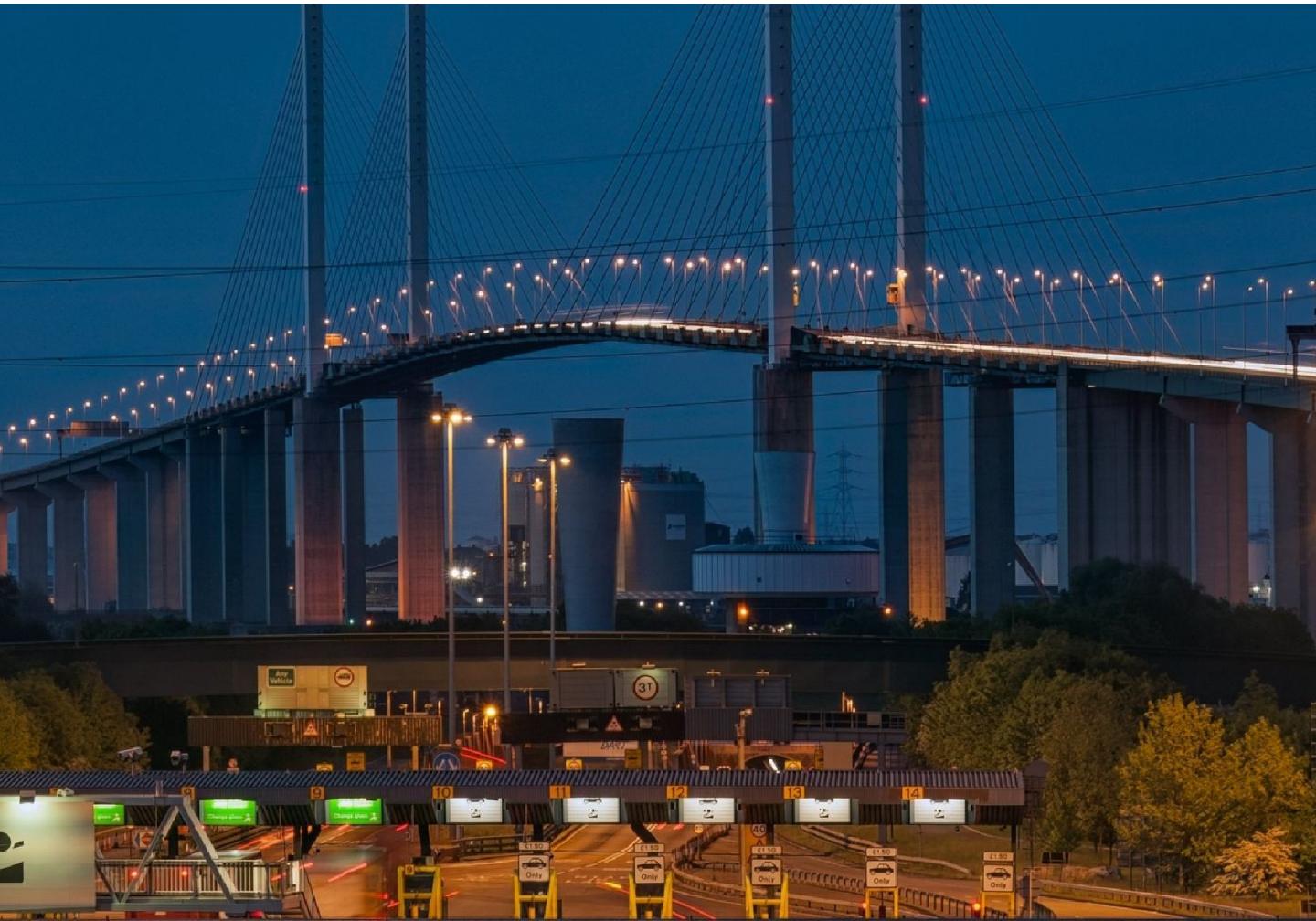
Others argued that the local audit crisis and current backlog in audited accounts is also placing strain on finance teams. Bingham said:

"Finance teams are just incredibly stretched. We've had an audit backlog we've been dealing with. We've signed off three sets of accounts in three months. They're getting ready to produce the next set of accounts and doing some audit walk-through work with them."

Watton concurred:

"[The impact of audit backlog] makes life very interesting because you're trying to approve a set of accounts when you haven't the previous year's signed off, so you're having to assume your previous year was correct, or you're still in the middle of audit where auditors are asking random questions while you're trying to close down your system and do everything else you have to. It's very tough and part of the reason why I left."

There is no doubt that austerity-induced staffing pressures have left council officers with an often-impossible job. But as we argued in the opening to this report, accessible financial information - for elected officials, including those in opposition, and members of the public - is a vital part of ensuring local authority democracy. Democracy cannot be an afterthought, and neither can accessible financial information. The experiences of our interviewees clearly show that reversing austerity and easing pressures on council staff is a prerequisite to ensuring accessible financial information and effective local democracy.



Examples from Elsewhere: Ireland's interactive council spending dashboard

Academics at the University of Galway has created a platform, <http://localauthorityfinances.com/>, which allows users to view their local authority budget, breakdown spending by service line, and compare it to both national averages and other specific local authorities. Despite several efforts to establish local authority data repositories in the UK, there is not yet a comparable platform that includes regularly updated, easily digested information across all authorities, in a standard format. The University of Galway platform provides one example of a centralised, de-fragmented, standardised and accessible form in which local authority financial information could be made meaningful to citizens, journalists and researchers.

Commenting on this initiative, an academic we spoke to said: "It doesn't have everything on there but it has a hell of a lot more than anywhere else... Some thinking needs to take place in how you simplify and clean up the presentation of data. I think [this] is a great example of that. You can just hit a tile and see what's going on in your local area."

Cultures of transparency

Limitations on accessibility of financial information are not only due to staffing pressures, however. In some cases, the culture at local councils makes it even harder for councillors to access information or get answers to requests, whereas others have a greater commitment to transparency.

One of our interviewees who has researched local government for many years said whether councils have enough access to financial information depends on the relationship between councillors and officers.

"Councillors, and by extension, the general public, are very much at the behest of how the council officers want to present their information. Even within the frameworks and parameters of what they have to produce every year, in terms of their own budgets and what they send to central government, your officers can be very calculated in terms of what they present and how."

Sheen said:

"It can be the case that information is very carefully protected at local authority level on a must-see basis but then in terms of the public decision-making a lot of the information has to go out as a matter of law on public agendas and that's the point where it gets thrown out for anyone to have a look at it. It's potentially a big problem."

Jez Hall said:

"There is a fight for power between councillors and officers, which means they are absorbed to trying to influence each other, which means councils can't play their proper strategic role and they don't represent citizens in an active manner, because they're locked into the vacuous debate around stuff they don't have much power over."

Councillor Ketterick doesn't think he's had enough access to financial information to make decisions and scrutinise decisions:

"The techniques with audit and governance that I've found over the last few years is that they bury you in paperwork. You come to the committee, you've got two inches of paper. You get lots of policies and procedures, but you very rarely get any numbers. ... With Leicester City Council, access to actual numbers and documents is constantly denied, emails go unanswered, so you end up having to send FOI requests, but there are only so many hours in the day."

As noted above, FOI responses have themselves been declining over recent years. Some interviewees spoke about how their experience of different political systems at local level had influenced transparency.

Bristol Councillor Martin Fodor said:

"Up until a year ago, there was a mayoral system where the budget would appear about two weeks before it was going to be voted on. We would speculate on what we might propose, amend, or what it would say, and that was very difficult. You were scrutinising a document that hardly anyone had and hardly anyone understood."

This was echoed by local democracy reporter Adam Postans, who says the new committee system has brought greater transparency. "There's more information now because it's broken down by committee.. They've been clear that that's what they want to do, be more transparent, and fair play they're doing it."

However, councils like Bristol, Stroud and Sheffield that currently employ a committee system will have to move to a leader and cabinet model following a government announcement in June 2025.

Councillor Ketterick also criticised the mayoral system in Leicester for restricting access to key financial information.

"We have a mayoral system, so we get budget headlines. It's controlled budgets for each department. We then get told savings will be managed by a series of reviews, which used to come with promises of scrutiny but that has stopped... The power to tell the mayor we want money spending here or there is purely advisory...If [the mayor's office] decide they're not going to share information with you, they will make you crawl through broken glass to get it. It's a big cultural issue, rather than a resource one."

And in Sheffield, Leman said: "It's about having transparency earlier on in the budget-setting process, but it's just very difficult when it's a political process involving one party, because they would be opening up their conversations with officers to public scrutiny."

Leman added that commercial confidentiality limits access to financial information around contracts with the private sector. Generally, he thinks councillors have enough access to information about budgets. "But less so when it comes to contracts, which are redacted, including for councillors, so it's very difficult to get the financial information." He points to the tree scandal in Sheffield, where councillors were struggling to see what was in the fine print behind all the redacted bits. "There's the issue of transparency for councillors who aren't in the executive. It's more transparent under the committee system, but I'd imagine in a lot of councils they still have that issue of information being redacted for councillors who can't scrutinise spending."

The issue of mayoral and cabinet systems restricting the ability of councillors to scrutinise financial information and hold council leadership to account has also been raised in other local authorities.³⁰ When combined with staffing pressures and on council officers who struggle to produce accessible information in a timely fashion, a concerning picture of a lack of accessible financial information in some local authorities starts to emerge. Based on the above information, we would encourage local government organisations and councils to work together to consider how cultures of transparency can be improved and how different models of government may require additional oversight to ensure transparency, accessibility and effective democratic oversight.

Centralisation of funding

In addition to concerns being raised about centralised financial oversight in mayoral systems, the vesting of control over local authority finances in Westminster is a significant issue. Multiple interviewees pointed to England being one of the most centralised countries in the world as a barrier to better scrutiny of finances at local council level. One interviewee said:

"We are an anomaly in international terms (in how we fund local government). We're not the only country that is very centralised and opaque in our financial dealings, there are others, but even within that bracket of centralised countries, we're even more centralised."

Others said that it is currently difficult for councils to do effective long-term financial planning, which could be improved by the introduction of multi-year settlements from 2026/27.

Murphy said councils used to have more comprehensive assessments of use of resources over different timescales:

"We should be dealing with a local government reporting system that is asking for how you use all your resources and what your risks are in the short, medium and long term, which would give a much more comprehensive view of how financially or otherwise resilient a local authority is."

Leman gave the example of time-limited grants being even more difficult to have transparency and scrutiny, as councils are scrambling to spend the money in time.

Bingham said:

"Budget setting takes six months... Actually if we were setting a three-year budget this autumn, it wouldn't be any more resource-intensive, but the trick the following year would not be doing the same thing the next year, doing some tinkering. That would be an enabler... I can definitely see the multi-year settlements as a way to create that longer-term thinking in the sector."

As discussed above, at present multi-year financial forecasts become increasingly speculative when implemented on the basis of single year financial settlements. While multi-year settlements cannot themselves address all of the challenges created by cuts to council finances, the government's recent commitment to multi-year settlements is certainly a welcome step in the right direction towards accessible financial information in local government.

How effective are current initiatives to provide better data about council finances?

In 2015 the Local Government Transparency Code was introduced, which required publication of spend data for all transactions over £500. A number of civil society efforts at the time sought to create

structured data standards or visualization platforms that could support the accessibility of this spend data. For a while a number of local authorities published partially machine readable budgets on Openly Local, a short-lived council data platform developed by civil society actors.³¹ Without proper funding, many of these initiatives fell away. While public sector spend data must still be published, it is often packaged in a way that helps companies win outsourcing and service delivery contracts from councils, and not with an eye towards public participation and accountability.³²

There are still a number of data sources for local government finance, including the government's Local Authority Data Explorer, LG Inform by the Local Government Association and CIPFA's financial resilience index. But multiple people we spoke to noted that comparative data on councils used to be much better under the Audit Commission before it was abolished in 2015.

Murphy said: "The great thing you had in the past was a single, publicly available, instantly discoverable repository for all the performance data for local authorities including financial data. It was open access. There were tools you could use."

He used this to compare his services with others at other local authorities to identify who to learn from. "It was a comprehensive database that you could use to help improve your services and set reasonable, robust targets for my managers....We don't have that anymore. We do have financial information with CIPFA, but we don't have open, free data."

Murphy added: "We've been going backwards from a point around 2010 when lots of our public services were reaching intelligent data, back to rich data and in some cases poor data. In simple terms, this was caused by Eric Pickles abolishing the Audit Commission, local area agreements, KPIs etc. From then we've never recovered."

Dr Worthy said:

"There used to be this site called Openly Local which made an attempt to do a kind of They Work For You for local authorities. That is the kind of thing that helps you understand the context of what's being spent where. It was a site designed by Christopher Taggart who was involved in lots of open data initiatives. The overall aim was to allow you to follow the money from the central government down to spending data. But unfortunately he was doing it in a voluntary way, and couldn't keep it up. That is the kind of thing that would be really useful."

The LGA published its own data tool called LG Inform, which allows users to benchmark one council across a variety of metrics, including financial ones such as net spending on services per head and council tax collection rates. A member of a sector organisation stated that: "LG Inform includes very

significant information about the performances and the finances of local government. So using all of the published data that is out there in the published domain, and any member of the public can access this, and you can run reports."

There is also a similar tool maintained by the government called the Local Government Data Explorer, which was set up by the now-defunct OfLog. An interviewee said:

"It's decent, but it's going to be based on the data that is already produced, I think it's going to be a bit of an aggregator. I don't have a problem with that but it's about how accessible it is to the general public... This often feels overpowered in its analysis capabilities which can be a bit alienating for the general public, you need something more intuitive."

Commenting on these tools, Murphy said: "While these things can do part of the system, none of them would claim to be representative of the whole system. You can get indications but not a whole picture. They're doing what they can with limited resources and based on what data is available."

Lowther said the picture is starting to improve:

"We've moved from having the competitive performance assessment to having virtually nothing under the complete mess of private audit arrangements after the Audit Commission was dissolved. And now I think we're heading back to having a little bit more useful analysis, but there's a long way to go before external audit reports are having as much value as they could do for accountability... Analytical tools like the LGA's LG inform, and CIPFA's one on financial resilience, are a step more helpful because they present you with some standardised reporting for comparison with similar councils. That potentially is pretty accessible to members of the public if it's publicised and they know it's there."

There have also been examples of local open data about council finances, such as the Data Mill North set up by Leeds City Council.

A representative from the LGIU said:

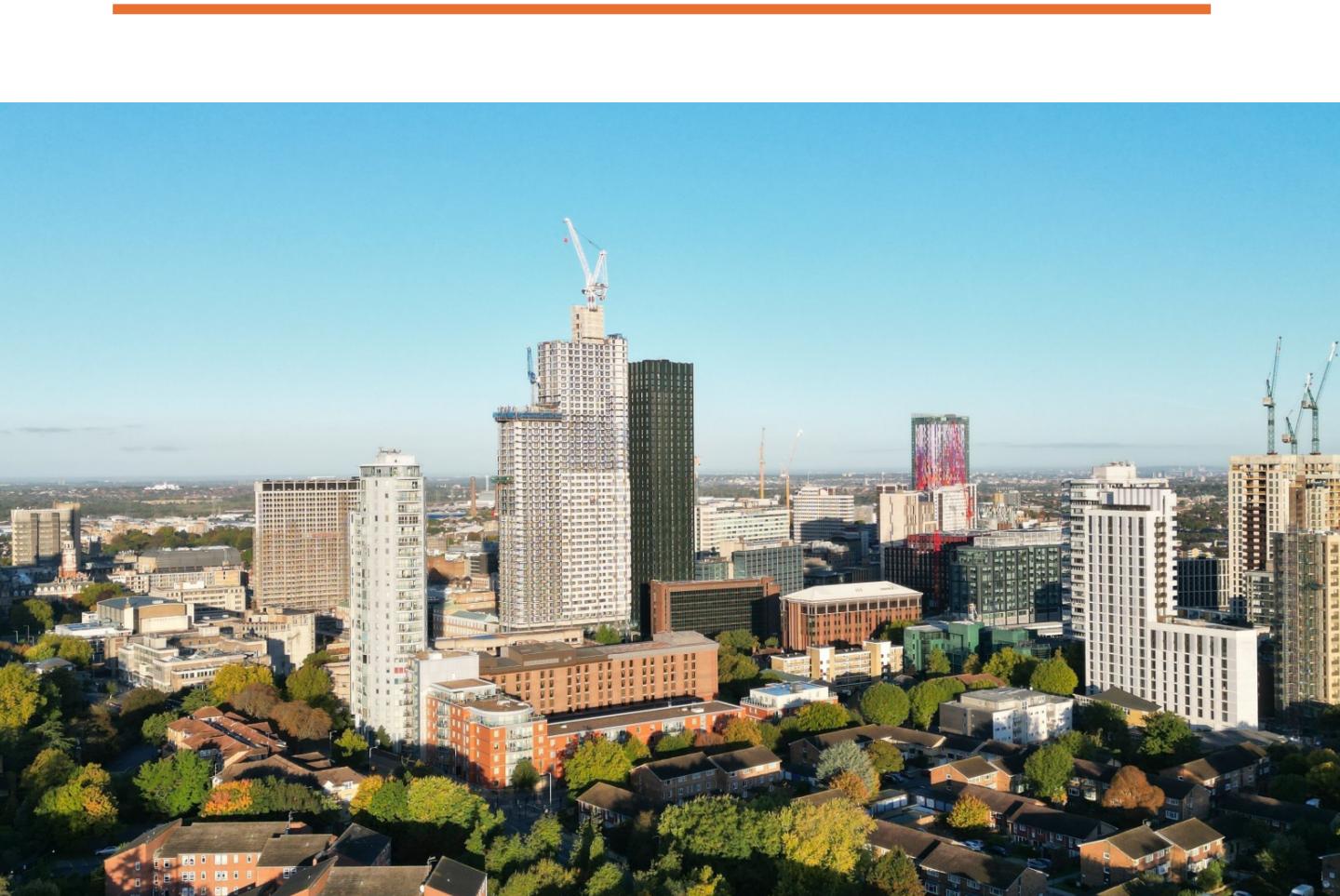
"There are some examples like the Leeds Data Mill, where there's loads of information and it's really accessible. You can type in questions and really interrogate it in a way that's easy to understand."

It's very detailed... Buckinghamshire Council has done an interesting project called the Bucks Data Exchange, including detailed data at neighbourhood level. Camden Council is a really good example of using data. Newham Council is doing lots of community level engagement work around data."

But Lowther said the support for these local open data projects has dwindled:

"There was a flush of enthusiasm for open data initiatives in the 2010s. A lot of those suffered with spending cuts, where people had to prioritise that and get on with other statutory stuff. Initiatives like the Data Mill North can be really powerful."

Most of the people we spoke to agreed that there was work to be done to improve the accessibility of financial information published by local councils and for this to be aggregated for sector-wide comparisons. But achieving this would be a challenge in the context of structural issues, such as the financial pressures facing councils, the local audit crisis. Multiple interviewees said that the promised restructuring of local government in England also presents another challenge but also a potential opportunity to create a more standardised and accessible approach to council financial data.



Recommendations:

The government should improve oversight in local government finance by:

1. **Ensuring adequate funding for local authorities.** Over a decade of austerity has left councils under-staffed, and pressures on remaining finance staff restrict the ability to train councillors, provide them with timely information for scrutiny, and prepare accessible data for the public.
2. **Making the new Local Audit Office responsible for local government financial data.** This would include making local authorities' financial data publicly and freely available with tools to enable comparison and enable oversight of the sector. It should build on the work already done by CIPFA, LGA and others.
3. **Making the new Local Audit Office responsible for creating a traffic light warning system for the financial health of local authorities.** This should be based on financial indicators that are timely and easy for the public to understand.
4. **Introducing new data standards for local government to improve accessibility, potentially via a Local Government Finance Act.** This should include making financial information machine-readable where possible and using accessible file formats. It would bring much-needed standardisation, make it easier to search, analyse and scrape data. Lessons can be learned from other data standards such as IATI and 360Giving.
5. **Creating a single repository of local government financial information.** A requirement for all councils to share the links to financial information in one place would make it easier for the public to access the information that is already published but not always easy to find and facilitate sector-wide analysis by academics and civil society groups. This recommendation has been previously made by mySociety.
6. **Building on current data visualisation tools, such as the Local Government Data Explorer, but make them more interactive and accessible to the public.** This could replicate examples in other places where residents can look at a breakdown of what is being spent in their local area.
7. **Mandating councils to attach a narrative report to their annual accounts.** This recommendation was previously made in the Redmond Review and would make council accounts more accessible to the wider public. This could be done as part of wider reforms to local government accounts which the government has consulted on in 2025.
8. **Mandating councils to use a standard e-invoicing format.** Already mandated in the EU, a standard e-invoice format would make it easier to summarise and analyse financial information. The government consulted on plans to introduce e-invoicing in early 2025.

9. **Providing funding for local open data platforms.** This could happen on existing local authority level or come as part of the new strategic authorities being created and being given more power and financial autonomy as part of English Devolution reforms.

Councils should work with organisations like CIPFA and local community groups to co-produce tools and cultures for fostering accessible financial information by:

10. **Supporting central government and civil society to produce interactive financial information platforms.** This would involve facilitating access to data and collaborating with other authorities and central government on data standards.
11. **Providing greater support and training for councillors to enable better financial scrutiny.** This would allow councillors to provide genuine scrutiny of financial information and decision-making and foster a culture of healthy challenge within authorities.
12. **Creating public resources to improve literacy around local government and local government finance.** This could draw on international initiatives promoting budget literacy, and would help to strengthen democracy by building public capacity to access and understand budgets and accounts.

Endnotes:

¹ Hoddinott, S. 2024. Local government section 114 (bankruptcy) notices. *Institute for Government*. Under the Local Government Finance Act 1988, issuing such a notice is required of finance officers when they expect their expenditure to exceed their income in a given financial year. See Local Government Finance Act 1988

² Pike, A. and Shaw, J. 2024. *Townscape: Mapping the gaps – the geography of local authority financial distress in England*. Bennett Institute for Public Policy: Cambridge, p. 5.

³ Pike, A. and Shaw, J. 2024. *Townscape: Mapping the gaps – the geography of local authority financial distress in England*. Bennett Institute for Public Policy: Cambridge, p. 6.

⁴ Pike, A., 2023. *Financialization and local statecraft*. Oxford University Press.

⁵ This project was supported by the University of Sussex KEI Policy Fellowship 'Making Local Authority Budgets Accessible' (2024-25).

⁶ CIPFA. 2024. Are there any good savings left? Improving outcomes and financial management.

⁷ Ferry, L., Fright, M., Midgley, H., Murphie, A. and Sandford, M., 2024. Are local government accounts trusted? Exploring the UK Levelling Up, Housing and Communities Committee verdict. *Public Money & Management*, p 5. By March 2025, the Public Accounts Committee was warning that the government lacked oversight over Local Authority finances, due to an audit crisis where only 10% of 426 authorities submitted "reliable data" for 2022-23. Public Accounts Committee. 2025. Government flying blind on struggling council finances amid unprecedented local audit crisis. 19 March 2025.

⁸ Research for Action. 2022. *Citizen Auditors: Investigating local government's accountability gap*. <https://researchforaction.uk/citizen-auditors-investigating-local-governments-accountability-gap>

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¹⁰ Jung, S.M., 2022. Participatory budgeting and government efficiency: evidence from municipal governments in South Korea. *International Review of Administrative Sciences*, 88(4), pp.1105-1123.

¹¹ Ministry of Housing, Communities & Local Government. 2025. Local authority funding reform objectives and principles consultation: summary of responses. 20 June 2025.

¹² Rutter, C. 2025. Fair Funding Review revived and SEND deficit override extended. *Public Finance* 20 June 2025.

¹³ UK Government, English Devolution and Community Empowerment Bill, 11 July 2025.

¹⁴ The project was approved and overseen by the University of Sussex Social Sciences & Arts Cross-School Research Ethics Committee, as project 'ER/PG91/6'

¹⁵ Pike, A. and Shaw, J. 2024. *Townscape: Mapping the gaps – the geography of local authority financial distress in England*. Bennett Institute for Public Policy: Cambridge, p. 7.

¹⁶ Parsons, A. and Powell-Smith, A. 2023. Unlocking the value of fragmented public data: recommendations for policy makers. My Society/Centre for Public Data.

¹⁷ Ferry, L., Midgley, H., Murphie, A. and Sandford, M., 2023. Auditing governable space—a study of place-based accountability in England. *Financial Accountability & Management*, 39(4), pp.772-789; Pike, A. and Shaw, J. 2024. *Townscape: Mapping the gaps – the geography of local authority financial distress in England*. Bennett Institute for Public Policy: Cambridge.

¹⁸ Bates, J., 2014. The strategic importance of information policy for the contemporary neoliberal state: The case of Open Government Data in the United Kingdom. *Government Information Quarterly*, 31(3), pp.388-395; Tavmen, G., 2024. "Open data means business": Infrastructural and economic implications of opening up data in smart London. *Digital Geography and Society*, 7, p.100098; Worthy, B., 2015. The impact of open data in the UK: Complex, unpredictable, and political. *Public Administration*, 93(3), pp.788-805.

¹⁹ Wang, V. and Shepherd, D., 2020. Exploring the extent of openness of open government data—A critique of open government datasets in the UK. *Government Information Quarterly*, 37(1), p.7.

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²¹ Muldoon-Smith, K., Forbes, C., Pearson, J. and Sandford, M. 2024. *A Systematic Analysis of Local Government Finance in Japan*. Local Government Information Unit.

²² Peebles, D. and Dalton, C., 2022. New development: Understanding the statement of accounts—the use of financial information in UK local authorities. *Public Money & Management*, 42(3), p. 179

²³ Ferry, L., Fright, M., Midgley, H., Murphie, A. and Sandford, M., 2024. Are local government accounts trusted? Exploring the UK Levelling Up, Housing and Communities Committee verdict. *Public Money & Management*, p. 6

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²⁵ Rudgwick, O. and Rutter, C. 2023. Thurrock and Woking failures highlight crisis in local audit. *Public Finance*, 19 June 2023.

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²⁸ Kersley, A. 2024. Freedom of Information in UK sinks to a new low. *Press Gazette*, 5 January 2024

²⁹ Similar dynamics are reported in other areas of local authority staffing, for instance in teams supporting refugees and asylum seekers. See Vicol, D-O. and Sehic, A. 2023. On the frontline: London council's responses to the humanitarian crisis in Ukraine. Work Rights Centre.

³⁰ Booker-Lewis, S. 2024. Council's new cabinet criticised for keeping councillors in the dark. *Brighton and Hove News*, 12 June 2024.

³¹ With thanks to Tim Davies from Connected by Data for providing background on these initiatives.

³² Bates, J., 2014. The strategic importance of information policy for the contemporary neoliberal state: The case of Open Government Data in the United Kingdom. *Government information quarterly*, 31(3), pp.388-395; Tavmen, G., 2024. "Open data means business": Infrastructural and economic implications of opening up data in smart London. *Digital Geography and Society*, 7, p.100098; Worthy, B., 2015. The impact of open data in the UK: Complex, unpredictable, and political. *Public administration*, 93(3), pp.788-805

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