

Report of the Director of Corporate Services

Corporate Briefing – 24 March 2015

BRIEFING ON THE WHITE PAPER REFORMING LOCAL GOVERNMENT: POWER TO LOCAL PEOPLE

Purpose:	To report on the White Paper Reforming Local Government: Power to Local People.
Policy Framework:	White Paper Reforming Local Government: Power to Local People.
Reason for Decision:	To consider the implications of the White Paper and agree an appropriate response to submit to Welsh Government prior to the 28 th April 2015 deadline
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that: the implications are noted and an appropriate response is agreed.
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Finance Officer:	
Legal Officer:	
Access to Services Officer:	

Introduction

1. The purpose of this briefing paper is to summarise the key proposals in this White Paper published on the 3rd February 2015, which outlines the Welsh Government's vision for the future of Local Government in Wales. It follows on from a previous White Paper - Reforming Local Government issued on the 8th July 2014, which outlines proposals to re-organise Local Government in Wales, in response to the recommendations made by the Commission on Public Service Governance and Delivery (the Williams' report).

2. Although the White Paper is an extensive document and alludes to some of the potentially most significant reforms to Local Government in Wales in recent years, it contains a number of mixed messages with different levels of significance. It includes a mixture of specific directives, a reiteration of previous policy commitments (outlined in the previous White Paper – Reforming Local

Government) and a number of open ended questions seeking views about a range of policy options. Many of these open ended policy proposals contain little detail about how these proposals will be implemented. Although some of the proposals contained within the White Paper may not take effect until 2019/18, the main criticism of the Bill levied by WLGA, is the absence of a map of Local Authority structures and detail about the related costs of re-organisation, particularly against a backdrop of austerity and significant reductions funding for Local Government.

3. The White Paper includes a broad range of proposals covering many aspects of Local Government including; local democracy, the role and responsibilities of the Council Leader, Cabinet Members and other Elected Members, the Chief Executive and Senior Officers, community governance and Community Councils, community rights, corporate improvement, service performance, corporate planning, scrutiny, audit, inspection, regulation and finance.

Summary of Key Proposals within the White Paper Reforming Local Government: Power to the People

The key proposals in the White Paper include;

Balancing the Responsibilities of National and Local Government

1. The Partnership Council for Wales and the Welsh Government's Local Government scheme will assess key national expectations and strategies for delivering them as a single public service.

2. New Authorities will be known as Principal Counties and all Councils will be known as 'County Councils' dropping the term County Borough.

3. Welsh Government will legislate to create a statutory Public Services Staff Commission to identify and propose practical solutions to issues arising from reform.

4. Welsh Government plan to introduce a general power of competence, which would allow Local Authorities and competent Community Councils to act in their communities financial interests and review the provisions of the Deregulation and Contracting Out Act 1994, which will enable Local Authorities to charge for discretionary services and trade.

5. Welsh Government are seeking views on changing the length and structure of Council Constitutions in order to help local people understand their Authority, its values and principles.

6. Welsh Government are seeking views on whether a fundamental review of the body of Local Government legislation is justified in the long term.

Renewing Democracy

7. Council Leaders will be required to publish a written manifesto and present it orally to Council and produce an annual statement of progress in delivering that manifesto.

8. Council Leaders will be required to set objectives for each Member of the Cabinet and hold them to account each year for their progress.

9. Council Leaders will be required to set objectives for the Chief Executive, assess their report annually and make a report each year to Council.

10. Council Leaders should have due regard to equality and diversity when selecting their Cabinet and where they are unable to select a balanced Cabinet, they should give serious consideration to co-opting additional non-voting Cabinet Members as advisors.

11. Welsh Government are seeking views on whether all Cabinet posts should be full time and whether the same level of remuneration is appropriate for all Members of the Cabinet.

12. Welsh Government plan to create a development programme led by Academi, for new and existing Council Leaders and for Councillors who could potentially become Cabinet Members.

13. Cabinet Members will be required to produce an annual report and outline what they have achieved over the year.

14. Group Leaders and Chief Executives, must ensure that there are anti-bullying and harassment policies in place not only for staff, but also in respect of other Councillors.

15. Council Leaders should have due regard to equality and diversity objectives and should give serious consideration to co-opting non-voting Cabinet members where they cannot achieve a balanced Cabinet.

16. Chief Executives will be required to establish a Youth Council.

17. Councillors' remuneration in Wales will be reviewed in line with the amounts paid in similarly sized Authorities in England, Scotland and Northern Ireland.

18. Welsh Government are seeking views on whether devolved public service organisations should be required to release staff to undertake duties as an Elected Member.

19. Welsh Government are seeking views about whether there should be an overall reduction in the number of Elected Members in Local Authorities in line with Authorities in England, Scotland and Northern Ireland.

20. Welsh Government are seeking views on time limit Elected Members can serve; five terms for Elected Members and two terms for Leaders and Elected Mayors.

21. Welsh Government are seeking views on whether Local Authority Officers (other than those holding politically restricted posts) should be entitled to stand for election in their own Authority.

22. Chief Executives will be required to;

- make arrangements to prepare and publish a corporate plan,
- make arrangements to prepare and publish an annual self assessment of corporate improvement and service performance,
- commission a peer review every two years and prepare a report for Council on the actions to be taken following the recommendations of peer review,
- put in place a performance management system for all employees of the Local Authority,
- promote engagement and diversity in democracy.

23. The Chief Executive should act as the Electoral Registration Officer and Returning Officer for Local Authority Elections.

24. Welsh Government are seeking views on whether to set a limit on the length of an appointment of a Chief Executive, or to set a period to a review before re-appointment.

25. Welsh Government proposes that Local Authorities consult with the Independent Remuneration Panel (IRP) before deciding on any variation on any variation to the salary of all Chief Officers (earning above £60K a year) across all Local Authorities in Wales.

26. Welsh Government are proposing to establish a Public Sector Appointment Committee to manage all senior appointments to Local Government

Connecting with Communities

27. The Well Being of Future Generations (Wales) Bill proposes to make Public Service Boards statutory partnerships, whose members share joint responsibility for preparing local Well Being assessments and local Well Being Plans.

28. Welsh Government propose that Local Authorities should develop, adopt and implement a neighbourhood management approach to engaging with local people to identify, prioritise and address, local, social, economic and environmental issues.

29. Welsh Government are proposing to develop a national framework which requires Local Authorities to put in place a community governance

system which will describe how 'operational' Area Boards will work with 'strategic' Public Service Boards.

30. Welsh Government plan to introduce legislation to ensure Local Authorities establish 'Area Boards' which reflect participatory principles with a guaranteed role for community bodies, including the Third Sector, Community Councils and other public services.
31. Welsh Government propose to give more extensive powers to Local Authorities in order to undertake a fundamental review of the structure, role and governance of Community Councils within their area.
32. Welsh Government propose introducing a number of 'competency tests' for Community Councils to ensure that there are high standards of governance, financial management, professional capacity and capability and democratic accountability.
33. Competent Community Councils¹ will acquire more rights and entitlements and will not be subject to capping of the precept.

Power to Local Communities

34. Welsh Government have a vision for Local Authorities in Wales to become activist Councils. Welsh Government intend to work with the Wales Co-operative centre and WCVA on innovative funding models.
35. Welsh Government propose that where a community body (voluntary sector organisations, co-operatives, mutuals, social enterprise and community councils) believes it could help improve a service, it will be able to make a request to the Local Authority setting out how it could help.
36. Welsh Government propose that communities in Wales will have the first right to buy properties in private ownership, or owned by another public body, which can contribute to the well being of a community e.g a village shop or pub and intend to consult further on the details of these proposals.

Corporate Governance and Improvement

37. Welsh Government intend to repeal the provisions in Part 1 of the Local Government (Wales) Measure 2009, putting specific responsibility on

¹ At present fewer than 10% of Community Councils pass the proposed capacity budget (annual budget of £200,000)

The Chief Executive and Local Authorities' internal accountability processes. Welsh Government are also seeking views on whether any other aspects of Part 1 should be restated.

38. Welsh Government propose to amend the Local Government (Wales) Measure 2011 to clarify the role and responsibilities of Audit Committees, rename them Corporate Governance and Audit Committees and expand their independent membership.
39. The Chief Executive will be required to take an annual self assessment of the Authority's corporate governance and service improvement and produce a report highlighting matters of concern to the Leader.
40. Welsh Government are proposing that the Chief Executive should make arrangements for a peer assessment to take place every two years.
41. If the Local Government (Wales) Measure 2009 is repealed (as intended by Welsh Government), Welsh Government intend to legislate to ensure that Welsh Ministers have the power to intervene in Local Authorities in the event of corporate or service failure.

Performance in Local Government

42. The Well-being of Future Generations (Wales) Bill will set out long term well-being goals for Wales and will include a number of national indicators to measure progress towards these.
43. Local Authorities will be required to prepare a corporate plan (in place of the improvement plan) and linking to the Well-being plan.
44. The Leader's manifesto will set out the Local Authority's Executive's political priorities and the Chief Executive must produce a corporate plan to put these actions into effect.
45. Welsh Government will work with Local Authorities and other stakeholders to develop guidance to inform the corporate plans which will include;
 - strategic population outcomes for the area as agreed in the local Well being plan,
 - corporate priorities for service delivery and improvement,
 - financial management plans,
 - work force plans,
 - the risk register,
 - existing service performance and benchmarking data,
 - public engagement and involvement strategy, including setting budget and council tax,
 - planned performance levels,
 - an annual report setting out achievements and performance outcomes

of the previous year.

46. Welsh Government will establish a single accessible portal to provide regularly, timely and comparable information. Local Authorities will be required to publish this data.
47. Corporate plans will include a standardised set of performance outcome and measures. Welsh Government are seeking views on the inclusion of minimum standards and the use of financial penalties for non compliance.
48. Welsh Government plan to work with Local Authorities to agree a common structure for the classification of procurement expenditure.
49. Welsh Government intends to legislate to ensure all full Council and executive meetings are broadcast on-line. It will be for Local Authorities to decide whether the public may film or record meetings.
50. Welsh Government intend to put a duty on Local Authorities to make provisions for the public to make their views known on any open agenda item of full council, the Executive or any Committee of a Local Authority
51. Welsh Government will require Local Authorities to establish a streamlined online complaints process and provide a regular report on complaints to the Authority's Audit Committee.
52. Welsh Government propose that there should be a requirement for the Head of Democratic Services to be a Chief Officer and remove the requirement that the Monitoring Officer should also not be the Head of Democratic Service
53. Welsh Government propose that Scrutiny Committees mirror the approach to planning proposed for the Chief Executive, establishing short, medium and long term plans linked to national plans and the Authority's corporate plan.
54. Scrutiny Committees should also be required to set out how they will engage with the public, service users and in particular with reference to under-represented groups.
55. Welsh Government propose that consideration should be given to permitting Councils to grant voting rights to co-opted members of scrutiny Committees.
56. Welsh Government are seeking views on whether a Public Accounts committees model (currently being piloted in Westminster and Kensington) could be introduced in Wales.

57. Welsh Government are proposing that Local Authorities improve opportunities for local community bodies to engage with scrutiny.
58. Welsh Government are seeking views about whether it is beneficial to simplify regional scrutiny arrangements.
59. Welsh Government propose that external review bodies such as audit, inspection and regulatory bodies share reports with relevant Audit or Scrutiny Committees.
60. Welsh Government propose that the Wales Audit Office, Estyn and CCSIW come together to produce a single 'whole system' assessment of each Authority (on a biennial basis, alternating with the peer assessment).
61. Welsh Government plan to continue reviewing the role of audit, inspection and regulation.
62. Welsh Government will review the mechanism for funding Local Authorities and the frameworks which underpin the management of their income and expenditure
63. Welsh Government will seek to simplify the current funding arrangements where practicable and ensure Local Government's funding and budgetary arrangements are more inclusive and transparent. This will be a critical component of the corporate plan.

For a full-list of proposals/options see the Welsh Government's 30 page consultation form <http://wales.gov.uk/docs/dsjlg/consultation/150203-power-to-local-people-response-en.docx>:

Balancing the Responsibilities of National and Local Government

1. The Well Being of Future Generations (Wales) Bill underpins the public service reform agenda, setting out how public bodies including Welsh Minister and Local Government will set its local objectives, responsive to local need and subject to local accountability. The Bill strengthens the community leadership role of Local Government by requiring public services in a Local Authority are to work together through the Public Services Board to improve local well-being.

2. The Partnership Council for Wales and the Welsh Government's Local Government scheme will assess key national expectations and strategies for delivering them as a single public service and manage the development of collaborative practice between Local Authorities in Wales. Welsh Government has an expectation of collaboration in the provision of corporate services such as procurement, ICT, human resources and payroll.

3. During the process of Local Government re-organisation, new Authorities will be known as Principal Counties and all Councils will be known as 'County Councils' (and term County Borough Council should no longer be used).

4. Welsh Government will legislate to create a statutory Public Services Staff Commission. The purpose of the Public Services Staff Commission will be to identify and propose practical solutions to issues arising from reform. The Commission will require skills and experiences in relation to human resources, leadership and organisational change, finance and accountancy, employee relations, knowledge of Local Government and its major responsibilities, other public services, organisational development and Trade Union organisation.

5. The Local Government Act 2000 introduced the 'power of well-being' giving new powers to local Government to act in a way which improved the well-being of people in each area. However, in practice this power has been problematic to exercise. Therefore, the Welsh Government plan to introduce a general power of competence, which would allow Local Authorities and competent Community Councils to act in the their communities financial interests to generate efficiencies and secure value for money outcomes e.g the would be able to raise money by charging for discretionary services and trade. In addition to this, Welsh Government plan to review the provisions of the Deregulation and Contracting Out Act 1994 as they apply to Local Authorities in Wales. This would enable Local Authorities to generally make decisions on how they deliver local services, other than in prescribed services

6. The Welsh Government is seeking views on whether some of the procedures and processes of Local Government can be simplified, while at the same time improving transparency. Welsh Government are seeking views on changing the length and structure of Council Constitutions in order to help local people understand their Authority's decision making, its principles and values and relationship to the people its services (as in the case of the Co-operative Council Constitution of the London Borough of Lambeth).

7. Welsh Government are seeking views on whether a fundamental review of the body of Local Government legislation is justified in the long term. Much of the legislation relating to the operation of Local Government has accumulated over years and much of it has been amended.

Renewing Democracy

8. The Welsh Government are seeking legislative competence to determine the running of Local Government Elections as part of a reformed devolution settlement views on both the length of Local Government election cycles and the appropriateness of phasing within a Local Authority area.

9. The White Paper suggests that Council Leaders should publish a written manifesto and present it orally to Council (before the election of Leader takes place) and produce an annual statement of progress in delivering that

manifesto. The annual statement should set out successes and challenges faced by the Council and steps the Leader has personally taken to eradicate poor performance. The White Paper also states that the Leader of a Local Authority should be given a statutory duty to set objectives for each Member of the Cabinet and hold them to account each year for their progress and for these documents to be published.

10. Welsh Government also propose that Leaders should be required to set objectives for the Chief Executive, assess their report annually and make a report each year to Council. The Leader should hold the Chief Executive to account for delivering the Executive Boards' priorities, including their political priorities and their proposed well-being objectives under the Well-being and future Generations Bill. (It is important to note that the Leader's manifesto and annual statement are separate and different from the Chief Executive's corporate plan and annual report – as the former sets out the Executive's priorities and the latter sets out how the Chief Executive will ensure the delivery of these priorities operationally).

11. The White Paper proposes that Leaders should have due regard to equality and diversity when selecting their Cabinet and where they are unable to select a balanced Cabinet they should give serious consideration to co-opting additional non-voting Cabinet Members as advisors.

12. Mechanisms need to be put in place to improve transparency and strengthen scrutiny and to clearly differentiate between the roles of the Executive and Senior Management Team.

13. A senior salary is payable to certain Elected Members whose work is considered full time e.g the chair of scrutiny, or have some key legal responsibilities e.g the Leader and Cabinet member for Social Services and Education. However it is questionable as to whether all Cabinet posts should be seen as full time and whether the same level of remuneration are appropriate for all Members of the Cabinet.

14. Welsh Government proposes the creation of a development programme led by our public service Academi, for new and existing Council Leaders and for Councillors with the potential to become Cabinet Members and for Leaders of the opposition.

15. Welsh Government proposes to clarify the expectations which a Elected member is expected to fulfil, including strengthening their roles as community advocates through Area Boards.

16. The responsibilities of Elected Members should increase in larger merged Local Authorities and Elected Members will need to commit to continuing personal development in order to develop high levels of expertise in finance, service and corporate matters. Some will wish to develop expertise in scrutiny, others in community engagement.

APPENDIX A

17. Welsh Government will introduce a new statutory requirement on Cabinet Members to produce an annual report, including information about their attendance, membership of committees and Area Boards, remuneration, training, case work, they should also focus on what they have achieved over the year and how people and communities are better off.

18. Welsh Government proposes placing a statutory duty on Group Leaders and Chief Executives to ensure diversity is respected. This will extend to ensure that there are coherent anti-bullying and harassment policies in place not only for staff but also in respect of other Councillors.

19. In addition, Welsh Government proposes that Leaders should have due regard to equality and diversity objectives when selecting their Cabinet and should give serious consideration to co-opting non voting Cabinet members where they cannot achieve a balanced Cabinet. Councils should aim to become places where an open culture thrives and people are made to feel welcome and respected, whatever their background. The Welsh Government believes it is time to implement the Councillor's Commission proposal, in terms of supporting a broadening civic participation.

20. The White Paper requires Chief Executive's to establish a Youth Council.

21. The salary of Cabinet Members is set by the Independent Remuneration Panel for Wales. The salary payable is determined by the size of the Council and being full time roles. Welsh Government intends to clarify how Councillors either intend to compensate Councillors for their time or pay them for the work they do. Welsh Government believes the system of remuneration for councillors – needs to be clearly spelt out in such a way the public can see how the levels payable are arrived at. Councillors remuneration in Wales should be more in line with the amounts paid in similarly sized Authorities in England, Scotland and Northern Ireland.

22. Welsh Government are seeking views on whether devolved public service organisations should be required to release staff to undertake duties as an Elected Member, in the same way as many organisations already release staff to undertake voluntary work. If this proposal is taken forward, Welsh Government would also encourage non-devolved service organisations, third sector and private organisations to release employees for Councillor duties as part of their corporate social responsibility.

23. Proposals to merge existing Local Authorities into a smaller number of new Authorities will have implications for the number of Elected Members in Wales. The Welsh Government suggest that there should be an overall reduction in the number of Elected Members in Local Authorities to approximate more closely to the number in England and Scotland.

24. Welsh Government also believe that overall there is merit in considering limiting the number of terms Elected Members, Leaders and Elected Mayors may service. Welsh Government are seeking views on the proposal that the

limit should be five terms for Elected Members, two terms for Leaders and Elected Mayors and for continuous service in a Council's Cabinet.

25. Welsh Government are seeking views on whether provisions for Recalling Members in Local Government should be introduced if certain conditions are breached e.g where sanctions have been imposed on a Councillor by a Standards Committee.

26. Welsh Government are seeking views on whether it should be easier for employees of a Local Authority to stand for election to the same Authority and whether there should be restrictions preventing Elected Members of Local Authorities also serving as either Assembly Members or Community Councils

27. We are seeking views on whether Elected Members of Local Authorities should be disqualified from serving on Community Councils.

28. Welsh Government are seeking views on whether Local Authority Officers – other than those holding politically restricted posts – should be entitled to stand for election in their own Authority. Only if elected should they be required to resign their paid employment with the Authority.

29. Welsh Government must have a Chief Executive a designated the Head of Paid Service. Welsh Government propose five specific duties on the Chief Executive;

- make arrangements to prepare and publish a corporate plan
- make arrangements to prepare and publish annual self assessment of corporate improvement and service performance
- commission a peer review every two years and prepare a report for Council on the actions to be taken following the recommendations of peer review
- put in place a performance management system for all employees of the Local Authority
- promote engagement and diversity in democracy

30. The Chief Executive should act as the Electoral Registration Officer and Returning Officer for Local Authority Elections.

31. Welsh Government are seeking views on whether to set a limit on the length of an appointment of a Chief Executive or to set a period to a review before re-appointment could be considered. The Public Services Staff Commission would best placed to take this work forward.

32. Welsh Government proposes that Local Authorities consult with the Independent Remuneration Panel (IRP) before deciding on any variation to the salary of all Chief Officers (earning above £60K a year) across all Local Authorities in Wales.

33. Welsh Governments suggest that a more structured approach to developing the skills and careers of public service leaders in Wales is needed (including

entrepreneurial skills to establish co-operative and social enterprise models of delivery). It might be possible to establish a Public Sector Appointment Committee to manage all senior appointments to Local Government in order to ensure appropriate competence and leadership skills and employed on a common basis so that they could move between roles and organisations in Wales

Connecting with Communities

34. The Well Being of Future Generations (Wales) Bill proposes to make Public Service Boards, statutory partnerships whose members share joint responsibility for preparing local Well Being assessments and local Well Being Plans (this will replace Single Integrated Plans). The aim of this proposal is strengthen the integration of public services with a strategic focus on 'place'.

35. Community governance can be defined as the way in which people organise themselves to identify their priorities, manage assets and influence the decision of public services (e.g Area Committees, Community Councils, Partnerships between Local Authorities, voluntary groups and others, advocacy groups, Communities First and regeneration partnerships. This is a crowded landscape which makes it difficult for the views of the community to be expressed

36. The Welsh Government is proposing Elected Members should have a strengthened role in leading their communities and providing this conduit.

37. The Welsh Government propose that Local Authorities should develop, adopt and implement a neighbourhood management or similar approach to engaging with local people to identify, prioritise and address, local, social, economic and environmental issues. Neighbourhood or area management can take a number of different forms.

38. The Welsh Government are proposing a national framework which requires Local Authorities to put in place a community governance system meeting certain guidelines. This would include how the 'operational' Area Boards which aim to make an immediate and tangible difference in communities, will work with 'strategic' Public Service Boards proposed under the Well-being of Future Generations Bill whose focus is generally on the long term.

39. Welsh Government plan to introduce legislation to ensure Local Authorities establish 'Area Boards' which reflect participatory principles with a guaranteed role for community bodies, including the Third Sector, Community Councils and other public services. In areas where there are currently Area Committees, these should be replaced with a more inclusive approach. There is an opportunity for Area Boards to take on the current and future responsibilities for area based initiatives including those funded by the UK and Welsh Government programmes.

40. The Well-being of Future Generations (Wales) Bill makes provision for the Welsh Ministers to determine communities in each Local authority area. Local Authorities should take a pragmatic view, drawing on the practice of elsewhere.

41. Welsh Government propose that the Community Council sector is in need of reform and they should be merged or enlarged. Community Councils. One of the great strengths of Community Councils is that they are closer to local people than any other tier of government. Yet, in practice, the quality and openness of interaction with the public by Community Councils can vary. Community Councils are not required to submit reports or be subject to performance or improvement regimes and historically there has been a dearth of information about their activities and added value.

42. Welsh Government think that there should be fewer, larger Community Councils. Principal Local Authorities should delegate more responsibility to them, but only when they have appropriate capacity and capability.

43. Welsh Government propose that the reform of the Community Council sector should be led by Local Authorities (as they are best placed to do so, through their Community Leadership responsibilities).

44. Welsh Government plan to give more extensive powers to Local Authorities to review the structure, role and governance of Community Councils within their area (to be completed by 2022).

45. Welsh Government propose introducing a number of 'competency tests' for community Councils to ensure that there are high standards of governance, financial management, professional capacity and capability and democratic accountability. Tests might include a democracy test, a capability test, a capacity test and a governance test.

46. Competent Community Councils² will acquire a number of privileges over other Community Councils, including certain rights and entitlements and will not be subject to capping of the precept. Welsh Government would expect to see more extensive delegation of functions from Principal Local Authorities.

Power to Local Communities

47. Welsh Government have a vision for Local Authorities in Wales to become activist Councils, taking action to support and improve the well-being and resilience of their communities

48. The Welsh Co-operative and Mutual Commission recently identified a range of new opportunities for social and community enterprise. The Welsh Government believes that there is significant untapped potential in the power of community enterprise. The Social Services and Well Being (Wales) Act will require Local Authorities to promote the development of co-operatives and mutuals in the field of social care. Welsh Government intend to work with the Wales Co-operative centre and WCVA on innovative funding models.

² At present fewer than 10% of Community Councils pass the proposed capacity budget (annual budget of £200,000)

49. Welsh Government propose that where a community body (voluntary sector organisations, co-operatives, mutuals, social enterprise and community councils) believes it could help improve a service, it will be able to make a request to the Local Authority setting out how it could help. The Local Authority will be required to respond and engage with the community body, unless there is a valid reason not to do so.

50. Community bodies should use their power to open up a dialogue with their Local Authority and could take on the delivery of that service (subject to capability and capacity).

51. A best practice toolkit is being developed by the Welsh Government in relation to asset transfers in order to ensure that there is consistency with the transfer of community assets. Details of surplus public sector assets will also be made available through the SpaceCymru portal on the AssetsCymru website.

52. Welsh Government propose that communities in Wales have the 'first right to buy properties in private ownership, or owned by another public, which can contribute to the well being of a community e.g a village shop or pub. This may include purchases made at a market value and also instances where a nominal amount is paid. Welsh Government intend to consult further on the details of these proposals following discussions with representative organisations

53. Welsh Government broadly define community bodies as voluntary sector organisations, co-operatives, mutuals, social enterprise and Community Councils (assessed as being competent). Any community body wishing to take a more active role in delivering services would be required to meet certain standards and there would need to be appropriate standards of governance, financial management and transparency.

54. Welsh Government expect that Elected Members of Local Authorities to play a role in facilitating the use of these entitlements through their role on Area Boards.

Corporate Governance and Improvement

55. Leaders must be capable of steering their organisations through some of the most profound changes since Local Government was established. This will require visionary leadership and sound corporate governance which is capable of innovating. A capable, adaptive and strategic corporate apparatus is essential for managing change and improving services.

56. As a minimum, effective corporate governance should focus on;

- how the organisation identifies and manages risk,
- whether there are appropriate controls in place in relation to corporate and work force planning, performance management, grants

- management, procurement, programme management, fraud and corruption
- whether the Authority is able to demonstrate compliance with equalities, Welsh language and other statutory duties
- whether there are finance systems in place to manage, monitor, review and plan the use of resources

57. A Welsh Government report *Learning to Improve* found that an evaluation of the impact of Outcome Agreements have broadly been effective in achieving better corporate focus on improvement and outcomes, although it was difficult to assess whether this has led to performance improvements

58. Welsh Government think that Improvement plans have not been used sufficiently by Scrutiny Committees and also question the effectiveness of the Welsh Audit Office's annual improvement assessments in supporting Local Authorities to improve.

59. The Welsh Government believe that a more risk based approach to improvement and innovation would permit Local Authorities to respond more effectively to challenges. Therefore, Welsh Government intend to repeal the provisions in Part 1 of the Local Government (Wales), putting specific duties on the Chief Executive and Local Authorities internal accountability processes

60. Welsh Government are seeking views on whether any aspects of Part 1 in the Local Government (Wales) Measure 2009 should be restated

61. Repealing Part 1 of the Local Government (Wales) measure 2009, would require the strengthening of Local Authorities corporate governance arrangements, including the role of Audit Committee.

62. Welsh Government propose to amend the Local Government (Wales) Measure 2011 to clarify the role and responsibilities of Audit Committees, rename them Corporate Governance and Audit Committees and expand their independent membership

63. Welsh Government are also proposing that that the Chief Executive is required to take an annual self assessment of the Authority's corporate governance and service improvement and produce a report highlighting matters of concern to the Leader. The report should outline how the Chief Executive has taken action to respond to the reports of the Audit Committee, self assessment and peer review and it to be published

64. Welsh Government are also proposing that the Chief Executive should make arrangements for a peer assessment to take place every two years.

65. Welsh Government will set out in legislation a requirement for Local Authorities to undertake self assessment and peer review and the specifics of the new arrangements would be set out in regulations and/or statutory guidance, rather in primary guidance.

66. Self Assessment and Peer Review will allow Authorities the freedom to determine the best arrangements to secure improvement, suited to their own circumstances. The Local Government Association have produced a number of guides and case studies which highlight some of the positive impact brought about as a result of peer reviews.

67. A peer review of a Local Authority is a 'reality check' and an essential part of encouraging organisations to become more ambitious and will help develop a wider culture of sharing and learning. Welsh Government propose that the results of the reviews and the Local Authority's response to them to be published as a matter of routine and considered by the Audit Committee.

68. If the Local Government (Wales) Measure 2009 is repealed (as intended by Welsh Government), Welsh Government intend to legislate to ensure that Welsh Ministers have the power to intervene in Local Authorities in the event of corporate or service failure. Welsh Government intend to have the power to commission an independent review of the corporate governance of a Local Authority, concerns around performance and if concerns are raised by the Authority itself, Members, auditors, inspectorates or a public concern.

69. The Commission for Public Service Governance and delivery identified performance management arrangements in the public services in Wales, including Local Government as an area of concern. The Commission drew attention to the complexity of performance management information, the multiplicity of indicators and fragmentary performance indicators

70. The Well-being of Future Generations (Wales) Bill will set out long term well-being goals for Wales. There will be national indicators to measure progress towards these. Local Authorities and other public services will be required to align their objectives to the achievement of national well being goals.

71. Welsh Government proposals for a new performance framework will start with these national goals and indicators. The Local well-being plan will set out the collective public service plan for an area, developed by the Public Services Board in conjunction with the people and communities who live there. The well-being plan will identify the outcomes which are priorities of all public services for achieving the long term well-being in their area. These will include the Local Authority's priorities for action in planning its service provision needs.

72. The Leader's manifesto will set out the Local Authority Executive's political priorities and the Chief Executive must produce a corporate plan to put these actions into effect. Welsh Government propose that Council no longer approve the corporate plan (to clarify the functions of Elected Members of the Council and the administrative management of the Authority. This will increase the responsibility on the Executive and Scrutiny Committees to hold the Chief Executive to account. The Council must approve the budget and its committees and the Executive will be required to scrutinise senior management team on the delivery of their objectives through the corporate plan

73. The corporate plan will set out how the authority intends to address the Executive's priorities in the short, medium and long term.

74. Welsh Government will work Local Authorities and other stake holders to develop guidance to inform their corporate plan which will include;

- strategic population outcomes for the area as agreed in the local Well-being plan,
- corporate priorities for service delivery and improvement,
- financial management plans,
- work force plans
- the risk register
- existing service performance and benchmarking data
- public engagement and involvement strategy, including setting budgets and council tax
- planned performance levels
- an annual report setting out achievements and performance outcomes of the previous year (which could be used to discharge the duty under the Well-being of Future Generations Bill to report on how they have delivered objectives in a manner consistent with sustainable development principles

75. Welsh Government propose that there will be a new duty on the Auditor General under the Well-being of Future Generations Bill that require him to assess the application of sustainable development principles in both setting and achieving objectives set by Local Authorities.

76. Welsh Government propose to establish a single, accessible portal to provide regularly, timely and comparable information to challenge variations in performance. Data from the UK and contextual information including reports from the Wales Audit Office, Inspectorates, self assessments and peer reviews could also be included. Local Authorities would be required to publish the information, using agreed definitions by a set date.

77. Corporate plans will include a standardised set of performance outcomes and measures and WG will also consider the inclusion of minimum standards and the use of financial penalties for non compliance. WG are seeking views on the use of financial penalties for non compliance.

78. Welsh Government plan to work with Local Authorities to agree a common structure for the classification of procurement expenditure.

79. In Reforming Local Government Whit Paper, WG set out the intention to legislate to require that all full Council and executive meetings are broadcast on-line. WG suggest that it should be for the discretion of Local Authorities to decide whether the public may file or record any proceedings

80. WG intend to put a duty on Local Authorities to make arrangements to enable the public to make their views known on any open agenda item of full Council, the Executive or any Committee of a Local Authority. This will require

that existing requirements to publish agendas and meeting papers in advance must be closely adhered to.

81. Welsh Government will require all Local Authorities to establish a streamlined online complaints process, provide an auditable trail and enable the Local Authority to build up a comprehensive picture of issues with service delivery, governance and the views of the public.

82. Welsh Government will require that the Local Authority provide a regular report on complaints to the Authority's Audit Committee.

Strengthening the Role of Review

83. Internal Review by Elected Members, or scrutiny contributes to decision-making processes that are clear and accessible to the public, holding those who make decisions to account

84. Welsh Government believe that the relationship between the Executive and Scrutiny Committee is critical. In order for them to be effective, they need to be independent and have effective powers at their disposal.

85. Scrutiny must have appropriate and sufficient support in the form of skilled officers and its own budget. Welsh Government proposes that there should be a requirement for the Head of Democratic Services to be a Chief Officer and to remove the requirement that the Monitoring Officer should not also be the Head of Democratic Services.

86. Welsh Government are also seeking views on whether they should take further steps to protect the independence of the Democratic Services function

87. Reviewing a decision before it is made is more effective than looking at a decision after it is made. Generally only 'key decisions' made by Authorities in England are subject to call-in for consideration by a Scrutiny Committee. In Wales the concept of a key decision does not exist but could be introduced to support the more effective use of planning for pre-decision scrutiny.

88. Welsh Government intend that that Scrutiny Committees should mirror the approach to planning proposed for the Chief Executive; establishing short, medium and long term plans linked to national goals and their Authority's corporate plan, local well-being plan and key decisions.

89. Welsh Government propose that Scrutiny Committees should be required to set out in their forward plans how they will engage with service users and the public. Scrutiny Committees should make particular reference to under-represented groups and considering co-opting groups to contribute to the debate.

90. Welsh Government propose that consideration should be given to permitting Councils to grant voting rights to co-opted members of Scrutiny Committees in appropriate circumstances.

APPENDIX A

91. Public Accounts Committees (independent bodies with oversight over all public expenditure in a local area) are due to be piloted in Westminster and Kensington and Chelsea Councils. WG believe that these proposals could merit further consideration and are seeking view on the concept of introducing a model in Wales.

92. Welsh intend to improve opportunities for people to directly contribute to service improvement through local scrutiny, by requiring opportunities to be made available for local community based representative bodies to engage with scrutiny.

93. Welsh Government propose that the opportunity to question the Leader of all the Council should be offered in all Local Authorities in Wales

94. Welsh Government are seeking views on whether it would be beneficial to simplify regional scrutiny e.g legislation to require a Joint Overview and Scrutiny Committee made up of Elected Members of the commissioning Authorities.

95. The key bodies in Wales in relation Local Government are the Auditor for Wales and the Wales Audit Office, Estyn (education and children's services) and the Care and Social Services Inspectorate for Wales. Existing legislation defines the roles and duties of audit, inspection and regulation bodies and provides a framework for the way in which they operate.

96. Welsh Government intend to require external review bodies to share audit, inspection and regulatory reports with the relevant Audit or Scrutiny Committee. These committees would be required to review them and provide recommendations to the Authority

97. Welsh Government propose that the Wales Audit Office, Estyn and CSSIW come together drawing on existing reports to produce a single 'whole system' assessment of each Local Authority (on a biennial basis, alternating with the peer review cycle).

98. Welsh Government will also require Wales Audit Office, Estyn and CSSIW to produce a single annual assessment on the state of Local Government in Wales and present this to Welsh Ministers and the National Assembly for Wales.

99. As part of Welsh Government's intention to repeal Part 1 of the Local Government (Wales) Measure 2009, Welsh Government propose to continuing looking at the role of audit, inspection and regulation as part of the development of the new arrangements and the promotion of a more joined up approach.

100. The current system for funding local services is complex. Welsh Government propose to review the mechanisms for funding Local Authorities and the frameworks which underpin the management of their income and expenditure to ensure they are fit for purpose. In particular Welsh Government

want to review how we can develop stronger links between funding, performance and the delivery of strategic outcomes.

101. Welsh Government want to facilitate greater access to information about how each Authority proposes to use its funding, how effective it has been in using it and the extent to which it delivers better services. This will be a critical part of the corporate plan.

102. Welsh government aim to develop;

- an effective and efficient system for funding the new Authorities
- the framework for financial governance
- funding and financial regimes which supports the reforms of Local Government.

103. Welsh Government are proposing a phased approach to developing a Local Government system fit for the new Authorities which will include the necessary changes to effect mergers and the reforms proposed in the longer term. In the longer term, Welsh Government propose to develop a system which takes into account of wider changes to the powers and fiscal responsibilities of the National Assembly for Wales and allow Local Authorities to raise more finance themselves.

Consultation Process and Next Steps

104. Welsh Government require responses to the White Paper by the 28th April (2015). The White Paper covers a large number of Local Government matters, with a subsequent broad range of potential stakeholders including;

- the Leader and Cabinet Members,
- Elected Members,
- the Audit Committee,
- the Scrutiny Committee,
- Community Councils,
- Political Parties,
- Executive Board,
- Senior Officers (including the Monitoring Officer, Head of Democratic Services, Head of Legal, Head of Finance)
- Corporate Performance and Planning (Performance and Delivery).
- Audit

Welsh Government have issued two questionnaires to assist with the consultation process; one covering all the issues included within the White Paper and a shorter version of the questionnaire which focuses on the main matters of public interest.

APPENDIX A

Corporate Briefing are asked to consider the implications of the White Paper and agree an appropriate response to submit to Welsh Government prior to the 28th April 2015 deadline.