

**Local Government Partnership Scheme
Annual Report 2007- 08**

Foreword

This is the eighth and final report on implementation of the Local Government Partnership Scheme first introduced under the Government of Wales Act 1998 in 2001 and updated in 2004.

The 'One Wales' agreement in 2007 put in place a progressive agenda for improving the quality of life of people in all of Wales' communities, based upon a set of shared values, common goals and joint aspirations. 'One Wales' provides a national policy agenda for transforming Wales into a self-confident, prosperous, healthy nation and society, which is fair to all. Achieving that aim requires support and collaboration from all levels of government and all sectors in Wales.

I am pleased that the Assembly Government and local government have maintained an effective and productive relationship in 2007-08. This has enabled us, together, to make good progress in delivering our commitments as set out in 'One Wales', our local government policy statement 'A Shared Responsibility' and other key policy documents such as 'Making the Connections - Delivering Beyond Boundaries'.

With the formal separation of the National Assembly legislature from the Assembly Government brought about by the Government of Wales Act 2006, responsibility for establishing statutory partnership arrangements (with local government, the third sector and business sector) now rests with the Welsh Ministers.

I was very pleased in the summer this year to publish a new Local Government Partnership Scheme, in compliance with the new statutory duty upon Welsh Ministers. The new scheme builds on the successful and mature relationship that has been developed with local government since the advent of the National Assembly in 1999.

I look forward to reporting on implementation of the new scheme in due course.

Dr Brian Gibbons AM
Minister for Social Justice and Local Government

Chapter 1: Introduction

1.1 The Government of Wales Act 1998 (“the 1998 Act”) required the National Assembly for Wales (“the National Assembly”) to make a scheme setting out how it proposed, in the exercise of its functions, to sustain and promote local government in Wales. In this context, local government includes county and county borough councils, community and town councils, fire and rescue authorities, police authorities and national park authorities. The National Assembly was also required by the 1998 Act to publish a report of how the proposals set out in the scheme were implemented in each financial year.

1.2 The Government of Wales Act 2006 (“the 2006 Act”) effected formal separation between the Welsh Assembly Government and the National Assembly. As a consequence, the Welsh Ministers are responsible for discharging the various duties previously laid on the National Assembly for Wales to establish statutory partnership arrangements, including those with local government.

1.3 In 2008, the Welsh Ministers published a new Local Government Partnership Scheme in compliance with the requirements of section 73 of the 2006 Act.

1.4 This is the eighth and final annual report on implementation of the partnership scheme made by the National Assembly.

1.5 The following chapters are arranged to mirror those within the scheme.

Chapter 2: Partnership

2.1 The 2004 partnership scheme signalled the Welsh Assembly Government's and local government's commitment to work in partnership within an atmosphere of mutual trust and respect, recognising the value and legitimacy of the roles both have to play in the governance of Wales.

2.2 Partnership working is one of the key elements in the Welsh Assembly Government's vision for the future of public services in Wales, as set out in the policy documents in the "Making the Connections" series. "Making the Connections" is bringing about a new era in the way that public services work together as a team to provide quality services focused on the needs of the citizen. "Making the Connections" is built around a very strong view that collaboration not competition between service providers is the way forward and we continue to work very closely with local government towards this aim.

2.3 Local Service Boards are part of a radical new approach to stepping up the pace of public reform in Wales. They are at the heart of the Welsh Assembly Government's commitment to building services which have the citizen at the centre. Local authorities are playing a key role in developing and delivering the model. Their purpose is to strengthen collaborative leadership at local level. The experience of the six pilot Local Service Boards demonstrates that this new way of working is helping to speed up the pace of change and starting to unblock the barriers to service integration around the citizen's needs.

2.4 Engagement and effective partnership are crucial to making progress on the cross-cutting challenges highlighted in 'One Wales'. We need high performing partnerships, leading innovation, pooling expertise and resources and putting the citizen at the centre of service design and delivery.

2.5 The six Local Service Board pilot areas have completed an extensive work programme to design their structure and to identify the first wave of change projects to be managed through their local delivery agreements. Some of the projects go right to the heart of how services will need to operate in the future e.g. integrating health and social care provision, new approaches to neighbourhood management and new models for health improvement and reducing carbon footprints.

2.6 The remaining sixteen Local Service Boards are now at various stages of designing their board structure and governance and are also beginning to identify possible projects for their local delivery agreements. Some of the areas currently being looked at include alcohol and substance misuse, domestic abuse, mental issues and economic inactivity.

2.7 Through the Welsh Local Government Association we are seeing the emergence of much stronger joint working at regional level through the new regional partnerships. These are supported by regional coordinators who are part funded by the Welsh Assembly Government. This offers a real chance to tackle some of the difficult delivery issues, such as waste management.

2.8 We are also beginning to see much more collaborative procurement across most sectors, advances in joint commissioning of services in social care and NHS and work on shared transaction centres. Also, clinical networks, higher education networks and the thinking about joint working are moving on significantly.

2.9 The Assembly Government is also working closely with local government and others, who govern, manage and deliver public services to produce core principles and practical guidance to improve customer service and public engagement in the design and delivery of services.

2.10 The Assembly Government continues to have close working relationships with the fire and rescue service authorities. In 2007, guidance was published on the application of the “Wales Programme for Improvement” to such authorities. This will ensure that a consistent approach to performance management and improvements is introduced across local government in Wales. Also, following consultation in 2007, a new performance measurement framework, which again mirrors the local authority framework is being formally introduced from 2008–2009. New performance indicators have been introduced that include statutory indicators which will report on progress in reducing fires, deaths and injuries resulting from fires and performance against standards on preventing and tackling fires in the home.—

2.11 The Minister for Social Justice and Local Government continues to hold regular quarterly meetings with the Chairs of the police authorities in Wales. These meetings provide a forum for discussion of issues of mutual interest, including initiatives to promote greater collaboration between the four Welsh forces, funding issues, community safety partnership reform and Home Office initiatives in relation to policing. Similar quarterly meetings are also held with Chairs and Chief Fire Officers of fire and rescue authorities and the commitment to maintain these meetings is contained within the fire and rescue National Framework for Wales 2008 – 2011.

2.12 Relationships between One Voice Wales and the Assembly Government continue to develop. The Assembly Government continues to provide core funding for One Voice Wales, which it recognises as the national representative body for community and town councils in Wales. One of the commitments made in the Assembly Government’s response to the Aberystwyth study¹ was that a draft protocol would be prepared to set out how the Welsh Assembly Government would interact with One Voice Wales. This protocol will be finalised with the association in 2008–2009.

2.13 The Minister for Environmental, Sustainability and Housing meets regularly with the National Park Authorities to discuss strategic issues affecting the National Parks. This includes progress on strategic priorities

¹ Research Study into the Role, Functions and Future Potential of Community and Town Councils in Wales (University of Wales, Aberystwyth 2003)

identified in the 'Policy Statement on National Parks' which the Assembly Government published in March 2007 (setting out a medium term agenda for Park Authorities). The Minister also addressed a members' seminar in November 2007, highlighting the role of the National Park Authorities in assisting the provision of affordable housing within rural communities.

Chapter 3: Strategic Priorities

One Wales

3.1 The 'One Wales' agreement, published in June 2007, sets out a progressive agenda for improving the quality of life of people in all of Wales' communities, based upon a set of shared values, common goals and joint aspirations. The Assembly Government's ambition is to transform Wales into a self-confident, prosperous, healthy nation and society, which is fair to all. The Assembly Government welcomes local government's shared commitment to deliver the challenging programme set by 'One Wales'.

A Shared Responsibility

3.2 The Assembly Government's policy statement 'A Shared Responsibility', published in March 2007, describes how it will work with local government to deliver its agenda for improving the lives of all people in Wales. The Assembly Government has worked closely with local government over the past year in progressing the commitments set out in the policy statement.

3.3 In March 2008, a report on progress in implementing the policy commitments set out in the executive summary to the policy statement was presented to members of the Partnership Council for Wales. The report can be viewed on the Assembly Government website [<http://new.wales.gov.uk/topics/localgovernment/publications/sharedresponsibility/?lang=en>]. Given the large number of commitments in the policy statement the report concentrates on the headline commitments only. However, progress is being made on all commitments. A separate report on those commitments relating specifically to community and town councils and the commitments in the Assembly Government's response to the Aberystwyth study can also be viewed on its website [<http://new.wales.gov.uk/publications/accessinfo/drnewhomepage/governmentdrs/governmentdrs2007/1936182/?lang=en>]. The report is updated regularly.

3.4 'A Shared Responsibility' signalled the Assembly Government's intention to evaluate the performance of our policy initiatives rigorously and through this approach to improve the quality of the policy that we make. Following a feasibility study completed in 2007, the Assembly Government has commissioned "Learning to Improve" – a significant longitudinal study that will run until 2012. This aims to understand the impact of the national policy agenda set out in 'A Shared Responsibility', the range of systems and dynamics in place across local authorities and how these influence the interpretation and implementation of policy initiatives. The study has been developed with the support of the Welsh Local Government Association, One Voice Wales and other partner organisations.

Concordats

3.5 The Local Government Partnership Scheme provides a broad framework for how the Assembly Government will work with and support the wider local government family in Wales. However, there is a need to underpin the scheme by redefining relationships between the Assembly Government and principal councils in Wales. The First Minister has, therefore, signalled his intention to develop some form of understanding between Welsh Ministers and principal councils. Work is ongoing to develop proposals as to what that might look like.

Policy Agreements

3.6 In 2004–2005 the Welsh Assembly Government concluded a policy agreement with each local authority in Wales. Under the agreements, the local authorities agreed targets with the Assembly Government against a set of 16 measures intended to improve service outputs. Half of these measures were nationally prescribed and common to all authorities, the other half were devised locally by each authority with the aim of reflecting local priorities.

3.7 The national measures were chosen on the basis that they reflected strategic priorities at the time and covered aspects of local government services which had not received adequate priority and/or were under-performing. Policy Agreements, however, did have several positive characteristics, but also some weaknesses.

3.8 Policy agreements came to an end on 31 March 2007. In December 2007, the Assembly Government agreed proposals for a set of successor agreements, i.e. “Improvement Agreements”. These agreements retain the focus on local government service improvements in the short term and the use of a grant as a central lever for improvement. They build on the lessons learned from policy agreements and significantly sharpen the system for eligibility of grant payment and for the selection and negotiation of improvement targets. The Assembly Government has commenced negotiations with local authorities on the development of individual improvement agreements in 2008-09.

Local Government Finance Settlement

3.9 The 2008–2009 local government settlement, announced in 2007-08, included indicative allocations for the following 2 years in line with our commitment to move to publishing three year revenue and capital settlements. The additional information will assist local authorities in their medium term financial planning. It is planned to develop these arrangements further before the next three year settlement announcement in respect of 2010–2011.

3.10 The 2008–2009 settlement also announced a transfer into the settlement of resources previously provided through the Early Years, Civil Contingencies and Cymorth Grants, demonstrating our commitment to move resources into the unhypothecated settlement at the appropriate time.

3.11 The Minister for Social Justice and Local Government was also pleased to be able to report to the National Assembly that no local authority increased its council tax above 5 per cent and that the average council tax increase was the second lowest since the tax was introduced.

Chapter 4: The Community Leadership Role of Local Authorities

4.1 The Local Government Partnership Scheme recognises the democratic nature of local government and the leadership role that authorities have in their communities. Local authorities have a primary role in community planning and enhancing social, economic and environmental wellbeing. Local authorities are also seen as convenors and leaders of local partnerships, including Local Service Boards. The Assembly Government is committed to providing the framework that supports them in these roles.

Community Planning

4.2 Local authorities are under a statutory duty to prepare “community strategies” for promoting or improving the economic, social and environmental wellbeing of their areas and contributing to the achievement of sustainable development in the UK. The process for preparing such strategies is known as community planning.

4.3 Community planning needs to develop a long term strategic vision for local authority areas and their populations. It should be based on a thorough analysis of needs, priorities and opportunities for addressing them following an extensive collaboration with partner organisations and engagement with local people. The strategy that results should see a 10–15 year vision, informed by the strategic priorities set out in children and young people’s plans, health social care and well being strategies, local development plans and other major plans and strategies.

4.4 Community planning is therefore central to our public service reform agenda. It is one of the principle means for improving collaboration between local service providers as well as involving citizens and communities in shaping the future of their areas.

4.5 It is against that background that the Assembly Government has produced revised statutory guidance on community planning. The revised guidance entitled “Local Vision – Statutory guidance on developing and delivering community strategies” was issued in March 2008 and is available on the Assembly Government’s website site [<http://new.wales.gov.uk/topics/localgovernment/publications/localvisionguidance/?lang=en>].

4.6 The guidance builds on the experience of community planning in Wales since 2001. This has demonstrated some strengths in terms of commitment to, and engagement in, the process. There also needs to be a sharper focus and greater sense of deliverable reality if community planning is to maximise its potential. The revised guidance seeks to do that. It is not prescriptive, providing considerable freedoms for local partnerships to define, agree and then deliver community strategy priorities within a broad national framework.

4.7 Local partners are naturally best placed to decide on local priorities in this way. However, it is essential that they then act on them. There is no point in conferring local freedom if that freedom is not fully exercised for the benefit of local people and communities. The new guidance therefore places a strong emphasis on working together to deliver improved wellbeing, rather than merely describing what it would look like.

4.8 The guidance was developed in close collaboration with many partners and following extensive consultation, which demonstrated widespread support for our approach. That support now needs to become a reality. Following the local elections in 2008, every local authority and their partners need to give high priority to revising and refreshing their community strategies in line with the new guidance. They then need to set about delivering the commitments in it, and thus improving wellbeing for all citizens and communities in Wales.

Proposed Local Government (Wales) Measure

4.9 The Local Government and Public Involvement in Health Act 2007 conferred on the National Assembly powers that enable the Assembly Government to bring forward legislative proposals in respect of performance improvement and community planning. Following consultation commencing in early 2008, a proposed Local Government (Wales) Measure was introduced for consideration by the National Assembly in September. The proposed Measure will redefine the basic duty to account for improvement, and will require local partners to cooperate in the delivery of community planning outcomes and to engage with citizens.

4.10 The Measure's overall intention is to offer local authorities, fire and rescue authorities and national parks greater flexibility to respond to citizen and community needs within a national context, while clarifying and strengthening the Assembly Government's ability to respond to under-performance. It will create a statutory regime which better integrates long term strategic planning and shorter term service improvement. It will also amend the law to better reflect the distinctive nature and role of local government in Wales and will build on the experience of local authorities and others operating within the current regimes.

4.11 The Measure expands local authorities' duty to secure improvement, in particular emphasising that enhancing local wellbeing, sustainability and social equity are as valid as improving quantified service outputs or efficiency. It will also create a general power for authorities (including local authorities,

national parks and fire and rescue authorities) to collaborate with each other to secure improvement and reserve power for Ministers to direct this. The Measure will provide more scope to use performance data to account to citizens and communities about the levels of service they are providing. It will also secure greater collaboration between local government auditors, regulators and inspectors so as to maximise value and minimise burdens. The Measure will expand and help clarify Ministers' powers to support local authority improvement and to intervene as and when necessary. It will also help create a common duty on local service providers to prepare and deliver a community strategy and associated action plan.

4.12 Much of the Measure captures existing non-statutory elements of the Wales Programme for Improvement and community planning regimes. There will be an implicit challenge for local authorities to use the new programmes to optimise local citizen and community outcomes rather than simply to comply with their formal structures or to continue business as usual. Failing that, the Welsh Ministers' new support and intervention powers might well come into play.

Increasing Importance of the Role of Community and Town Councils

4.13 There is increasing emphasis on the role of community and town councils in Wales. The "Local Vision" statutory guidance from the Assembly Government on developing and delivering community strategies states that local authorities should involve community and town councils in developing a community strategy. This is a clear acknowledgement of the very local contribution that these councils make. For the first time, a modular induction/refresher course for community and town councillors has been developed by One Voice Wales in 2007-08, with financial support from the Assembly Government. The course, which was launched by the Minister for Social Justice and Local Government in July 2008, is aimed at raising the skills and knowledge of councillors, which in turn will help them to deal with the increased demands of their role.

4.14 An important element of the Assembly Government's response to the Aberystwyth study was an acceptance that there is a role for community and town councils in delivering a wider range of services in their areas, where they are willing to do so and where this would enable identified local needs to be met more effectively. In 2007-2008, the Assembly Government worked with key stakeholders to develop draft guidance (including a model charter agreement) to encourage closer and more productive relationships between principal councils and community and town councils in their area. Following widespread consultation, "A Shared Community" was published following the local elections in May 2008. A copy can be viewed on the Assembly Government website [insert link]. The Assembly Government will now work with One Voice Wales and the Welsh Local Government Association to facilitate charter formation.

4.15 The Assembly Government continues to seek legislative opportunities to implement those commitments arising from the Aberystwyth study that

require changes to primary legislation, including extending the power of wellbeing to community and town councils.

Chapter 5: Modernising Welsh Local Government

5.1 The Assembly Government did not succeed in its attempt to secure legislative competence on governance and scrutiny in the Local Government and Public Involvement in Health Act 2007, but is still actively seeking these powers. This situation has caused us to delay a formal consultation on reforms to political structures and scrutiny until the legislative position is clearer. We have, however, been supportive of moves to improve scrutiny processes within local government in an outward looking direction. It is our intention to operate a Scrutiny Development Fund in 2008-09, which will promote best practice in this area. The Assembly Government has also established an “expert panel” to review the findings of the Councillors Commission, set up by the UK Government, and we will bring forward proposals next year to address matters connected to the recruitment and retention of councillors and candidates.

The Performance Measurement Framework

5.2 The framework for local authorities has seen further revision, but not wholesale change during 2007–2008. Through work coordinated by the Local Government Data Unit - Wales, local authority practitioners met in a series of professional reference groups to further refine the performance indicators that populate the framework. The outcome of the reference groups’ work formed the basis of the consultation on the 2008–2009 framework that took place between October and December 2007. Following the consultation, the 2008–2009 performance framework was published by the Local Government Data Unit - Wales in February 2008.

5.3 During October 2007, the Local Government Data Unit - Wales produced the second annual local authority performance bulletin to accompany the release of the 2006–2007 performance data. The performance data (that is yielded from the performance indicators that populate the performance measurement framework) shows that local authority performance continues to improve, but highlights that there are some significant variations in performance across Wales. The performance data shows improvement in 72 per cent of the 95 indicators comparable with the previous year, with 24 per cent showing a drop or maintaining current performance.

5.4 During 2007-08 the Assembly Government consulted on a new performance measurement framework and suite of performance indicators for fire and rescue authorities. The framework brings the fire and rescue authority approach to performance measurement in line with local authorities in Wales. 2007-08 data on the new set of indicators will be published in October 2008.

Ffynnon

5.5 July 2007 saw one of the more exciting of the year’s developments with the successful roll out of the Ffynnon performance measurement system to all local authorities, fire and rescue authorities and national park authorities in

Wales. Ffynnon is an organisational performance management system based on the SunGard Aspireview product. Thirty stakeholder organisations across Wales already have the system, following an Assembly Government funded collaborative procurement.

5.6 Ffynnon allows users to collate and present information about risks, projects and performance indicators by using a range of visual representations. This engages the user and helps them to understand the data, which is often complex.

5.7 In addition, the Ffynnon project delivers collaborative functionality which allows users to benchmark their performance with others; share and compare performance information across organisations; and discuss performance issues via a discussion forum and national knowledge library.

5.8 Ffynnon also allows stakeholders to engage with their strategic partners to deliver “shared” performance pictures at Local Service Board level for example. This is done through using “guest licences”. Public sector organisations can elect to become “additional stakeholders” and benefit from preferential rates under their existing contract, taking and using Ffynnon widely across their organisations.

5.9 The system is web-based and hosted at the SunGard data centre. As a result the only requirement is that users have web access. The procurement has effectively provided an unlimited number of licences, allowing stakeholders to deploy the system widely within their organisations, which has removed the usual barriers to effective implementation. The Assembly Government provides support in the form of advice and guidance, technical implementation support, national and regional user groups and regular Ffynnon newsletters to stakeholder organisations.

Inspection, Regulation and Audit

5.10 The Assembly Government is determined to establish a system of inspection, regulation and audit that provides the public with assurance on the quality of public service provision that facilitates service improvement; that is proportionate; and that is responsive to innovation and developments in the way public services are delivered. A Policy Statement on Inspection, Regulation and Audit has been discussed at Assembly Government Cabinet Sub Committee level and will be discussed at Cabinet on 13 October. Wide-ranging consultation will take place when the statement has received Cabinet approval.

5.11 The Wales Audit Office chairs a “Local Councils Audit Liaison Group”, which includes membership from the Assembly Government, One Voice Wales and the Society for Local Council Clerks. The group has collaborated to produce ‘Governance and accountability to Local Councils - A Practitioners Guide 2008 (Wales)’. It may be accessed from the One Voice Wales website www.onevoicewales.org.uk

Chapter 6: Liaison and Consultation with Local Government

6.1 The Partnership Council for Wales (or Local Government Partnership Council, as it is informally known) is the main forum for discussion and collaboration between the Assembly Government and representatives of local government.

6.2 The Partnership Council was reconstituted in 2007, following commencement of the Government of Wales Act 2006. The Act transferred responsibility for establishing the Council from the National Assembly for Wales to the Welsh Ministers. The Act also removed the requirement for local government members appointed to the Partnership Council to be elected members.

6.3 The Partnership Council now comprises Welsh Ministers/Deputy Ministers and members of local authorities in Wales. The local government representatives on the Partnership Council are drawn from county/county borough councils, community and town councils, national park authorities, police authorities and fire and rescue authorities on the basis of nominations by the representative bodies.

6.3 The Partnership Council normally meets three times each year, but due to the National Assembly elections it met twice in 2007-08. Issues considered by the Partnership Council in 2007-08 include: progress in delivering public service delivery reforms, including the Making the Connections agenda and Welsh Local Government Association Regional Partnership Boards; the Local Government Finance Settlement; Improvement Agreements and Standards, Xchange Wales; and Skills that work for Wales.

Consultation and Joint Working

6.4 The Partnership Scheme sets out the Assembly Government's commitment to frequent and open consultation and collaboration with local government representative bodies, including consultation with individual authorities (including community and town councils) on major policy issues.

6.5 There are numerous examples of such consultation and collaboration in 2007-08. While there are too many to cover them all in this report, examples include: the provisional settlement for 2008–2009; proposed arrangements for the operation of three year capital and revenue settlements; the proposed local government Measure; community planning guidance; and the new member code of conduct.

6.6 While consultation and engagement with stakeholders is an important element of policy development, the Assembly Government is conscious of the burden that this can place on organisations. The Assembly Government is therefore reviewing its existing guidance and best practice with external stakeholders.

Chapter 7: Reviewing the Local Government Partnership Scheme

7.1 This report fulfils the statutory obligation to review how the Local Government Partnership Scheme published in June 2004 was implemented in 2007–2008. It has been prepared in conjunction with the local government representative bodies. The report illustrates the ongoing very successful partnership which has been forged between the Assembly Government and all elements of local government in Wales.

7.2 In 2008, the Assembly Government published a new Partnership Scheme, in conjunction with the local government representative bodies. The new scheme forms the basis for future relations with local government and will be subject to annual reports on its implementation in due course.