

Paper 1 - A Framework for Regional Collaboration

Purpose

1. To propose for agreement a framework and consistent mechanism for regional collaboration to support the delivery of sustainable and effective public services.

Background

2. The Working Group's core task is to develop a shared agenda for reform which ensures the sustainability of local service provision through: appropriate structures and processes – whether collaboration, shared services or voluntary mergers.
3. At the January meeting, the Working Group discussed the need for more consistent mechanisms and structures to support regional working and collaboration. Members agreed that a single structure for statutory and voluntary arrangements would help deliver consistency and simplification to collaborative arrangements.
4. Further discussion was had with local government leaders on 29 March on the Statutory Joint Committee Model as a consistent mechanism for regional working and the development of a framework for collaborative working.
5. The Framework for Regional Collaboration at Annex A responds to the needs identified by the Working Group and subsequent ministerial discussions with local government, and sets out an approach for agreement for a framework and consistent mechanism for regional collaboration.

Action

6. The Working Group is invited to:
 - Agree the framework and consistent mechanism for regional collaboration as outlined in Annex A.

Annex A

A Framework for Regional Collaboration

Background

The Welsh Government and local authorities agree that strong local government is essential to the effective delivery of good quality, integrated public services to communities across Wales. They recognise that the strength of the Welsh Government and local government is the democratic accountability which reflects the needs, aspirations and cultures of Wales. They also agree we need to see effective, successful organisations which are fit-for-purpose and representative of the communities they serve.

Following the consultation on the Green Paper 'Strengthening Local Government: Delivering for People' in 2018, the Welsh Government and local government established the Working Group on Local Government. Its purpose is to work through partnership and mutual respect to develop a shared agenda for reform which ensures the sustainability of local government and local service provision. As part of this role, the Working Group has been reviewing existing regional working arrangements in local government and the appetite and priorities for increased future collaboration.

Local authorities have expressed a commitment to regional working and have previously provided a paper to the Working Group demonstrating the good progress in areas such as the city deals and in a number of areas of shared service delivery. However discussions within the working group have also identified the need to develop consistent frameworks and governance arrangements which would underpin local government approaches to collaboration.

The main principles for such arrangements are:

- To provide a more consistent mechanism and governance model for collaboration
- To provide a clear framework to underpin regional working approaches
- To provide a model which would help simplify regional arrangements
- To ensure retention of democratic control.

There was also a perception of a crowded partnership landscape and that there were opportunities for simplification and rationalisation.

The Welsh Government will bring forward the Local Government and Elections (Wales) Bill (the Bill) later in 2019 which will deliver a number of new freedoms and powers, including a General Power of Competence, to local government supporting endeavours for reform and transformation. The Working Group has recognised an opportunity to include provision within the Bill which will provide a framework for a consistent approach to regional working and collaboration and which reflects the shared ambitions of the Working Group.

Providing a clear and consistent framework:

- To enable planning and service delivery on a scale which maximises benefits for service users;
- To realise the potential of collective effort in tackling common challenges and deliver innovative solutions;
- To collaborate to build the specialist skills needed in key service areas;
- To rationalise current arrangements, reduce duplication and focus on a consistent way of democratically governing collaborative arrangements.

Overview of proposed approach

The Welsh Government through the Working Group is proposing an approach which would both support and encourage regional working and collaboration through more coherent, consistent, simplified, democratically controlled mechanisms. The approach can be broadly framed around two key areas:

- Providing a **mechanism for consistent regional working** and collaboration with a clear framework for governing collaborative arrangements and providing clarity of expectations on where regional working is important and what local authorities can expect of each other
- Enhancing the proposed **performance and governance regime** to support regional working by local authorities.

The Welsh Government also recognises the need to bring consistency and discipline to the Welsh Government's approach to regional working arrangements across different policy areas. There are clear opportunities to align regional working arrangements as part of a single mechanism for regional working.

Following discussions in the Working Group, the Welsh Government and the WLGA are also jointly undertaking a review of current strategic partnerships to consider whether there is any unnecessary complexity or duplication and, where necessary, identify opportunities for simplification and rationalisation. The review will report to the Partnership Council for Wales on 2 October.

Mechanism for Consistent Regional Working

Local authority members within the Working Group have highlighted a number of areas where they are currently collaborating on a regional and sub-regional basis. Members have also expressed a commitment to further collaborative action and intend to propose a number of priority areas for future collaboration. It was also clear from the discussions that more could be done to support and strengthen ongoing and future collaborative working particularly when considering the frameworks and structures for governance.

Discussions have indicated that, given the right frameworks or incentives, local government would be willing to work together to increase the pace and extent of collaborative arrangements – and would welcome a statutory framework for the governance of such arrangements. It would be important for any such framework to

provide a coherent approach to regional working which will reduce the duplication of leadership and management time in serving multiple regional arrangements while supporting the alignment of strategic planning at a regional level.

Putting effective collaboration arrangements in place takes time and resource, and there are also challenges in developing arrangements that are clear about respective roles, responsibilities and governance of collaborative approaches. Working Group members discussed the model which underpins the North London Waste Authority as an example of the type of model which could offer the greater certainty that local authorities need in developing regional arrangements.

Consistent Structures

It is proposed to provide through legislation as part of the Local Government and Elections (Wales) Bill a consistent structure for local government collaboration; a mechanism which has a legal personality and is therefore able to employ staff directly, and can have functions vested in it through legislation and or delegation – a **Statutory Joint Committee**.

The Local Government and Elections (Wales) Bill will provide the power to create a Statutory Joint Committee via regulations. Such regulations would set out the service areas and specific functions of a Statutory Joint Committee and the detailed arrangements for governance, finance etc.

In this way it should be possible for a Statutory Joint Committee to have responsibility for a single service area or as many service areas as was relevant in the specific circumstance.

Where a Statutory Joint Committee has functions for a number of service areas it should also be possible for functions to be exercisable by a 'subcommittee', if appropriate or if desired by the membership of the Statutory Joint Committee.

To provide flexibility in the arrangements it will be possible to establish a Statutory Joint Committee in a number of ways.

The first route will be on request from local government, where local authorities wish to work together on the basis of shared interests and mutual benefit. In this case, local authorities will identify, as part of the request to create a Statutory Joint Committee, those service areas they wish to be included.

It is proposed that this approach will be a shared endeavour with the Welsh Government, with collaborative design of the governance, membership, voting and other constitutional arrangements within any regulation establishing a Statutory Joint Committee.

Welsh Ministers will also be able to initiate the creation of Statutory Joint Committees in a number of limited and specified service areas where evidence suggests collaborative or regional working would deliver greater benefits for people and be a more efficient and effective way of delivering those services.

This might include as part of a consolidation exercise of existing regional working legislation, e.g. planning, or for service areas which already have established separate regional arrangements or emerging ones. Proposals for Statutory Joint Committees emerging from this route would be subject to consultation with local government.

The specified service areas for which Welsh Ministers would be able to create Statutory Joint Committees would be limited to service areas such as transport, economic development, land use planning and strategic housing and education improvement. Confirmation of these service areas and their inclusion within the Bill will be subject to further discussion.

While a Statutory Joint Committee provides a vehicle for a consistent governance model for regional working it does not, in itself, deliver a coherent approach to regional working, reduce duplication or simplify the proliferation of regional arrangements. That would depend on how the mechanism was used by the Welsh Government and local government.

Clearly, the expectation is that the mechanism would be used to simplify and streamline existing collaborative arrangements, removing unnecessary duplication. Part of this could include providing for a role in setting an agreed vision for the collective area and joining up service delivery across policy areas.

A Consistent Framework

The Working Group has discussed and agreed the need for greater certainty for those participating in regional arrangements and the development of a framework for decision making around joint working.

It is proposed that the Local Government and Elections (Wales) Bill will include relevant provision to implement the view of the Working Group and ensure such a framework is developed.

However in advance of legislation, local government has agreed to develop a voluntary framework or code which would structure discussions and decision making on leaving, and possibly entering, joint arrangements. This could include a means for members to address failures in performance of joint arrangements and decisions to withdraw from a voluntary joint arrangement. (This would not apply to arrangements which have been specified in legislation such as Regional Partnership Boards.)

Proposed Performance and Governance Regime

The new performance and governance framework in the Bill replaces the current Improvement mechanism within the Local Government (Wales) Measure 2009 and aims to support cultural and organisational change within local government. The aim is to build on existing strengths and create a more innovative, open, honest, transparent and ambitious sector, challenging itself and collectively driving up service delivery outcomes and standards across Wales.

The provisions within the Bill will place a duty on a principal council to keep its performance under review – that is, to review the extent to which it is meeting its Performance Requirements. The Performance Requirements are the extent to which a principal council is:

1. exercising its functions correctly
2. using its resources economically, efficiently and effectively, and
3. governed effectively in delivering 1 and 2 above.

The formal process of review will be through self-assessment with the conclusions of the self-assessment process published annually through a self-assessment report, which will include actions to help a local authority meet its performance requirements.

There will also be a requirement for each local authority to undertake a peer review at least once an electoral cycle. What form the peer review takes will be at the discretion of the local authority.

The Minister for Housing and Local Government has indicated that support would also be available for a sector-led improvement function or approach which would sit alongside and support the delivery of the Performance and Governance regime within the Bill. Such an improvement approach would support local authorities to develop self-assessment and improvement, building on the minimum expectations established as part of the Bill.

The proposed performance and governance regime would also see Welsh Ministers retain similar support and intervention powers as currently exist in the Local Government (Wales) Measure 2009. This would ensure that Ministers continue to be able to provide the backstop support for local government when required.

Regional working

The proposal for the Performance and Governance regime would be to recognise regional working in the Performance Requirements proposed above and so into the wider Performance and Governance provisions within the Bill, including the associated support and intervention powers.

The aim is to encourage a local authority to consider the benefits of regional working in terms of both what it can bring to its own constituents and to those of the wider regional area. This will also act as a clear signal of the collective expectations on all local authorities to maximise the opportunities regional working and collaboration can bring to the reform and transformation of local government. These expectations will also underpin the consistent mechanism for regional working outlined above.