

LOCAL GOVERNMENT REFORM

a. Voluntary Mergers Bill

b. White Paper "Power to local people"

Purpose

1. This report updates members on a range of significant developments in the Welsh Government's Reforming Local Government programme since the last WLGA Council meeting, including the voluntary mergers, the publication of the Local Government (Wales) Bill and the publication of the 'Power to Local People' White Paper.
2. It also seeks at this preliminary stage to gauge members' views on key elements of the White Paper "Power to Local People" and allows sufficient opportunity to debate the construction of a full response before the deadline of 28th April 2015.

Voluntary Mergers and the Local Government (Wales) Bill

3. Local government has engaged constructively in the debate around structural reform through the Williams Commission, in dialogue with Ministers and in its response to the Reforming Local Government White Paper in the summer of 2014. The WLGA has put forward discussion documents outlining a vision for local democracy and local government and alternative options for delivering services differently.
4. There has been broad support, in principle, with a majority of councils confirming that they were prepared to consider merger through the process of the Second Bill and a further six councils constructing Expressions of Interest for a voluntary merger as part of the First Bill process. Other authorities took a democratic view to not engage in merger discussions.
5. Three formal voluntary merger expressions of interest, from Blaenau Gwent and Torfaen, Bridgend and the Vale of Glamorgan, and Conwy and Denbighshire were submitted to the Minister for consideration by the 30th November 2014 deadline. The deadline for the Welsh Government to process these bids was shifted from 5th January 2015 until a formal announcement that included the publication of the Voluntary Mergers Bill on 26th January 2015. The following day however saw the formal expressions of interest were rejected by the Minister for Public Services on 27th January 2015 in a statement was *"not persuaded that any one of these Expressions of Interest sufficiently meets the criteria for moving ahead to prepare a full Voluntary Merger Proposal"*. The rejection of the bids has

been greeted with considerable disappointment by the authorities involved some of whom have disputed the outcome of this process.

6. It remains the case that Welsh Government continues to encourage a programme of voluntary mergers and intends to produce a further local government map by the June 2015 and has published the Local Government (Wales) Bill [the Bill] which sets out arrangements and powers to introduce voluntary mergers. In addition the First Minister has publically stated that *“Williams is still the preferred map, but not the definitive map. I will be asking the party leaders, over the course of the next few weeks”, to meet with me in order that I can have a better assessment of what they think the map should look like,* (Record of Proceedings 27/01/15). In a subsequent interview on the “Wales Report” on 11/02/15 when asked about possible numbers of councils the Minister for Public Services highlighted his agreement that *“I think there is certainly a case for coming down to single figures”* and committed to the production of a map before the summer recess”.
7. The Bill sets out powers for Ministers to issue guidance around voluntary mergers (i.e. the Prospectus), gives powers to authorities to submit voluntary merger proposals and gives Ministers subsequent powers to make regulations introducing such new proposed authorities, as well as powers to direct the Local Democracy and Boundary Commission and Independent Remuneration Panel to undertake necessary preparatory work. The Bill also sets out arrangements in terms of establishment of transition committees and shadow authorities.
8. In the absence of an agreed map, it has led to some questions in the Assembly about the relevance of the Bill and the achievability of voluntary mergers. The Minister for Public Services recognised these concerns in evidence to the Committee on the 5th February:

“I think if I were in local government—I’ll be blunt—I would not want to bring forward at this moment a voluntary merger proposal without seeing the overall map. What I’m hoping is that we will get some agreement on an overall map during the course of the early summer, and, if local authorities then, feeling they had confidence in the way the map might roll out, as it were, wanted to bring forward voluntary mergers, well, the Bill would provide them with that opportunity.”
9. It should be noted that the Bill’s proposals for establishing the preparatory governance arrangements are also applicable for the anticipated wider merger or reorganisation programme.
10. Of particular significance is the Bill’s implications on merger timescales. The Bill includes a 30th November 2015 deadline for submissions of proposals for voluntary mergers, which would present a challenging timescale for interested authorities of around 5 months from the anticipated publication of a new map possibly in June.
11. The Bill also permits the Minister to direct the Local Government and Boundary Commission to undertake initial electoral reviews of proposed new authorities effectively from the commencement of the Bill (anticipated in November). The Minister could direct initial reviews of any voluntary merger proposals that may

be presented or, if minded, any or all of the proposed new authorities as outlined in the map expected in the summer. The Minister could also issue such directions following any map or proposals published in a second Local Government (Wales) Bill which is anticipated after the Assembly elections.

12. The WLGA is giving evidence on the Bill to the Assembly's Communities, Equality and Local Government Committee on 26th February. The WLGA was invited to give initial written submission early in the Committee's Inquiry (included in **Annex 1**), the Inquiry however closes on 13th March so any further WLGA views and local authority comments can be provided until that date. An oral update will be provided to WLGA Council on WLGA discussions with the Committee.

White Paper: Power to Local People

13. The Welsh Government published the Power to Local People White Paper [the White Paper] on 3rd February 2015.
14. The White Paper seeks to set out the Welsh government's vision for local government in Wales and, crucially, giving 'power to local people'. It describes ambitions for:
 - Activist councils, engaged in delivering modern, accessible, high quality public services with their local communities.
 - A more limited set of national priorities set for local government with councils setting the bulk of local priorities with local people.
 - More diverse membership of local authorities and cabinets.
 - Reducing the cost of politics and management in local government.
 - Councils committed to looking outwards at their place-shaping role, building community capacity and resilience.
 - Councils open to new ways of delivering services based on Wales's traditions of cooperative and mutual services.
 - Empowering local people to more closely involved in decision-taking.
15. The White Paper is a mix of a traditional White Paper with firm policy recommendations but also a Green Paper, seeking views on a range of possible options, which may or not be formally proposed, and which has been published to stimulate debate. The themes and issues in the White Paper will be open for engagement for longer than normal as the Welsh Government intends to translate the policy proposals into a Draft Bill to be published in the autumn. This Draft Bill in turn will be subject to consultation, and will remain draft until (and whether) the Welsh Government introduces it formally as a Bill in the new Assembly following the May 2016 elections.
16. The White Paper consultation closes on 28th April 2015 and is being underpinned by a programme of public engagement including radio adverts, bus advertising, roadshows and online surveys

17. The White Paper is a wide-ranging document and the consultation form itself runs to thirty pages. A summary of the key proposals is included in **Annex 2**.
18. From discussions with a range of leaders thus far the WLGA would agree to key underpinning themes and ambitions in the White Paper. These include specific proposals such as the introduction of a power of general competence, councils leading their communities, engagement with communities and promoting much greater diversity in terms of representation, strengthening of the self-improvement and peer support framework and a proportionate joined up philosophy of external audit and inspection.
19. The White Paper sets out a vision for an 'activist council', and sets out challenges for councils to be better connected with communities. It further develops and promotes the concept of participative democracy, where communities and community groups can better engage and participate in local democracy, service design, commissioning and delivery. The Minister for Public Services has also recently written to Leaders (17th February) outlining a review he has commissioned which will 'explore the scope for the mutualisation of public services' (**Annex 3**).
20. A number of specific proposals are however very controversial and have inevitably dominated initial debate and media coverage to the exclusion of other elements of the White Paper. These include
 - Roles and responsibilities of leaders and cabinet member set out in legislation.
 - A reduction in full-time Cabinet roles and introduction of (part-time) Deputy or 'Junior' Cabinet Members.
 - Reduction in number of councillors in line with UK average. Councils will be elected on a fixed five year election cycle in line with Parliament and the Assembly.
 - Views are sought on whether Council elections should be phased in thirds.
 - Term limits of 5 terms for councillors and 2 terms for leaders and cabinet members.
 - A possible recall mechanism for councillors in line with proposals for MPs.
 - A review to reduce the level of remuneration of councillors, Leaders and Cabinet members.
 - Legislation to ensure that councils establish "Area Boards which reflect modern inclusive, participatory principles with a guaranteed role for community bodies, the third sector, community councils and other public services" (These will be in addition to the Public Services Boards proposed under the Wellbeing of Future Generations (Wales) Bill.)

21. There are also a range of recommendations around the role of Chief Executive and senior managers not least considering the establishment of a Public Sector Appointments Commission.
22. All the factors above form part of a wider debate about a proper vision for local government. They concentrate around the future of local democracy, the model of central local relations in Wales, the role and recognition of councillors as dedicated public servants and structural configuration of councils in the future. Indeed in a number of instance it is very difficult to answer consultation questions on the number of elected members until we know the number of authorities.
23. Many of the proposals and wider media narrative to support them has therefore been greeted with disappointment and concern by many elected members given the significant contribution and commitment of hard-working councillors. There is also anxiety that the proposals for local democracy may be subject to the law of unintended consequences and actually see the departure of younger councillors in their forties who may have met the "5 term ceiling".
24. Concern has also been expressed about the consistency of the Welsh Government's proposals in the context of the Williams Report and the exhortation for "One Welsh Public Service". Many of the proposals around the appointment/election, role, terms and remuneration of councillors and senior council officers are not consistent with and do not apply to other Welsh public services or the Welsh Government.
25. When it comes to management costs the Welsh Government has recently issued a corrective note to the figures on Page 40 on the size of senior management teams. In other areas some recommendations do not compare "like with like" for example that "Councillors remuneration should be more in line with England, Scotland and Northern Ireland". In England there is not a national system of allowance setting, in Scotland the basic allowance is £3,260 higher than the £13,300 in Wales and in Northern Ireland the comparisons is with councils that resemble "districts" in terms of functions. WLGA will seek to fully debate the evidence in its response to the White paper.
26. The above factors led Cllr Bob Wellington, WLGA Leader in responding to the White Paper's publication to stress that:

"The Williams Commission and the Welsh Government's initial response promised a reform of public services as a whole and a move to one Welsh Public Service; it is imperative that any debate on remuneration, term limits for councillors and senior officers, and recall for democratic representatives extends well beyond local government to all tiers of government and public service in Wales. We need consistency across public services in Wales and equal treatment within the democratic sphere. The WLGA wants to see the difficult role of councillors properly valued."

27. The White Paper will be debated extensively throughout councils in the coming period and the WLGA would welcome a wide-ranging debate amongst its membership and with the Welsh Government on to how we move forward on the proposals.

28. It is intended that the WLGA's draft White Paper response will be considered by WLGA Coordinating Committee on 27th March.

Recommendations

29. Members are asked to:

29.1 Note the report and oral update on voluntary mergers and the WLGA evidence session on the Local Government (Wales) Bill;

29.2 Comment on the implications of the Local Government (Wales) Bill and encourage authorities to submit evidence to the Assembly's Communities, Equality and Local Government Committee by 13th March 2015;

29.3 Provide initial views on the White Paper and encourage all authorities to respond formally to the consultation and contribute to the WLGA's draft consultation response by WLGA Coordinating Committee on 27th March.

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WLGA and SOLACE Evidence

Communities, Equality and Local Government Committee

Local Government (Wales) Bill

February 2015

Introduction

1. The WLGA and SOLACE welcomes the opportunity to give evidence to the Committee's inquiry into the general principles of the Local Government (Wales) Bill [the Bill].
2. Local government engaged constructively with the Williams Commission and has since sought to work with the Welsh Government in determining a collective response to the Williams proposals. Whilst the Williams Report covered all public services and made many broad recommendations, much of the debate has since focused on structural reform of local government. From the outset, local government through the WLGA recognised the need for some structural reform noting in its submission to the Williams Commission that:

“We fully accept that the current structure of twenty two councils is essentially contested but any proposals for structural change must clearly demonstrate a compelling case for change supported by hard evidence.”

3. The Reforming Local Government White Paper in July 2014 set out the Welsh Government's current preferred map of 12 local authorities and confirmed its intention to encourage and incentivise early voluntary mergers. In its response to the White Paper the WLGA stated:

“There is consensus across Welsh local government and the Welsh Government about the need for public service reform. The size of the financial and demographic challenges facing councils is such that their sustainability into the future is an issue. There are however honestly held and passionate views across local government regarding the nature, scale, timing and timescale of such reform and whether proposed structural changes provide the answer.

Local government has responded constructively and proactively to the debate, putting forward discussion documents outlining a vision for local democracy and local government and alternative options for delivering services differently. A number of authorities have also indicated that they are prepared to further explore options for early voluntary mergers.”

4. The Welsh Government published its Prospectus for Voluntary Mergers on 18th September 2014. On 26th September, the WLGA Council unanimously passed the following resolution:

“The WLGA considers that whilst some authorities do not favour mergers, there are a number of authorities that are prepared in principle to consider voluntary mergers. However, all authorities need considerably more information on the support, including financial support that would be available in order to be in a position to develop a sound business case.”

5. There was overwhelming support, at least in principle, within local government to explore opportunities for voluntary mergers. Three formal expressions of interest, from

six authorities, were submitted to the Minister for consideration by the 30th November 2014 deadline. In addition, a further eight authorities confirmed that they were prepared to consider mergers, but either did not have willing merger partners or were constrained from proposing alternative options which required boundary changes. Two authorities were determined as 'stand alone' authorities in the map of twelve.

6. Although the formal expressions of interest were rejected on 27th January 2015, the Welsh Government continues to encourage voluntary mergers and intends to produce a further local government map by the Summer 2015.

Comments in response to the Committee's Terms of Reference:

1. the general principles of the Local Government (Wales) Bill and the need for legislation to:

- **enable preparations to be made for a programme of local government mergers and reform;**
 - **allow Principal Local Authorities to merge voluntarily by April 2018;**
7. The Bill (Section 11 onwards) sets in place appropriate and non-contentious arrangements to enable the preparation for voluntary mergers and subsequent 'enacted' mergers of local authorities. The Bill features mechanisms and governance arrangements, such as transition committees and shadow authorities, which are common to previous legislation which initiated the reform of principal authority structures.
 8. There are two sections however which may require further clarification and/or consideration at Stage 2 scrutiny:
 - a. Section 29(1) states that a merging authority cannot undertake certain transactions without providing the detail specified in S29(3) to the transition committee and considering its opinion. However S29(3) does not specify what detail is to be provided.
 - b. Section 31(1) is intended to control land transactions. It governs any transaction where the 'consideration for the acquisition or disposal exceeds £150,000'. The legislation therefore would not stop a disposal at an undervalue (or for free); for clarity this section could refer to 'land value' rather than the more technical legal term of 'consideration'.
 9. Sections 3-10 set out arrangements relating to the Voluntary Mergers of local authorities. The most significant challenge to this part of the Bill is provision of early clarity and the manageability of timescales (the risks of the electoral review process is explored further below). The Bill allows Ministers to make a range of regulations relating to the governance arrangements of voluntary merging authorities, such as the establishment of transition committees and shadow authorities. The dates for the establishment of these are therefore not on the face of the Bill and are not considered in detail in the Explanatory Memorandum. The WLGA however raised a number of points during consultation on the Reforming Local Government White Paper in September notably that for voluntary mergers there was only a proposed 6 months shadow authority period compared to 12 months for later mergers. 6 months is a very short period of time for transition and set up given need for senior officer recruitment, business and financial planning and continuity, establishment of governance arrangements and hand-over.
 10. Sections 3-10 relating to the Voluntary Mergers of local authorities appears unusual if not unique in Assembly legislation, as noted in the Explanatory Memorandum, as the Bill seeks to retrospectively give powers to Welsh Ministers (to issue guidance which has

already been published i.e. the Prospectus) and to authorities (to make applications for voluntary mergers) before the Bill has been enacted.

11. It is well documented that whilst the Welsh Government's current preferred map is the Williams Map of 12 authorities and Welsh Ministers now intend to produce a new map by the Summer 2015. Until a new map is produced, it is unlikely that any further expressions of interest or formal proposals for merger will be submitted, as was recognised by the Minister for Local Government in his evidence to Committee on 5th February 2015.
12. The absence of a final agreed map therefore means that it is difficult to assess the practicability and costs of the Bill in entirety. In particular, the timescales between the anticipated Summer publication of a map and the 30th November 2015 deadline (*or such later date as per (S3(1))*) does impact significantly on the practicability of voluntary mergers – this would allow only around five months to develop a fully costed, consulted upon voluntary merger proposal, compared to the original Prospectus timetable of ten months (from publication of the Prospectus to deadline of 30th June 2015).
- **amend provision in the Local Government (Wales) Measure 2011 relating to the Independent Remuneration Panel for Wales and the survey of councillors and unsuccessful candidates for election as councillors;**
13. The WLGA supports the provisions in the Bill (Sections 25-27) relating to amending the powers of the Independent Remuneration Panel for Wales with regards undertaking preparatory reviews of remuneration for future Shadow Authorities and/or new Principal Authorities.
14. The WLGA has been in correspondence with the Welsh Government with regards the implications of the definition of Chief Officers (S35(2)) (for the purposes of the extension of the Panel's remit) as defined in the Localism Act 2011. The WLGA has queried this on the basis that the Localism Act's definition of Chief Officer was based on that of the Local Government and Housing Act 1989 which was introduced for the purposes of political restriction rather than determination of salary levels. The statutory Chief Officer definition therefore also includes 'Deputy Chief Officers' who are described as an officer who '...report directly or is directly accountable...chief officers'. This means that the Panel's workload could be unintentionally but significantly affected by having responsibility for managing pay policy and salary determinations for numerous comparatively junior local government employees.
15. There are also wider potential implications of the Panel making recommendations as to the level of pay for Chief Officers (from the date of commencement until 2020) which would need to be further considered and covered in Guidance. The Panel's remit would appear to apply to any Chief Officer vacancy that might arise during that period. Notwithstanding the above difference in interpretations around the definition of Chief Officers, the provision will prove challenging in practice if it is applied to individual Chief Officer vacancies in an authority with a number of incumbent Chief Officers. For example, a Chief Officer vacancy arises in an authority with a Senior Management Team of 5 Chief Officers; the Panel recommends a lower salary for the new post than the other current Chief Officers. The authority will then have to consider either the contractual implications of reducing the salaries of the 4 other Chief Officer posts in line with the Panel's recommendation or discriminate against the one Chief Officer post. Furthermore, there would be equal pay implications if the authority applied the Panel's determination only to the vacant post, where the incumbent Chief Officers were men and the authority decided to appoint a woman to the vacant lower paid Chief Officer role.

16. The WLGA supports S36 which increases the Panel's membership from five to six, which is appropriate given anticipated workload in advance of any mergers, notably around members' remuneration and senior officer salaries.
17. The WLGA welcomes the amendments to the Local Government (Wales) Measure 2011 regarding the survey of candidates and councillors, these amendments have been shaped by feedback from authorities' experiences of the first statutory survey in 2012. The survey could be further improved with the inclusion of additional qualitative questions, however, this is a matter for regulations.

- **amend provision in the Local Government (Democracy) (Wales) Act 2013 relating to electoral reviews.**

18. The provisions relating to electoral reviews (Sections 16-24 and 38) are deemed necessary to provide the Local Democracy and Boundary Commission [the Commission] to undertake any preparatory or electoral review work as early in the merger process as possible. A significant responsibility is placed on the Commission as the electoral review process presents a potential risk to the effectiveness and timeliness of the local government reform programme.
19. Preparatory work and an early Ministerial direction to conduct an initial electoral review are critical given the potential time and capacity constraints of a local government reform programme. An early direction, for example, in the second anticipated Local Government (Wales) Bill 2016, in advance of enactment however does present (albeit a small) potential risk that early electoral review work could be made redundant should a 'proposed principal area' as set out in a Bill alter as a result of any amendments to the map during the passage of that Bill.
20. Section 23 appears to introduce a significant 'back-stop' power for Welsh Ministers to make 'electoral regulations if no recommendations [are] made' by the Commission by the date set out in any direction. Whilst a back-stop power may be necessary, this is a significant Ministerial power particularly as the Explanatory Memorandum notes that there is 'No Assembly procedure' for this subordinate legislation. The WLGA and SOLACE believe that whilst a reserve back-stop power may be necessary, the Bill should be amended at Stage 2 to ensure that there adequate consultative safeguards are put in place. S23 currently outlines that should a Minister need to make such regulations, any evidence gathered through the Commission's investigation and consultation should be passed to Welsh Ministers to inform their decision which the WLGA and SOLACE would support, however, it appears Welsh Ministers can then make regulations on electoral arrangements for a proposed principal area without any consultation on the final proposals. The Bill should therefore be amended to ensure that Welsh Ministers also have to follow the Commission's consultative procedures (as set out in Section 20(3) and (4) and produce a final report with publication and local (and mandatory) consultation for between 6 and 12 weeks.

2. any potential barriers to the implementation of the Bill's provisions and whether the Bill takes account of them,

21. The most significant potential barrier to the implementation of the Bill's provisions is whether any authorities decide to make an application for voluntary merger following the publication of a revised map in the Summer. Similarly, successful implementation is dependent on whether any application fulfils the criteria set out in the enacted Bill and any accompanying guidance and whether the appropriate preparatory electoral review work can be completed expeditiously.

22. The resourcing of any voluntary mergers (or enacted mergers) is still an issue of some debate (as was reflected in the Committee's discussions on 5th February); the totality of predicted costs is contested and it remains unclear how (and by whom) any mergers will be funded.

23. Although perhaps unlikely, it also appears a possibility that a voluntary merger process started before the end of this Assembly term could be 'revoked' before completion by a new Welsh Minister in the fifth Assembly term, if for example, an alternative map was introduced by a new administration through a new Bill.

3. whether there are any unintended consequences arising from the Bill,

24. The WLGA is not aware of any unintended consequences arising from the Bill, other than any outlined above.

4. the financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum),

21. The financial implications of the Bill appear to be appropriate as far as they go in terms of assessing the costs of known factors, such as the potential cost implications on the Local Democracy and Boundary Commission, the Independent Remuneration Panel and the establishment of Transition Committees and Shadow Authorities.

22. As noted above however, the regulatory impact assessment can only be completed and any financial implications considered when an agreed map is produced and the costs and benefits of (voluntary or enacted) mergers of authorities have been fully and robustly assessed.

5. the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum).

23. The powers for Welsh Ministers to make subordinate legislation appear appropriate and proportionate (noting the reference to powers under Section 23 above).

WLGA Briefing

Welsh Government White Paper Reforming Local Government: Power to Local People

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Background

The Welsh Government has published 3 versions (titles are clickable links):

- [Full version](#)
- [Everyday \(summary\) version](#)
- [Young people version](#)

The consultation closes at 23.59 on 28th April.

The White Paper seeks to set out the Welsh government's vision for local government in Wales and, crucially, giving 'power to local people'. It describes ambitions for:

- Activist councils, engaged in delivering modern, accessible, high quality public services with their local communities
- A more limited set of national priorities set for local government with councils setting the bulk of local priorities with local people
- More diverse membership of local authorities and cabinets
- Reducing the cost of politics and management in local government
- Councils committed to looking outwards at their place-shaping role, building community capacity and resilience
- Councils open to new ways of delivering services based on Wales's traditions of cooperative and mutual services
- Empowering local people to more closely involved in decision-taking

Summary

The White Paper is extensive and includes a number of clear policy proposals, a reiteration of previous policy commitments (such as mergers, links to Future Generations Bill etc.) but also includes a number of open ended questions seeking views on policy options.

Some of the proposals and policy options are complex but the White Paper offers limited detail around how proposals would be implemented.

The following list summarises a number of the main proposals and/or policy options outlined. The summary does not provide a critique of any of the proposals, which will be

subject to fuller consultation and debate in councils and through the WLGA Council and Coordinating Committee ahead of the consultation deadline of 28th April.

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. Recasting the Partnership Council and Partnership Scheme – Partnership Council would assess performance, progress and collaboration against a limited set of national priority outcomes (these would be underpinned by more detail local priorities).
2. The provision of a general power of competence to Local Authorities and eligible Community Councils.
3. All authorities to be called 'Counties' i.e. dropping the term County Borough

Renewing Democracy

4. Roles and responsibilities of leaders and cabinet member set out in legislation.
5. Leaders should produce a manifesto and produce Annual Reports for Council. Leaders should also publically set and performance manage objectives for Cabinet Members and Chief Executives.
6. Council Leaders to have explicit duties in respect of diversity and standards of behaviour, including bullying and harassment of councillors and staff
7. A reduction in full-time Cabinet roles and introduction of (part-time) Deputy or 'Junior' Cabinet Members.
8. Reduction in number of councillors in line with UK average.
9. Mandatory training introduced for councillors and all councillors have to produce annual reports detailing activities, attendance, training etc.
10. Councils will be elected on a fixed five year election cycle in line with Parliament and the Assembly.
11. Views are sought on whether Council elections should be phased in thirds.
12. Term limits of 5 terms for councillors and 2 terms for leaders and cabinet members.
13. Enhanced powers for Standards Committees
14. A possible recall mechanism for councillors in line with proposals for MPs. No detail is included on how this might work.
15. A review to reduce the level of remuneration of councillors, Leaders and Cabinet members.
16. Lift the restrictions on council staff (other than politically-restricted posts) from standing for election to their own authority (although they would have to resign if they were elected).
17. Staff of devolved bodies who are councillors to be given more time off to attend council business.
18. Views sought on whether people should be prevented from holding posts as a Councillor and Assembly Member at the same time, or Community Councillor and County Councillor.
19. Statutory duties around promoting democratic engagement and having Youth Councils.
20. Role and responsibilities of the Chief Executive in Local Authorities defined in legislation, including duties around improvement, corporate planning and promoting democratic engagement.

21. Proposed term limits on chief executive appointments.
22. Chief Executives to be recruited through a national recruitment process via a Public Sector Appointments Commission.
23. Tight and more consistent, nationally set standards and controls on the remuneration of chief executives and other chief officers

Connecting with Communities

24. Councils to establish Local Area Boards, led by elected members, including third sector and community group representatives and Community Councillors. Local responsibilities and/or budgets could be delegated to such Boards. All members of board to have voting rights.
25. Responsibility for the consistency of Community Council structures to lie with Principal Councils and councils should complete, by 2022, a review of the Community Councils in their area.
26. Minimum standards to be met by Community Councils who wish to be considered 'competent' and able to utilise the general power of competence or the community rights.

Power to Local Communities

27. Activist councils should lead in the development of new forms of community control of services, including mutual and cooperatives, establishing new 'community rights';
 - to be involved in the improvement of services
 - to initiate the transfer of land and other assets from local government to community groups
 - a first refusal to buy assets of community value
28. Governance tests will apply to organisations delivering services or assets.
29. Welsh Government will support local authorities in the development of new skills to create this cultural change.

Corporate Governance and Improvement

30. Repealing Part 1 of the LG (Wales) Measure 2009, removing the requirement upon Local Authorities to produce annual Improvement Plans.
31. Councils required to undertake an annual self-assessment process.
32. Councils will be subject to rolling programme of biennial peer reviews and joint inspections from WAO, Estyn and CSSIW. The latter will produce an joint assessment of local authority performance in Wales.
33. A strengthened role for audit committees, with an independent chair, and a requirement to consider the Local Authority's self-assessment, peer review and 'whole system' assessment reports.
34. Clarification of powers for Welsh Ministers to intervene in the event of corporate or service failure (following repeal of current powers outlined in 2009 Measure) and revision of joint protocol on support and intervention.

Performance in Local Government

35. Local Authorities will be required to prepare a corporate plan (in place of the improvement plan and linking to the wellbeing plan).

36. Local Authorities will be required to publish comparative service performance real-time data, which should be consistent and include contextual information.
37. Views are sought on the establishment of minimum setting of minimum performance outcomes or standards and whether there should be financial penalties.
38. Local Authorities must embrace digital technology to improve services to local communities
39. Local Authorities will be required to establish an online complaints process.
40. Strengthens provisions with regards to broadcasting of proceedings (including the webcasting of all full Council and Executive meetings) and rights of the public to engage in proceedings via social media.

Strengthening the Role of Review

41. Heads of Democratic Services should be Chief Officers and restriction on Monitoring Officer being an HDS removed.
42. A strengthened relationship between internal scrutiny and external Audit, Inspection and Regulation.
43. Scrutiny to be able to call-in only specified 'Key Decisions' as in England.
44. Co-opted members of scrutiny given power to vote.
45. Further extension of Scrutiny Committees duty to provide the public and community based bodies with opportunities to engage with scrutiny.
46. Proposal to consider the establishment of Local Public Accounts Committees to scrutinise all public service expenditure in Wales (in line with pilots being explored with England).

Reforming Local Government Finance

47. A review of the mechanisms for funding Local Authorities (longer term).
48. Implementation of the necessary changes to the framework of financial governance required to enable and support the above reforms.

Leighton Andrews AC / AM
Y Gweinidog Gwasanaethau Cyhoeddus
Minister for Public Services



Llywodraeth Cymru
Welsh Government

To: All Local Authority Leaders

17 February 2015

Dear colleagues,

I am writing to draw to your attention to some work which I have jointly commissioned with the Minister for Economy, Science and Transport to explore the scope for the mutualisation of public services.

The work builds on the themes I set out in the *Reforming Local Government: Power to local People* White Paper and will start to map out how the opportunities identified in the report of the *Co-operatives and Mutual Commission* chaired by Professor Andrew Davies can be realised. The Minister for the Economy, Science and Transport has recently asked the Commission to reconvene and review progress on its recommendations and to report back to her.

The Minister for Economy, Science and Transport and I have commissioned the Wales Co-operative Centre to lead the work which will focus on establishing the views of key stakeholders, determining the potential scope for mutualisation of services and identifying any specific ideas for taking this forward locally. The findings will be presented in a report to Welsh Government. The work will be carried out by Keith Edwards, former director of the Chartered Institute of Housing Cymru and the Tenant Participation Advisory Service and he will be contacting your office shortly to arrange an interview in your role as leader of the Council.

I hope that you will be able to share your experience and insight to ensure this work is grounded in a thorough understanding of service delivery realities. If you have any queries or require any further information at this stage please contact Claire Bennett 029 20826734 or Tracey Burke 0300 061 5855 (Welsh Government) or Keith directly on 07949 443 039 or at keith.edwardscihcm@gmail.com

Best wishes,
Leighton Andrews

Leighton Andrews AC/AM
Y Gweinidog Gwasanaethau Cyhoeddus
Minister for Public Services