



Llywodraeth Cymru  
Welsh Government

Devolution, Democracy  
and Delivery

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# Reforming Local Government: Power to Local People (Everyday summary version)

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**Overview**

The White Paper Reforming Local Government: Power to Local People is the Welsh Government's statement of intent about the future of Local Government in Wales. A White Paper sets out the changes the Welsh Government wants to make to the law so people can give their opinion before it happens.

This paper is a summary of the main changes we want to make, but it is not the White Paper itself. You can use it as the basis for making your views known but for the full detail you should refer to the White Paper which is available on the Welsh Government website: <http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>.

**How to respond**

This consultation covers a large number of matters. Many are of interest to the general public but some are technical and may only be of interest to Local Authorities. We have designed a web-based consultation survey in order to make both collecting and analysing responses easier.

You may choose to address all the issues raised by this White Paper or to complete a shorter version of the survey which focuses on the main matters of public interest. You will be able to choose your preferred option when you start the survey. A Word version is also available but we encourage you to use the online survey.

To respond to the consultation please either complete the [online form](#) or request the accompanying survey and return it

either by email to [RLGProgramme@wales.gsi.gov.uk](mailto:RLGProgramme@wales.gsi.gov.uk)

or by post to  
Reforming Local Government  
Welsh Government  
Cathays Park  
Cardiff  
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**Further information and related documents**

The full White Paper and a youth friendly version are available on the Welsh Government website.

Large print, Braille and alternative language versions of this document are available on request.

**Data protection****How the views and information you give us will be used**

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.



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## Ministerial Foreword – Our Vision for Local Government in Wales



If you visit the Gwent Archives at their magnificent new facility in the General Offices of the former steelworks in Ebbw Vale, you can read the minutes of the Tredegar Workmen's Medical Aid Society where Councillor Aneurin Bevan and his colleagues sought to put in place co-operative health solutions for their local community. These records are a reminder that at its best, Local Government in Wales has always had an activist nature, engaging co-operatively with local communities to find collective solutions.

We want all our Councils to be activist Councils, engaged in delivering modern, accessible, high quality public services with their communities. As we have developed our plans, we have looked at the best international experience, and drawn on the experiences of the co-operative councils movement in the UK. But we should never forget that Wales has always pioneered co-operative models, both in Aneurin Bevan's time and today. In 11 Local Authorities in Wales, tenants voted for community mutual or social enterprise solutions for the management of their social housing. The Social Services and Well-being (Wales) Act 2014 legislates for the creation of co-operative and mutual models in social care.

In this White Paper, we set out the terms of a new deal for Local Government in Wales. More than 15 years after the establishment of the National Assembly, it is time to recast the relationship between National and Local Government in Wales. Our new deal for Local Government, based on a smaller number of stronger Councils, will result in National Government in Wales setting a small number of clear national priorities, following the passage of the Well-being of Future Generations (Wales) Bill, enabling Local Government to determine with local people the bulk of local priorities.

We recognise that Local Government in Wales is currently under severe pressure as a result of UK Government austerity policies and rising demand for services. This is not an easy time for anyone in Local Government, whether they are Councillors or Council workers. It is therefore critical that we allow Local Government to focus on key priorities and learn from the best practice – tried and trusted as well as innovative – in improving the delivery of services across Wales.

Meanwhile, we must ensure local Councils are wholly representative of local communities. We need a far more diverse range of Councillors. There is a direct challenge to the leadership of Local Government to ensure this. Local Councils that reflect local communities are more likely to achieve the trust of those communities when difficult decisions have to be taken by local leadership. We should be making it easier for new people to enter Local Government at Town or Community and Principal Council level. We must ensure the system of allowances for Councillors does not mean that Cabinet Members and those with senior responsibility payments simply become another part of the paid bureaucracy. We should be seeking to reduce the cost of politics and management in Local Government.

At a time when public service organisations all around the world are learning that the old ways of doing things are not sufficient for the future, Wales has the opportunity to leap beyond others if our minds are open to the possibility. If we want to reshape our public services,

and reshape our localities, then we need to see strong, adaptive leadership across all our public services, including Local Government.

We are ambitious for Local Government in Wales, and for our local communities. This White Paper sets out our vision for Local Government in Wales, and explains how we will take these proposals forward.

A handwritten signature in black ink that reads "Leighton Andrews". The signature is written in a cursive style with a large initial 'L'.

**Leighton Andrews AM**  
**Minister for Public Services**



## 1. Introduction

The Welsh Government wants the best for Wales and people living in Wales.

In order to achieve this, we believe Councils in Wales must change. We have set out our reasons and our proposals for change in a White Paper called *Reforming Local Government: Power to Local People*. A White Paper details the changes the Welsh Government wants to make to the law so you can give your opinion before it happens. This is a shorter version of *Power to Local People* which highlights the main changes we want to make.

Now we want to know what you think

### 1.1 Our vision

Our vision is that people in Wales are served by responsible Councils that listen to everyone in their area, that represent the communities they serve and are accountable for delivering good quality services.

### 1.2 Why things need to change

Councils are also known as County or County Borough Councils, and as Local Authorities. There are 22 of them in Wales. A Council is made up of up to 75 Elected Members (or Councillors) who stand for election every four years. This group of up to 75 Members is the ruling body or "full Council". If you're over 18 and live or work in the area, you can vote in Council elections and stand to be elected as a Councillor.

Every year in Wales, Councils spend about £8 billion. Over half of this money comes in the form of a grant from Welsh Government. The rest is made up of council tax, fees, charges and other sources. With this money, Councils provide a vast range of everyday services including:

- primary and secondary schools;
- social services, including services for families and children, adoption and fostering, disabled people, and older people;
- youth services;
- recycling and rubbish collection;
- maintaining roads and pavements and cleaning the streets;
- leisure centres;
- licensing the sale of alcohol and tobacco;
- making sure cafes and restaurants have clean and hygienic kitchens;
- controlling where new houses, offices and factories are built;
- housing;
- libraries; and
- allotments.

Councils are facing enormous pressures. The population of Wales is getting older and as well as being a good thing (we all want to live longer) this can put a strain on Council services. Our expectations for the quality of services are rising. At the same time, while the amount of money Councils have to spend is still going up slightly, they are certainly under serious funding pressures. In part, this is because the Welsh Government has been getting less from the UK government. This is likely to continue for some time, so something has to be done.

The Welsh Government asked a group of experts, known as the Commission for Public Service Governance and Delivery, to make recommendations about what we should do. We agreed with most of the Commission's findings and *Power to Local People* sets out the Welsh Government's plans to make changes to how Councils work. When everybody has had an opportunity to make their views known, we will produce a Draft Bill (a law we propose to ask the National Assembly for Wales to pass). The Bill will show in detail how the changes will work. Everybody will have a chance to comment on the Draft Bill before it is introduced into the Assembly after the next Assembly elections in May 2016.

To read our full proposals for Reforming Local Government, please refer to the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 2. Balancing the Responsibilities of the Welsh Government and Local Government

It's important that everyone understands the roles and responsibilities of the Welsh Government and Local Government.

Councils make their own decisions locally and answer to local people, but for some of the services they deliver they also have to meet requirements placed on them by the Welsh Government. Our role is to set national policy and standards for key services like education, social services, waste and planning. This is important so people can expect the same high quality of service no matter where they live in Wales. If Councils don't deliver services to these standards, the Welsh Ministers can step in and take action.

### 2.1 Present role of Councils

The role of Councils has always been changing and will continue to change with time.

Councils have:

- **mandatory functions and powers** (things they must do) such as education, social services, safeguarding children, waste collection, housing and local transport;
- **discretionary powers** (things they may do) such as promoting economic development, arts, culture, leisure, sports and tourism; and
- **regulatory functions and powers** (things they do to protect the public) such as trading standards, environmental health, licensing alcohol and tobacco sales, taxis etc.

The most important thing is that Councils are successful now and in the future. This means having good, strong leadership.

### 2.2 Working together

If services are to meet people's needs, service providers need to work together, this includes Councils, the NHS, the police, voluntary organisations and community groups. For example, the NHS and the Council will need to work together when somebody comes out of hospital and needs help at home.

Public services also need to work together in other areas that are behind the scenes. Sharing 'back office' services like office space, energy, ICT and financial systems, and professional services can help keep costs down.

There are many different ways in which Councils work with partners, such as:

- the Partnership Council and the Welsh Government's Local Government Scheme help National and Local Government work together;
- local service boards bring all the main public services in a Council area together to decide what the main priorities are; and
- the Social Services and Well-being (Wales) Act 2014 helps Councils work with partners to keep children safe and look after older people.

### 2.3 Regional working and City Regions

Councils also have to work with neighbouring Councils to meet the needs of a region. This type of working already happens in many areas, such as social services, fostering and adoption services, youth offending and alcohol and substance misuse.

It's also important for jobs. People often live in one Council area and work in a nearby city, such as Cardiff, Swansea or Newport. With new investment, our cities are seen as the main source of new jobs and growth for the next generation. This needs the Welsh Government to work together with Councils, private businesses and voluntary organisations. We've already started this work by setting up City Region Boards to provide leadership in the Swansea Bay City Region and the Cardiff Capital Region.

### 2.4 A Framework for Sustainable Public Services in Wales

The new Well-being of Future Generations (Wales) Bill, which is currently being considered by the National Assembly, sets out a framework for all public services in Wales, to ensure they meet the needs of people today and in the future. The Bill:

- sets out national goals and measures for progress;
- ensures public services work according to sustainable development principles, such as thinking about the long term, collaborating, focusing on prevention, and working with the public;
- sets out how Councils and other public services will set local goals;
- establishes a Future Generations Commissioner to oversee and report on progress towards the goals; and
- requires public services in local areas to work together through Public Services Boards.

This framework will help clarify the relationship between National and Local Government.

**For example:** In waste, setting goals nationally has delivered better results. Councils are responsible for collecting and dealing with domestic waste, but the targets are set nationally. Under our 'Towards Zero Waste' Strategy we have invested £676 million since 2001 in helping Councils meet recycling targets, reducing landfill costs and creating new jobs. As a result, Wales is now the best in the UK and 4th in Europe.

### 2.5 Council areas

In our previous White Paper, *Devolution, Democracy and Delivery: Reforming Local Government* (July 2014), we set out our intention to reduce the number of Councils in Wales. We will make arrangements to do this in the draft Bill to be published in autumn 2015.

### 2.6 Status of new Councils

Councils are known by lots of different names, for example; County, County Borough, City and County. We think all Councils should use the same title: County Councils.

## 2.7 Staff

We want each new Council to have a strong, motivated workforce. These changes will take a lot of planning. We consulted on setting up a non-statutory Public Services Staff Commission, initially on a non-statutory basis. We will now make legislative provision for it in the second Bill.

This Commission will consult widely, for example, with employers, Trade Unions and employees. They will advise on:

- recruiting and keeping staff within and across Councils during these changes;
- transferring staff from current to new Councils;
- making sure everyone understands and has the same terms and conditions of service, such as travel payments, flexible hours and pensions;
- job grading and evaluation;
- appointments to senior posts and other posts; and
- how the effects of these changes and other issues need to be considered for other public services.

## 2.8 Legal powers of Councils

Councils need to be able to carry out their work within the law. We call this legal competence. Unless the law permits it, sometimes Councils are not free to make choices or follow new ideas for delivering services.

Councils have argued for a 'general power of competence' which would enable them to do more things in the best interests of their communities. We agree and intend to give them this power.

## 2.9 Other powers

We are in favour of giving these new Councils more powers, but first we want to make sure they are using the powers they already have well. We will then consider whether they should be given more powers in the future.

## 2.10 Council constitutions

Rules are necessary, but too many rules can make work difficult. By law, Councils have to set out their rules in a document known as a constitution. The constitution helps Councillors, officers and the public understand how they make decisions and who's responsible for those decisions. However, constitutions can be huge documents which seem to focus only on legal and bureaucratic processes.

We think it would be better for Councils to have a constitution that also sets out some of the more basic things which people care about: its core values, the principles it works to and how it will relate to the public it serves.

## 2.11 Review of the body of Local Government Legislation

Councils work under the rule of law. Some of these laws date back to the 1970s and many have not changed much since Victorian times, while some have been added to or changed many times so they can be difficult to understand. We want to look at the laws that Councils have to follow and see if they are still up-to-date and fully fit for the next generation.

### **We want:**

- all Councils to be known by the same title (County Council);
- to give Councils more freedom to do what's best for their local communities; and
- each Council to set out its core values, the principles it works to and how it will relate to the public it serves.

To read our full proposals for **Balancing the Responsibilities of the Welsh Government and Local Government**, please refer to Chapter 2 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

### 3. Renewing Democracy

Local democracy isn't achieving everything it could to improve the well-being of people in Wales. This is partly because there are different roles in a Council and there's often confusion about who does what. So we want to make sure everyone understands their responsibilities and how they are accountable. We also want Councillors to reflect the communities they represent.

#### 3.1 Council elections

Elections to the UK government and the National Assembly happen every five years but elections to Councils are every four years. In Wales, all Councillors come up for election in one go, but in some Councils in England, a third of the Councillors are up for election every year. This is called 'phased elections'. In some ways, phased elections mean the public are given a choice more often, but in other ways it means that Councils change a lot and can lack direction.

We want your views on whether we should have Council elections every five years rather than four, or whether we should consider phased elections.

#### 3.2 The roles and responsibilities of the Leader

If someone is standing to be a Leader, people want to know what they stand for. We believe they should have a written statement of goals and present it to the Council before their election, and report each year on how they've achieved their goals. The public should be told how they are carrying out their job and be clear if there are problems.

The Leader is the political spokesperson for the Council and they select a Cabinet of Elected Members to help them get things done. Together, they are known as the Executive. The Chief Executive is not an Elected Member (or a member of the Executive!). They are appointed by the Council and are responsible for the management of the Local Authority and the staff.

Leaders need their Cabinet Members and the Chief Executive to deliver their plans, so they need to know how well they are doing. To make this clear to people, we want the Leader of each Council to set goals for Members of the Cabinet and for the Chief Executive and check how they are doing each year.

We believe the best Cabinets are those that reflect the population they serve. So we intend to put a duty on Leaders to make sure that as many different people from as many different backgrounds as possible are selected for Cabinet so that many different views are represented.

#### 3.3 The roles and responsibilities of Cabinet Members

The Cabinet is there to decide what the priorities are and how they can be achieved. They have a responsibility in decision-making. Some Cabinets make decisions in an open fashion and can show evidence to back their decisions, others aren't. This has led to some criticism, especially as it costs a lot of money to have a large number of Cabinet Members across Wales.

Under the Local Government Act 2000, a Cabinet can have up to ten members. In Wales, Council Cabinets range from seven to ten members. Each Cabinet Member is full-time and on a senior salary. Some of them have important legal responsibilities, for example the Cabinet Members for social services and education. However, it's not clear if all Cabinet Members have the same level of responsibilities or need to be full-time. It may be a good idea to have part-time

Deputy Cabinet positions that open the door to a wider range of Councillors who may have other jobs or be parents. We are seeking views on whether we should reduce the number of Cabinet Members.

### 3.4 The roles and responsibilities of Councillors

We need to make it clear what the expectations are for Councillors. They need to lead their communities and make sure people's voices are heard when decisions are made. They need to communicate with the people they serve and this includes making sure there are opportunities for them to participate in what is happening. They should use social media and digital technology to make themselves more available.

Councillors have a very important role holding the Leader and Cabinet to account. They are essential for making sure the Council is well run. This is a difficult job and they need to have the right training, especially as their responsibilities grow in larger Councils.

Councils have to support Councillors to publish a report each year on what they have achieved. However, fewer than half do so, which is why we want to change the law to make sure they publish a report. Councillors are paid through taxpayers' money and they should tell us what they have achieved.

### 3.5 Diversity among Councillors

We want communities to identify with their Councillors and feel like they are listening to them. Inequalities in gender, age and ethnic groups standing for election means that communities don't always trust that their views are being understood or their needs met.

In other areas of public life, such as voluntary organisations, there are a lot more people from different religions, cultures, backgrounds and genders working to meet people's needs. However, very few people who work in these areas go on to become a Councillor. This is a loss to democracy. If we want to encourage people to stand for election we have to show that Councils are open, welcoming and respect differences. We need to make sure that there are policies in place to stop bullying and harassment, and promote respect as well as making sure leaders understand their responsibility to set an example to all Councillors and Council staff.

Many Councils across Wales have Youth Councils. We believe these are essential for encouraging young people get involved in politics now and in the future and we will make it a requirement each area must have a Youth Council.

### 3.6 Remuneration of Councillors

It's important for democracy that we encourage a more diverse group of people to stand for election and that they are not out of pocket from being a Councillor. At the moment, Councillors receive £13,000 a year allowance, but Leaders, Cabinet Members and some others get considerably more, between £26,000 and £53,000.

This allowance affects people differently. For example, for a retired person it's an extra income, but for a single parent with a part-time job this could take them to a higher tax bracket and therefore discourage them from serving.

We believe the system of remuneration for Councillors – Executive and non-executive – needs to be clearly spelt out in such a way as the public can see how the levels payable are arrived at.

### 3.7 Number of Councillors

At present, there are 1,254 Councillors in Wales. We will need to decide how many Councillors there should be in fewer, larger Councils in Wales. We are seeking views on whether the number should be reduced and what factors we should take into account in determining the right number.

### 3.8 Term limits for Councillors

At the moment there's no limit to how long someone can be a Councillor. One survey found that half of all Councillors in Wales had served at least ten years and some over 50 years. It might be better for communities if there was a limit on the number of years or terms Councillors can serve. This would give more opportunities for people to stand and for more people to take part in running their local area. We are suggesting a limit of five terms for Councillors, and two terms for Leaders, Elected Mayors and Cabinet Members.

### 3.9 Recall of Councillors

The Recall of MPs Bill is a new law being passed by the Houses of Parliament. This means that a Member of Parliament must resign their position if ten per cent of the people in their area sign a petition and call for it. Recall could only happen if the MP has:

- broken the law and been convicted of an offence;
- been imprisoned; or
- they've been suspended from the House of Commons for at least ten days.

We are seeking your views on whether we should have similar rules for Councillors. For example, the recall of a Councillor could happen if they have been punished by the Council's Standards Committee or the Adjudication Panel for Wales for breaking the code of conduct.

### 3.10 Electoral qualification

Most local people can serve as a Councillor but a few small groups are not able to. People who work in a Council may not stand for election to the Council they work for unless they resign first. We believe this prevents a large number of potential candidates from diverse backgrounds coming forward. We want to change the law so they would only have to resign if they were elected.

We also want to look at whether Councillors in Local Government should be stopped from serving either as Assembly Members or as Community Councillors at the same time, because of the demands on time and possible conflicts of interest.

### 3.11 The roles and responsibility of the Chief Executive

The term "Chief Executive" (occasionally "Managing Director") is used throughout Local Government in Wales for the top official or the head.

Chief Executives are appointed, not elected. The Chief Executive's main role is to make sure the Council delivers the Leader's political objectives and meets the needs of the people in their areas. They also need to make sure that everything the Council does is in line with the law and value for money. However, there is no legal requirement to have a Chief Executive and we believe there should be.

The law says each Council must have a designated person who is the Head of Paid Service. This person should have the staff and other resources they need to carry out that role. In most Councils the Chief Executive is also the Head of Paid Service and we believe these two roles should be combined.

The Chief Executive must have a clear set of duties against which their performance can be measured and to make sure, if they fail, they can be dismissed by the Council. We believe these duties should be to:

- prepare and publish a corporate plan;
- prepare and publish self-assessments of the Council's performance each year;
- set up a peer review every two years of the Council's performance and prepare a report for the Council on actions to be taken;
- put in place a performance management system for all employees; and
- promote engagement and diversity in democracy.

### 3.12 Term limits for Chief Executives

When someone has been the Chief Executive for a very long time, there is a danger of that person's power and influence becoming overwhelming. We are seeking views on whether there should be a limit on how long a Chief Executive can stay in post, and if so, how long.

### 3.13 The cost of senior management

Councils set the salaries of Chief Executives and many senior management roles. Chief Executives in Wales earn between £105,851 and £194,661. The size of senior management teams in Wales varies widely, from three Directors in some Councils to 17 in others. Directors earn between £70,000 and £150,000. The variation in both the number of senior management posts and their salaries seems to be unconnected to the size or complexity of the Council. It's a lot of public money, in total almost £26 million a year. We are seeking views on whether there should be more consistency in the number of senior posts and their salaries.

### 3.14 Senior appointments to the new Authorities

In some countries, such as New Zealand and the Republic of Ireland, there is an independent body that manages the appointments of Chief Executives and other senior public roles. This helps to bring more consistency and to build a body of public leaders with the right skills and training to do the job well.

We are seeking views on whether we should adopt this approach in Wales.

#### **We want:**

- to look at the roles and responsibilities of people at all levels of Local Government, this includes the Leaders, Cabinet Members, Councillors and Chief Executives;
- to reduce the cost of politics in Wales;
- a wider group of people from different ages and backgrounds to get involved and stand to be a Councillor if they want; and
- to look at how often and for how long someone can hold a senior position in a Council.

To read our full proposals for Renewing Democracy, please refer to Chapter 3 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 4. Connecting with Communities

Wales has always had strong communities, where people get involved and make things happen. Sometimes, they find it difficult to get involved because they're not told about decisions until the last minute. This means people often only get involved when there is a threat of closing a service or closing a community facility, such as a library or leisure centre. This results in lost opportunities for communities to take charge of things themselves.

Councillors are chosen to represent their area through Council elections, and then they make decisions on our behalf. This is called 'representative democracy'. But we expect more these days. We pay for local services through our taxes and we expect to have a say more often than every four years when there are Council elections. We expect to be able to participate in all decisions which affect us. This is called 'participatory democracy'.

Councils have not always been very good at helping people to get involved. This must change. In their community leadership role, Councils and Councillors need to be putting people and their views at the centre of everything they do.

### 4.1 Community governance in Wales

Community governance is the way people in local areas or neighbourhoods organise themselves and manage their services and assets they hold. There are different ways of doing this:

- Council area committees;
- Community Councils;
- Partnerships between public services and voluntary groups;
- Community trusts and social enterprises; or
- Programme partnerships, such as Communities First.

There are already many of these groups working in communities and sometimes it can be difficult for them to make their voice heard and to influence Council decisions. We believe Councillors should have a strong role leading their communities and we are proposing there should be a new system to help do this.

### 4.2 Councillor-led community governance

With fewer, larger Councils, it is essential that communities play a greater role than at present. We believe the new Councils when they are working with communities should be divided into smaller areas, and a community partnership called an Area Board set up in each of these. The Council should decide the size and shape of these smaller areas after talking with local people and other public services.

The Area Boards should be led by the Councillors for that area acting together, but they must involve charities, community bodies, social enterprises and other public services, including Community Councils. The meetings of these Area Boards must be held in public, and everybody who lives in the area should have the right to speak, so that the Board can take notice of their views and concerns.

The purpose of these Boards is to shape the local community by changing the way services are delivered there. The Board will be able to call the officers of the Council to explain themselves if services are not up to scratch. They should also help community groups when they want to take charge of local facilities, such as a community centre or playing fields. There's also an opportunity for Area Boards to take responsibility for new ideas and initiatives in their area, including those funded by UK and Welsh Government programmes.

Councils will have to understand that these Area Boards are really important and support them with all the resources they need to carry out their day-to-day roles.

### 4.3 Community Councils

There are 735 Community Councils in Wales. Community Councils work at the town or village level and some serve a very small area. We believe this is too many and the smaller ones simply don't have the resources to get much done. One strength of Community Councils is that they're closer to local people, however, they aren't always open and don't always involve the public they serve. In principle they are democratic bodies and for this reason they can raise local taxes, but in reality there is no competition for the vast majority of seats in Community Council elections.

### 4.4 Local Authorities review of Community Councils

There's a lot of good work that Community Councils do. However, we think there is a clear case for making changes. We want Community Councils to be more ambitious and work in partnership with other community groups. We want them to be open about the decisions they are making and involve the people in their area. We need them to see themselves as part of public services in Wales, and be more actively involved in work that support families, children and young people and other vulnerable groups like older people.

They can only do this, if there are fewer, larger Community Councils. Some of the smaller Community Councils should look at joining together to form larger Community Councils that look after wider areas. In order to achieve this, we want to give Local Authorities the power to review the Community Councils in their area and with a view to reducing the overall number, and for them to complete this work by 2022.

### 4.5 Governance and standards

As well as changes to Community Council areas, the public needs to know there are standards for how Community Councils manage their business and how public money is spent and accounted for. We want to have a set of tests that Community Councils have to pass to be seen as capable and competent.

Councils that pass these tests will have extra rights and responsibilities. They will have wider powers to do things for the benefit of their community. Those that don't pass the tests should look to do so by joining with another smaller Community Council to form fewer, larger Community Councils.

#### 4.6 Community Councillors serving on more than one Council

Almost half the Councillors on the main Councils are also Community Councillors. This could cause conflicts of interest when main Councils are conducting reviews of Community Councils. Also, some people serve on more than one Community Council as well as being a Councillor of the main Council.

We want your views about whether we should prevent the same person serving on a main Council and a Community Council, and on more than one Community Council.

##### **We want:**

- Councillors to be actively involved in their communities and Area Boards;
- Councillors to have an open door, listening to people's needs;
- Councils to work together with other services, voluntary organisations and communities; and
- Councils to look at the Community Councils in their area and consider changes.

To read our full proposals for *Connecting with Communities*, please refer to Chapter 4 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 5. Power to Local Communities

Wales has a proud history of co-operatives and community or social enterprise, people who run a business not for personal profit but to help the community. There are many examples across Wales of small community trusts which run village halls, leisure centres and sports facilities. There are also many big examples, such as farmers' co-operatives and housing associations, as well as major companies like Dŵr Cymru Welsh Water and the Principality Building Society. In fact, the social housing in half all Council areas in Wales is now run by housing associations and tenants have a major role in running them.

We want to see more of this kind of social enterprise so that communities can have greater rights to decide how things work and people can be involved in the decisions which affect them.

### 5.1 Community participation

Sometimes people get frustrated because the service they're getting is not good enough and they know it could be improved, often with small changes. We believe that if a community group feels that a service could be improved, they should have a right to approach the Council, set out all their ideas and plans, and get involved in improving the service. In some cases, this could mean the community group taking over the service and running it themselves.

We believe this could be a powerful way for community groups to make sure their voice is listened to. Council staff will need to develop skills to work in new ways and it may take a culture change in leadership.

### 5.2 Transferring Council property to the community

Councils own lots of buildings, land and property, such as offices, halls, libraries, leisure centres and playing fields. These are known as 'assets'. In these difficult financial times, Councils may no longer afford to keep them and they may want to sell them or get somebody else to run them up. However, they don't always ask the community for their views and whether they would like to take it on themselves.

We believe community groups should have the right to approach the Council and propose that they take over an asset for the benefit of the community. This could mean selling the asset to the community group (at the market rate or below) or the community group may wish to run and manage it for a period of years. We would expect the new Area Boards to help community groups where there was community support for taking over Council property. The Welsh Government has produced a toolkit setting out how to transfer assets successfully.

As well as being able to show support for their plans, community groups would need to have a legal structure with the right skills and financial controls in place. There would need to be safeguards so that the asset remained in the community and was not sold for profit.

**For example:** Torfaen Council transferred three sports and leisure centres over to a community trust to run and it means the community got to keep using these. Other Councils let community trusts run libraries, so they don't have to close.

### 5.3 Community ownership

Communities may also want to have more say over property which is privately owned, such as a village pub or shop or playing fields, or owned by other public services. This kind of property has a special value to the community and can often play an important role in making sure communities thrive, by providing jobs and services for local people. In some areas they can be important for protecting the Welsh language.

The Welsh Government believes community groups should have a right of first refusal when property of community value comes up for sale. They would normally have to buy the property at market value but they would have a period of time in which to raise the funding. There could be an accelerated procedure for property that has been neglected or abandoned. There would need to be certain protections for private property owners.

We are seeking your initial views on this proposal, with a view to consulting further in due course.

#### **We want:**

- community groups to have rights and powers they can use; and
- community groups to actively take part in change.

To read our full proposals for Power to Local Communities, please refer to Chapter 5 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 6. Corporate Governance and Improvement

The public and people who work for Councils expect them to be well run. However, Councils face enormous pressures. The population is getting older and this puts a strain on Council services. Our expectations for the quality of services are rising. At the same time, the amount of money Councils have to spend has been getting less each year because the Welsh Government has been getting less money from the UK Government. This is likely to continue for some time, so something has to be done.

There are times when Councils in Wales haven't met the needs of people in their area and Welsh Ministers have had to step in to put things right. Sometimes this happens because it's not clear who's really in control and who's job it is to fix things.

At times like this, leaders need to be focused and have vision, and managers need the right controls in place so they know what's going on.

### 6.1 Corporate Governance

Corporate governance is about how well an organisation is running, including how it manages risks, plans its finance and resources and has the right checks and balances in place so people can be held to account.

It's the Chief Executive's job to make sure all of this is in place, but Councils under the law also must have an Audit Committee to help the Chief Executive by checking the Council is being the best it can be and making improvements where they're needed. There is also a role for the Monitoring Officer whose job it is to see the Council operates within the law.

We want Councils to take more responsibility for making improvements so the Welsh Ministers don't have to step in so often to put things right. This means the corporate governance processes need to work better.

### 6.2 The Local Government (Wales) Measure 2009

This law means Councils have to make annual plans to improve. The Auditor General for Wales checks every year whether they have improved, and whether they can improve further. We believe this law is not working as it should and that sometimes we are measuring the wrong things and missing the things that really matter. The Welsh Government intends to do away with this law, although some parts of it may be kept in new legislation.

### 6.3 Managing improvement through Self-assessment and Peer Review

In order to make sure improvements are happening and the right checks and balances are in place, we intend to make Audit Committees stronger. Under our proposals, the new Corporate Governance and Audit Committee will have more powers and involve more independent members. These independent members won't hold political agendas that could influence their decisions.

We will also require the Chief Executive to carry out a self-assessment each year of how well the Council is operating and to report to the Leader and Cabinet on any matters of concern and what action is being taken to put things right.

To make sure the assessments are fair and reasonable, every other year we want the Council to be reviewed by a group of experts. This is known as a 'peer review'. A peer review is when a group of qualified professionals and people who understand how Councils work look at what staff do and the systems they use so they can pick out areas for improvement. They also compare what they have found with the Chief Executive's assessment to see how well they match.

Together, we believe stronger Corporate Governance and Audit Committees and a system of self-assessment and peer review should give the Leader all the information they need to deliver the best services possible for local people within the budget available.

#### 6.4 Powers to intervene

Sometimes, however, things will still go wrong. When this happens in areas such as social services or education, there is a risk of that members of the public might suffer disadvantage or even come to harm. In these cases, the Welsh Ministers must have powers to act quickly.

We believe the Welsh Ministers should have the power to commission an independent review of a Local Authority if:

- a whistle-blower says there are issues;
- their performance is below what it needs to be;
- they are behind other Councils in key areas;
- there are concerns raised by the Council itself or its Members;
- information from auditors or inspectors show problems; or
- the public have concerns about issues.

The Welsh Ministers would then use these findings to decide if support or formal intervention is necessary.

#### **We want:**

- to strengthen the role of the Council Audit Committees;
- to introduce a system where Council leadership have to do self-assessments and be challenged over the systems they put in place;
- to give Welsh Ministers powers to ask for independent reviews; and
- to give Welsh Ministers powers to step in if they think Councils aren't improving or aren't working.

To read our full proposals for Corporate Governance and Improvement, please refer to Chapter 6 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 7. Performance in Local Government

Public services should be excellent no matter where people live in Wales.

The Welsh Government sets out the policy and legal framework that each Council has to work to but services are managed and delivered by Councils. Making sure services are excellent means having the right systems in place so managers know what needs to be done, how much needs to be done, and what quality standards need to be met.

Every community is different. The Council's role is to make sure that services are right for their communities.

### 7.1 Planning how to get things done

Providing excellent services means having clear goals, the right information and a detailed plan. This is called 'corporate plan'.

A new law, the Well-being of Future Generations (Wales) Bill, is currently going through the National Assembly. This law sets out long-term goals for Wales and will require each Council to have their own goals which show what the local priorities are. These will be chosen by the Leader, agreed by the whole Council and set out in the 'local well-being plan'.

We believe it is the job of the Chief Executive to then produce a plan to show how these goals will be achieved. The corporate plan will set out how the Council will meet its goals in the short, medium and long-term. It will set out how the Chief Executive will use the staff and resources of the Council, how risks will be managed, how services are performing now and what needs to improve, and how the public can have their say on the things that affect them.

### 7.2 Information to compare services

Corporate planning can only work well if the Council has good, up-to-date information. This doesn't mean more information. In fact, we believe we should simplify the information Councils are required to publish.

The right information, however, lets managers, Councillors and the public see how things change over time, spot dips in performance, and compare one Council's performance with others. An example is the My Local School website, which allows parents to compare their school with others (<http://mylocalschool.wales.gov.uk/>).

The Welsh Government believes there should be a single website where Councils will be required to publish information that can be used by the public to compare how Councils are performing and challenge services to improve. This website should also include:

- the local well-being plan;
- reports on individual Councils by expert bodies such as the Wales Audit Office and the bodies that inspect education and social services;
- self-assessment and peer review reports;
- the corporate plan; and
- information about complaints.

### 7.3 Digital Councils

The Welsh Government believes digital technology has huge potential to change the way services are delivered and how Councils are held to account. The focus needs to be on ease of use and open access. We question whether most Councils fully understand the kind of cultural change required to achieve the greatest impact from technology.

We have made clear our intention that Council and Executive meetings must be broadcast live online so more people can take part and see what is happening in their area. Now we want to go further. We want to give the public the right to make their views known on any agenda items of meetings of the Cabinet, the Council or its Committees, and for those views to be taken into account. We also believe the public have a right to report or have their say by using social media during all public meetings in the Council.

### 7.4 Complaints

Complaints give valuable information that can lead to improvements. We want Councils to give communities and people as many ways as possible to complain and tell them about problems they are facing with services, and for the Council to prepare regular reports for the Audit Committee to consider, setting out information about the number of complaints, what they are about and how they have been resolved.

#### **We want:**

- to make it a requirement that Councils have to write and publish a plan each year that shows what they will do in the short, medium and long-term to serve their community;
- to build a website holding information about each Council and how they are doing compared to other Councils; and
- Councils to have ways for people to complain when there's a problem. This includes online ways.

To read our full proposals for Performance in Local Government, please refer to Chapter 7 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 8. Strengthening the Role of Review

Public scrutiny is an essential part of making sure Councils are effective and accountable. Councils are paid for through taxes and their decisions and actions should always be open to examination and the public should play a part in this.

The main ways this happens in Councils is through **internal checks** carried out by Councillors sitting on scrutiny committees, and **external checks** carried out by independent experts.

### 8.1 Internal checks – Scrutiny by Councillors

Most Councillors are not part of the Executive. That is, they are not involved in the day-to-day spending decisions or running of the Council. One of their most important jobs is to examine the plans and decisions of the Executive and the senior management team and suggest improvements. They do this through scrutiny committees.

Good scrutiny leads to better decision-making and supports better services. Good scrutiny must

- be independent from the Executive;
- be planned in advance so that people can prepare;
- have adequate resources;
- have the right information to hand; and
- draw on the experience and views of service users, their families and community groups.

The Welsh Government has done a lot in recent years to strengthen scrutiny but we believe it could be strengthened further. We are seeking views on whether Councils should do more to protect the independence of scrutiny, enable scrutiny to look at the Executive's main decisions before they are made, set out clearly what will be scrutinised in the future, and give independent members of scrutiny committees the same voting rights as Councillors. As many services are now delivered in partnership between different bodies, we also want to know whether Council scrutiny committees should be able to look at all the public services in their area.

### 8.2 Giving people a voice in scrutiny

People want to be involved and engaged if they believe they can make a difference. This includes taking part in the assessment of services and how they've been provided. This happens in some Councils but not all. We want more opportunities for people to be able to take part and have a say about a service improvement and be able to ask scrutiny committees to look into things they're concerned about in a Council.

### 8.3 Scrutiny of regional services

Many services are now delivered by a number of Councils working together, for example, improvement services in education. This can mean that the body delivering the services is examined separately by each individual Council. This can be very time consuming and wasteful. The Welsh Government is proposing the Councils that are working together should set up a joint scrutiny committee to examine the work of the service provider.

#### 8.4 External checks – Scrutiny by Audit, Inspection and Regulation Bodies

There are a number of independent bodies established by law to look at what Councils do. The Auditor General for Wales looks at how they are spending public money and whether they are getting value for money. The Care and Social Services Inspectorate Wales inspects Councils' social care work and regulates child care and care homes. Estyn inspects Council education and children's services, including schools. They play a very valuable role providing an independent view of how Councils are performing and whether services are up to scratch.

We believe the links between groups that carry out external reviews and scrutiny committees should be stronger. By sharing information, scrutiny committees can draw on the independent expertise of the external review bodies to ask harder questions about areas of concern.

We also believe we should strengthen joint working between the external review bodies. Every two years they should work together to produce a report on each Council as well as an annual assessment of Local Government as a whole across Wales. Their focus should be on the difference Councils are making and on spotting examples of good practice so Councils can learn from each other.

##### **We want:**

- scrutiny committees to plan better;
- the public to get involved in scrutiny more; and
- groups involved in external checks to share information, work with Councils and write reports together.

To read our full proposals for Strengthening the Role of Review, please refer to Chapter 8 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 9. Reforming Local Government Finance

There are a lot of changes that we want to make through this White Paper, but they will make a real difference to communities across Wales and the people who live in them. To support these changes, it also makes sense for us to review how we fund the work that Councils do.

Councils in Wales spend over £8 billion a year on running costs and delivering services. This money comes from lots of different places: the Welsh Government, grants, council tax and more.

The way the system works now is complicated and there are other things happening in Wales, like new tax raising powers, which will inform our options for change. However, changing our funding systems isn't without risk and we want to make sure that we do it right. We won't change the whole system all in one go, but we will make sure the current system is prepared for when the new larger Councils begin to take over.

We also need to be thinking long-term. We need to think about how the funding system can be changed so that Councils are more accountable to local people when they decide what to spend their money on. At the moment, Council funding and capital investment comes from many different places and we want to look at whether the balance is right between what comes from national funding and what Councils raise locally, like council tax. We also need to consider how we can link funding to the performance of Council services. These things will require a lot more thinking and we will publish further papers on this in due course.

### We want a new system that:

- is clear and simple;
- works and manages our resources well;
- gives clear lines of accountability so new Councils can show what they're spending money on;
- has clear links between the amount of funding and the amount of results so services can improve;
- encourages new thinking, planning and ideas for delivering services;
- helps local communities get involved; and
- helps with decision-making.

To read our full proposals for Reforming Local Government Finance, please refer to Chapter 9 of the White Paper, *Reforming Local Government: Power to Local People*.

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

## 10. Conclusion

Thank you for reading this. If you want to read the full document or to let us know your thoughts please fill in our online survey which you can find on our website:

<http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

Or you can send your views to:

Reforming Local Government

Welsh Government

Cathays Park

Cardiff

CF10 3NQ

or by email to: [RLGProgramme@wales.gsi.gov.uk](mailto:RLGProgramme@wales.gsi.gov.uk)

The closing date is **28 April 2015**.