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Education and Public Services Group



Llywodraeth Cymru
Welsh Government

Your Ref:

Nick Ramsay AM
Chair of the Public Accounts Committee
National Assembly for Wales

9 May 2019

Dear Mr Ramsay

Re: The Auditor General for Wales' 'Fit for the Future' scrutiny discussion paper

Thank you for your letter of 9 April seeking views on the 'Fit for the Future' paper which was discussed at Public Accounts Committee on 25 March.

Your letter seeks a response to the final theme set out in the discussion paper - Welsh Government and councils should consider the implications of the above themes for councils' and partnership governance arrangements. In particular:

- the extent to which Welsh Government can place reliance on local authority scrutiny functions in their current form; and
- what this might mean for the expectations placed on scrutiny functions both within Councils' own governance and management arrangements and any associated guidance.

The Themes

The themes set out in the discussion paper are important and key to ensuring councillors, both individually and collectively, have a shared understanding of the purpose and benefits of scrutiny, together with the skillsets and knowledge required to undertake the role effectively. Scrutiny is essential to ensure effective local government. The issues raised through the themes, whilst not new, provide a useful prompt to councils about key aspects of scrutiny arrangements. Some of the issues highlighted are longstanding and it may require local authorities and partners to think creatively about the approach taken to enable progress to be made. We will explore with local government whether there are further steps we can take to assist in this area and how best practice is shared across Wales. The checklist which accompanies the paper provides a useful agenda for councils to adopt, should they wish. In respect of each of the themes:



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Clarification of roles and responsibilities – it is important clarity exists between members and officers about their respective roles. This will be a key feature in considering future approaches to training.

Improving public engagement in scrutiny – decisions about services must be open to public scrutiny and local authorities need to keep under review their approach to public engagement.

Rigour around scrutiny planning – local authorities themselves have identified the need for improvement and are working to make progress in this area.

Responding to current and future challenges around scrutiny support – as set out above, there is a need for scrutiny to be considered fully as part of approaches to training and development.

Evaluation of effectiveness of scrutiny – we intend to introduce new arrangements around assessment of performance in the future Bill which will require local authorities to assess the governance arrangements in place.

Many of the issues highlighted are already being addressed through a range of approaches set out in more detail below.

Extent to which the Welsh Government can place reliance on local authority scrutiny functions in their current form

Effective scrutiny relies on a number of individuals and organisations, each of which has a separate and distinct responsibility within the system. Our role is to ensure there is a framework in place, both in legislative and policy terms, to facilitate good local government, rather than it being for us to ‘place reliance on local authority scrutiny’. It is then for local authorities to work within that framework and ensure they have the appropriate local measures in place to deliver purposeful and productive scrutiny. It is also important to recognise the fundamental accountability local authorities have to those who have elected them to take key decisions over the provision of local services. It is, in effect, local citizens that are able to consider decisions made on their behalf and whether they ultimately stand the test of wider scrutiny.

The most effective approach to scrutiny can only be delivered when all parts of the system work together and recognise that scrutiny in any organisation is a tool which, when used in a constructive way, poses no threat to operation and enhances the possibilities for improvement in decision making.



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The Welsh Government has demonstrated, through successive pieces of legislation and supporting guidance, our commitment to work closely with local government to identify ways in which changes to legislation will support the work of local authorities whether by:

- strengthening scrutiny and other arrangements;
- providing greater opportunities for citizens to participate in areas of work that directly impact on them;
- introducing provisions which support individuals - such as the introduction of family absence for members of local authorities through the Local Government Measure (Wales) 2011.

The Fit for the Future paper identifies key areas where it is considered improvements can be made. The paper highlights a number of opportunities and challenges local authorities face when developing scrutiny approaches and the need for a more effective approach to hold council executives and other partners to account, in particular in relation to Public Service Boards. We agree these are important areas that require further detailed consideration to strengthen arrangements.

Whilst accepting the need for further development, it is also appropriate to acknowledge the work of local authorities, the Welsh Local Government Association (WLGA) and others over recent years to make progress in this area.

One example of this is the work being undertaken by Public Governance Wales to revise the Joint Scrutiny Handbook, the outcome of which we expect to see in the near future.

We recognise there is more to be done in this area and the work to strengthen arrangements continues.

Expectations placed on scrutiny functions both within Councils' own governance and management arrangements and any associated guidance.

There is an ongoing dialogue between the Welsh Government, local authorities and the WLGA on a range of issues relating to local government. The arrangements for scrutiny are part of this discussion. As a result, it is our intention to introduce a new performance and governance framework through the Local Government and Elections (Wales) Bill later this year. This new framework is intended to replace the current improvement mechanism within the Local Government (Wales) Measure 2009 and aims to support cultural and organisational change within local government.

The intention is to build on existing strengths and create a more innovative, open, transparent and ambitious sector, challenging itself and collectively driving up service delivery outcomes and standards across Wales.

The Provisions within the Bill are intended to place a duty on a principal council to keep its performance under review. The approach is not intended to examine 'if performance indicators are going up or down' – but if local authorities have the processes, or



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governance, in place to address changes in performance and to think strategically into the future on how to arrange service delivery and evaluate risks return against performance.

The formal process of review will be through self-assessment, with the conclusions of the self-assessment process published annually through a self-assessment report. This will include actions to increase the extent that a local authority is meeting its performance requirements. Councils will be required to consult with local people on performance. Done correctly, scrutiny can be part of a constructive challenge to how a local authority is performing and how it organises itself in the delivery of sustainable services.

Through statutory guidance, the performance and governance framework will be framed around existing legislative requirements, such as the Well Being and Future Generations Act. As part of the five ways of working, collaboration (including regional collaboration) will be considered a key factor in the delivery of an effective and innovative council.

Fundamentally local government is accountable to the local population and key to strengthening arrangements is greater exposure of council decision making to local citizens. That is why, as part of the Bill we also intend to:

- strengthen the requirement on local authorities to broadcast specific meetings;
- place a duty on standards committees to produce an annual report to its authority including, where appropriate, recommendations for improvements;
- extend the role of Audit Committees and rename them Governance and Audit Committees. In doing so, we intend to strengthen the role and quantity of lay members within these committees.

Whilst the work set out above is ongoing, we recognise that improved processes and arrangements, of themselves, cannot deliver the improvement sought and that this needs to be supported through awareness and training for those involved in the system. Individuals need an appropriate and shared understanding of their individual and collective role in scrutiny. In the absence of this understanding, all too often individuals can feel unable to voice concerns or suggestions and as a result can miss opportunities to actively contribute and grow in experience and confidence. The level of understanding and the skillsets required will depend on an individuals' role within an individual local authority's arrangements and the training provided needs to address the requirement of these different roles. We are working with the WLGA to consider, in the first instance, whether there are ways in which we can strengthen the content of councillors' induction training in this area.

Officials recently met with the local authority heads of scrutiny to discuss whether there are further ways in which the Welsh Government is able to support local authorities and this discussion will continue over the coming months. We will continue to work with partners in local government on the detail of the above developments, both at Ministerial and official level.



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I would be happy to provide more information or clarification on any of the above, should this be helpful to the Committee.

Yours sincerely



Tracey Burke

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