

**Explanatory Memorandum to the Local Government (Performance Indicators) (Wales) Order 2012.**

This Explanatory Memorandum has been prepared by Local Government Finance and Public Service Performance Division and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 24.1

**Minister's Declaration**

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Local Government (Performance Indicators) (Wales) Order 2012.

Carl Sargeant  
2 October 2012

## **Description**

The Local Government (Wales) Measure 2009 (the Measure) was passed by the National Assembly for Wales in Plenary on 28 April 2009 and received Royal Approval on the 10 June 2009. The overall intention of the Measure is to create a statutory regime which integrates long term community planning and shorter term local service improvement.

Under section 8 of the Local Government (Wales) Measure 2009, the Welsh Ministers may specify performance indicators and standards by which Welsh local authorities' performance may be measured.

This Order specifies twenty-five performance indicators for 2012-13 from 1 April 2013. The Order does not contain any standards. The indicators are drawn from those contained in the previous Order (the Local Government (Performance Indicators and Standards) (Wales) Order 2010 supplemented by a small number of additional performance indicators taken from the Programme for Government. The exception to this is that the 2010 Order contained two performance indicators on housing benefit/ council tax benefit. These indicators have been omitted from the 2012 Order to reflect change in policy by the Department for Work and Pensions.

## **Matters of special interest to the Constitutional Affairs Committee**

None

## **Legislative background**

Section 8 of the Local Government (Wales) Measure allows the Welsh Ministers to specify "factors" (performance indicators) by which Welsh improvement authorities' performance in exercising their functions, may be measured. In addition, the Welsh Ministers may also set "standards" to be met by Welsh Improvement Authorities in relation to some, all, or none of the performance indicators.

This Order, to be made under s.8 of the Measure, is subject to annulment in pursuance of a resolution of the National Assembly for Wales (s. 50(3)), and is required to be prepared in English and Welsh. It will need to be in force from 1 April 2013.

## **Purpose & intended effect of the legislation**

The setting of local authority performance indicators is a continuation of established policy. Local authority performance indicators are kept under review by service-specific reference groups, comprising expert

representatives from local authorities, Assembly Government policy directorates and other partner organisations such as the Wales Audit Office and the Welsh Local Government Association.

The subject specific reference groups suggest any changes to the statutory performance indicators only where strictly necessary, as there are clear risks to data continuity and thus the ability to analyse performance over time. For the most part they are simply changes of a technical nature to reflect current professional practice and wider changes to the law.

The proposed 25 indicators for 2012-13 and beyond are drawn from those that formed the basis of a Welsh Government consultation exercise earlier in the year.

## **5. Consultation**

The consultation exercise ran from 20 January to 16 March and sought comments from the 22 Welsh local authorities, the Welsh Local Government Association, the Wales Audit Office, and other interested parties. The exercise was accessible to members of the wider community and general public via the Welsh Assembly Government's website.

The consultation elicited a total of 36 responses (including 19 from local authorities in Wales). Overall, the responses were in support of the proposed set of statutory indicators and to align them with the *Programme for Government*. This broad support was not surprising given that the proposed indicators were very much a continuation from the previous year, and had been developed by the respective expert panels comprising local authority specialists and others.

Officials from the Department for Work and Pensions also responded to the consultation to confirm that they are content for the two performance indicators on housing benefit and council tax benefit to be deleted for 2012-13 as this would bring the requirements for local authorities in Wales in line with local authorities in England and Scotland.

Copies of the consultation responses can be obtained from Local Government Finance and Public Service Performance Division.

### **Regulatory Impact Assessment (RIA)**

An RIA has not been prepared as the setting of local authority performance indicators for 2012-13 is a continuation of long standing policy and does not present novel circumstances to those affected. No impact is foreseen on the voluntary sector, business or charities.

The Order proposed Order has no impact on the statutory duties (sections 77-79 GOWA 06) and relevant statutory partners have been informed and consulted (sections 72-75 GOWA 06).