

Local Government & Public Services Committee

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Date: Thursday 9 February 2006

Venue: Committee Room, National Assembly for Wales

Title: Report by the Minister for Finance, Local Government and Public Services

1. Purpose

The purpose of this paper is to provide the Committee with an overview of the key issues and priorities within the Local Government portfolio.

2. Background

In preparing this report I have attempted to identify the most important issues that are currently being taken forward within the local government arena. They are grouped by broad subject area and I have concentrated in particular on those that will require both policy development and legislation.

3. Recommendation

The Committee is invited to note the content of the report and to comment as appropriate.

4. Issues

Spatial Plan

The second round of Ministerial Area Group meetings was completed in each of the six spatial areas in December. Each meeting has agreed a set of initial project proposals which will now be taken forward.

5. Beecham Review Progress Report:

By the end of January the Review team had completed most of its discussions with stakeholders across the public services in Wales, including non-devolved services which contribute to local delivery. In February it will start the process of analysis - initial conclusions will be presented to the Public Services

Board on 17 March.

Sir Jeremy wrote to Ministers before Christmas offering bilateral meetings if they would find this useful. He is due to attend the Local Government Public Services subject Committee on 9 February and has also asked to meet the Panel of Chairs to talk about how scrutiny contributes to public service improvement.

The process has been a high level review of the devolved delivery context in which local agencies operate, including: relationships with the centre and with local partners, inspection and regulation, performance management, policy and strategy, finance, and leadership and management capacity.

6. Local Government Regional Working

- The WLGA have been instrumental in promoting regional working arrangements for local government across Wales.
- 4 Regional Partnership Boards have recently been established (North, Mid, South-west and South-east) to help facilitate joint working and deliver x-cutting projects.
- Priority projects for each of the Regional Boards are currently being considered. We anticipate that funding under the Making the Connections Improvement Fund will be sought for some of these projects.
- The South-east Partnership Board met on 20 January. Informally I am told that it agreed a number of principles one of which being that LAs would support Value Wales collaborative contracts. This is interesting as not all Councils do so – for example Cardiff has very little engagement. We understand that Cardiff is taking a leading role in relation to a priority project on shared services.

7. Making the Connections - Summary of current developments:

Joined-Up and Simplified Public Service

- The WLGA has commissioned a major study on local authority collaboration, which is reporting about now; initial findings were discussed at a seminar on 15th December.
- Consultation on plan rationalisation has been completed and the Assembly Government has announced that it will proceed to remove almost all service-specific plan requirements over the next few years.
- The Children's Commissioning Support Resource has been established as a Making the Connections project to support local authorities in commissioning specialist placements for children.

Citizen-Centred Practice

- A survey of citizens' experience of public services will be undertaken in 2006 and

2007 with the results for each being available the following year. However, recent results from the 2004 Living in Wales Survey provide some insight into citizens' views of public services.

- The MtC work-streams to develop core public service principles and guidance to guide improvements to customer service and public engagement are underway, with high stakeholder involvement.
- The scoping study on a citizen entitlement (smart) card has been completed and Ministers have given the go-ahead for the development of a business case. If the eventual decision is to proceed, the rollout could start in 2007-2008. Meanwhile, work is proceeding on a transport concessionary card.
- The Cabinet Office has announced a review of Chartermark and we will be taking part. We shall be looking for an opportunity for building on the work to deliver something distinctive for Wales.

Public Services Management Wales (PSMW)

- Agreement has been reached on the establishment of Public Services Workforce Forum involving the trade unions, employers representatives and government. The role of the Forum is to keep the big workforce issues arising from Making the Connections under review – it will not form part of the negotiating machinery on pay, conditions of service etc. First meeting will be in February.
- A Modernising Recruitment project is underway to improve signpost advertising web-based recruitment and agency staff/ contracting arrangements across the public service. . It is running alongside a project to identify the spread and accuracy of information about the cross-sector workforce in order to identify improvements needed to ensure more accurate reporting and the foundations of pan-Wales workforce planning principles.
- PSMW is continuing to deliver a number of development programmes and will be launching the new development programme prospectus early in 2006. It will also be enhancing its People Exchange Programme and providing services to support organisational development in the public sector.
- PSMW is planning Wales' first cross-sector Public Services Summer School to take place in Bangor University at the end of June. Plans will be ready for Ministerial approval and then publication in February. A major HR conference is being planned for the Autumn.
- Other areas of activity include exploratory discussions with relevant agencies and interested stakeholders about pension portability.

Value Wales

- Value Wales will be fully operational by Christmas this year, but good progress has already been made, especially in procurement:
- collaborative procurement coupled with use of e-auctions has realised savings of

£11.6m against a target of £20m by March 2006. This includes £3.2m savings from PC procurement; £3m on telecoms; £3m on sign-post advertising and the balance on agency staff; stationery and car hire.

- the continued rollout of the Welsh Purchasing Card that helps cut the cost of making payments has delivered £2.7m in process savings to date with 44 organisations now participating;
- the National Procurement Website has advertised contracts for 57 organisations valued at over £1.2billion, exceeding its target of £1 billion by March 2006 with 65% of the registered suppliers being Welsh based companies;
- the first e-auction held within the local government sector. The dry and tinned food auction (between Swansea and Neath Port Talbot) produced saving of £0.3m while electricity (Pembrokeshire, Ceredigion and Carmarthen) resulted in saving of £0.2m;
- Work has started on the Value Wales sourcing plan. The Welsh Purchasing Consortium is involved and local Councillors have requested an early meeting;
- a procurement fitness check programme for the Higher Education Sector has started and is due to be completed by March 2006;
- several shared services projects are being considered with early discussions taking place between potential partners;
- a pilot gateway review programme of eight reviews is in place.

8. Business Rate Relief in Wales Workshops

Local Government Finance Division workshops on Business Rates Relief in Wales were held throughout January and will continue into early February 2006.

The workshops will take the format of delegate discussion groups, and there will be opportunities to consider the many issues regarding current business rate relief in Wales.

9. Local Authority Business Growth Incentive Scheme (LABGI)

The initial indications received from local authorities on the introduction of the LABGI scheme are very promising. However, in order to guarantee the impetus of the scheme, I have decided not to increase the floors that local authorities have to reach in the second year of the scheme. This is a very bold step and unlike the English scheme will allow Welsh Local Authorities to benefit from maintaining growth achieved in the first year of the scheme, as well as new growth obtained in the second year. I will also maintain a watchful eye on the scheme to ensure it continues to best meet the needs of Wales.

Due to the nature of the scheme it is difficult to estimate the amount of LABGI money to be paid to local authorities. Officials are in the process of calculating the grant payments for 2006-07 and are awaiting relevant data. Local authorities will be contacted within the next few weeks with more information.

10. The Opening of the New Building

The building is now complete. The first formal plenary session was held yesterday, 7th February 2006, well in advance of the Formal Opening by HM The Queen on 1st March 2006, which is a fitting date for such an important event in Wales.

11. Widening Participation

I have agreed that officials will work together with the WLGA, SOLACE and others to develop a campaign aimed at encouraging candidacy at the 2008 local elections. This will examine the possibility of initiatives such as:

- Councils establishing a register of potential candidates, who would be invited to attend council meetings.
- Local authorities set up links with local community and voluntary groups as a potential pool of active citizens.
- Publicity and information on the role of a councillor, the allowances available and how to be elected, produced in minority languages.
- Employers to be encouraged to support flexible working and leave arrangements, including sabbaticals for employees who become councillors
- Existing councillors to publicise what they do through annual reports.
- Support for succession planning within councils.
- Council meetings to be held at times which fit well for those in employment or with caring responsibilities.
- Potential candidates to be advised of the induction training and development they could receive if elected.
- Mentoring or shadowing schemes to be developed between potential candidates and established councillors.
- Political parties to widen their recruitment net, re-examine their selection processes and relax their length of membership rules for potential candidates.
- Joint training work with the political parties for potential candidates.
- The WLGA can offer pre-election briefing/training, fast-track positive action programmes, candidate briefing materials and post-election induction.

It is proposed that officials of the WLGA, Assembly Government and SOLACE form an overview group with a view to organising a high profile event in September – as a springboard for other local or regional events - and to developing or assisting in the development of publicity, support material and the promotion of initiatives such as those listed above.

12. Settlement Update

The local government finance report for councils for 2006-07 and the two amending reports for councils

for 2004-05 and 2005-06 were approved by the National Assembly for Wales on 17 January. Councils are now able to set their budgets and associated council tax levels for 2006-07.

The final details of the revenue settlement for police authorities show that on average general revenue funding for police forces in Wales will increase by 3.2%. In addition to the main funding settlement, Welsh police authorities will benefit from a range of specific grants. Motions to approve the settlement for police authorities for 2006-07 and the two amending reports for 2004-05 and 2005-06 went before the Assembly on 8 February.

13. Meetings/Visits

- On 9 January 2006 I met with Adam Peat, Public Services Ombudsman for Wales, to discuss how he intends taking forward this new office when it is established on 1 April.
- On Thursday 26 January 2006 I attended a seminar on "Community Leadership: Making the Connections", organised jointly by the Welsh Assembly Government, WLGA, and Local Government Information Unit. The purpose of the seminar was to set out the relationship between the different policy strands impacting on local government and their implications. The seminar included presentations by Sir Jeremy Beecham; Tony Travers, of the London School of Economics; Steve Thomas of the WLGA; and Professor Steve Martin of Cardiff University. There were also workshops by a number of key policy officials in local government, Welsh Assembly Government and from academia. I gave a presentation on the Welsh Assembly Government's vision for Local Government. A total of 145 delegates - mostly senior elected members and officers of councils - attended the seminar.

LGPS Business Unit