Commission on Public Service Governance and Delivery (Summary)

Background

The Commission on Public Service Governance and Delivery was established in April 2013 in order to provide an authoritative assessment of governance and delivery of devolved public services in Wales.

Proposals for Reorganisation

A key recommendation of the Commission is the merging of local authorities. Whilst it gives four different options for this, recommending between 10-12 local authorities respectively, in each option it recommends the merging of Cardiff Council and the Vale of Glamorgan Council.

The rationale for this merger is that:

- Cardiff and the Vale would be coterminous with the Local Health Board and police boundaries
- Neither local authority area is eligible for EU convergence funding
- A merged authority would increase the capacity to deal with some of the major pressures facing both Councils, namely; budget reductions, a growing and ageing population and increased demand for public services.

Comparison to other local authorities

The Commission puts forward four options for reorganisation of local government. Each option however recommends the merger of Cardiff Council and the Vale of Glamorgan Council.

If the Welsh Government decides to take forward the Commission’s first recommendation and creates 12 local authorities, then Cardiff and the Vale will be the largest Council in Wales. However, if it decides to merge the City and County of Swansea with Neath Port Talbot and Bridgend then this will then form the largest Council in Wales. Noted below is the relative size of the proposed areas under option 1.

<table>
<thead>
<tr>
<th>Area</th>
<th>Population</th>
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<tbody>
<tr>
<td>Cardiff and the Vale of Glamorgan; (472,000)</td>
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<tr>
<td>Blaenau Gwent, Caerphilly and Torfaen; (340,000)</td>
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<tr>
<td>Rhondda Cynon Taf and Merthyr Tydfil; (293,000)</td>
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<tr>
<td>Flintshire and Wrexham ;(288,000)</td>
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<tr>
<td>Neath Port Talbot and Bridgend; (279,000)</td>
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<tr>
<td>Monmouthshire and Newport (237,000)</td>
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<tr>
<td>Conwy and Denbighshire (209,000)</td>
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<tr>
<td>Ceredigion and Pembrokeshire; (198,000)</td>
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<tr>
<td>Isle of Anglesey and Gwynedd (191,000)</td>
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References to Cardiff

The report recognises the work undertaken in Cardiff in 2010 to rationalise the Partnership Structure as well as the neighbourhood management approach to local delivery, which it describes as a “highly effective system”. Cardiff would therefore be well placed to respond to the recommendations on introducing neighbourhood management or a similar approach to engage with citizens at a local level.
Timescales and Incentives

Merging of local authorities

- It is proposed that Cardiff Council and the Vale of Glamorgan Council merge – this should be **completed within the next 3-5 years**
- The Williams Commission recommends the Welsh Government **incentivise voluntary early adoption**.
- The Welsh Government, local authorities and key stakeholders **must agree the programme arrangements for mergers by Easter 2014 at the latest**. These should include clear and robust project and programme governance at national and local level with clear accountability to a national transition and implementation board.

Key Findings

The Commission recommends that there is need for a step change in the performance and delivery of public services in Wales. The Welsh Government must initiate, lead and manage a comprehensive programme of change to address the findings of our report. The key proposals are noted below:

- **The complexity of the public sector is reduced** by simplifying accountability, removing duplications, streamlining partnerships, making much better and more selective use of collaboration, and maximising the synergy between organisations, including service delivery and ‘back-office’ functions;

- **The capacity of local authorities is increased** by mergers between those that exist now. That will combat the serious problems of small scale, and facilitate service integration and partnership working;

- **A range of measures are taken to strengthen governance, scrutiny and accountability.** These include making governance less ambiguous and more robust, and making scrutiny more effective and more complementary with other accountability mechanisms. Taken together these make organisations more responsive to change, and will mean that scrutiny and accountability drive improvement effectively.

- **New and more coherent approaches to leadership**, to recruit the best, develop the leaders that we have and identify their successors. It also suggests that organisational cultures should be united around a shared, collaborative and citizen-centred set of public service values rather than narrow organisational objectives;

- **More streamlined approaches to performance management.** This will create greater clarity of purpose for individuals and organisations through a single and concise set of national outcomes, with local partnerships and organisations feeding in to them, and supported by unambiguous international benchmarks.

- **Mainstreaming and improving the use of data and digital/ICT** is an integral part of their programme of change. This will improve the planning, management and delivery of services, and thus release public expenditure to protect front-line jobs and services.
Other Recommendations Affecting Cardiff

Welsh Government funding

• Funding arrangements must be simpler and focused on achieving outcomes. By the end of the 2016-17 financial year, all specific grants which the Welsh Government pays to other public sector bodies must be:
  – Included in un-hypothecated funding; or
  – Subject to much clearer, outcome-focused conditions which ensure specific grants are spent in a way that contributes to national or local outcomes; or
  – Retained in their current form in genuinely exceptional cases only.

• By the start of the 2015-16 financial year, the Welsh Government must set out how recipients of specific grants can earn greater autonomy in their use by demonstrating their ability to deliver positive outcomes through strong performance.

Integrating Health and Social Care

• All local authorities and local health boards must immediately prepare clear and robust plans for integrating their services;

• These must include detailed proposals, milestones, targets and outcomes for improved and integrated delivery for all relevant services. The Welsh Government must monitor their implementation; and

• If these proposals are not implemented well or quickly enough, the Welsh Government must consider directing local authorities and local health boards to integrate, either using existing powers or those in the Social Services and Wellbeing Bill, if enacted.

Scrutiny

• As part of raising the stature and profile of scrutiny, and engaging citizens, there must be increased visibility of the outputs and outcomes from local government scrutiny.

• Local authorities must make appropriate support available, at officer level, to develop co-ordinated scrutiny plans, identify gaps in expertise on the committees and provide proportionate and understandable information to committee members. Other organisations must similarly ensure that resources for scrutiny are sufficient for an effective scrutiny function;

• Mandatory training must be provided to all members and chairs of local government scrutiny committees. Equivalent training must also be mandatory for community health council members engaged in scrutiny roles, fire and rescue authority members, others charged with formal scrutiny. Equivalent training should also be given to non-executive or independent members to support their role in holding their executive to account; and

• Organisations must adopt a “best practice” approach to scrutiny, not a “least required”. The scrutiny outcomes and characteristics being prepared by the Centre for Public
Scrutiny must be developed in discussion with other public sector organisations. Once agreed, they must be adopted by each organisation within 6 months.

- Local government scrutiny committees and other formal scrutiny bodies must engage more effectively with the public and partners. That should include the co-option of individuals from advocacy and other groups onto scrutiny committees to increase such committees’ capacity and capability to provide constructive and informed scrutiny.

**Governance and Accountability**

- Individuals in governance roles in every organisation must recognise their responsibility for ensuring that the standards of good governance are upheld. Every organisation must evaluate itself each year against established standards and best practice of good governance. This must be validated by their respective regulators.

- This same approach must be applied to both local and national partnerships. The Welsh Government, in consultation with LSB members, must reform LSBs so that:
  - They have clear, ambitious and realistic purpose and vision;
  - By 2015, there is a national single, robust, governance model in place which is equitable and transparent and which ensures that decisions are based on identifiable responsibilities and actions and joint rights and obligations, creating clear accountability for delivery;
  - They are empowered to take significant and meaningful decisions which will contribute to attaining their purpose and vision;
  - They comprise senior representatives from each organisation who have relevant authority and influence.

- Considering the importance of the role that the LSB has in analysing need and determining a plan of multi-agency delivery, it is imperative that the thinking behind single integrated plans is open to constructive challenge. LSBs must therefore be subject to effective scrutiny by a specific scrutiny programme which must consider whether the analysis of needs has been robust; whether the plan will effectively tackle those needs, is adequately resourced; and whether it is being effectively implemented.

- Where, for whatever reason, it is not clear what a candidate for Leader stands for, he or she must publish a written manifesto and present it orally to the Council before the election of Leader takes place and subsequently present an annual statement of progress in delivering that manifesto.

This is an area where Cardiff’s partnership activity and Local Service Board (the Cardiff Partnership Board or CPB) is well placed to respond. The Cardiff Partnership Board have specific partnership scrutiny arrangements that are fairly mature, but will need to be reviewed to ensure they adequately meet these recommendations.

**Improving digital services and information management**

- The Commission recommends that the Welsh Government takes the lead on co-ordinating a coherent, cross-public sector national strategy and programme to plan,
prioritise, and deliver joined up, digitally transformed services which deliver better outcomes and more efficient services for citizens in Wales. It suggests that this work should start immediately.

**Measuring Performance**

- Much greater emphasis on the outcome effectiveness of preventative services

- Appropriate setting of outcome targets and changes to support attainment for a number of services as done with recycling targets

- By the end of 2014, the Welsh Government must bring greater clarity and distinction between different measures, indicators and targets in use. At the national level, performance measurement and management should focus on what needs to be done, not on how it is done. Therefore, a more streamlined approach to performance management.

- As part of improving performance all public sector organisations must, by the end of 2014, clearly identify valid and relevant benchmarks for their service, both in Wales and beyond, and report against these regularly.

- Welsh Government, and audit, inspection and regulation bodies, must identify where adopting best practice would lead to consistent and sustainable improvements and better outcomes. Service providers must adopt these processes or justify clearly why they cannot. Welsh Government may use financial, intervention and legislative levers to compel compliance.

- By end of 2014/15 Welsh Government will develop and conclude high-level agreements with each LSB setting out how it will help deliver national strategic outcomes as well as focus on local priorities and needs.

- The Commission also recommends partners adopt the same performance management measures, which must also be used consistently across organisations, and that the Welsh Government create standards for performance reporting by the end of 2014/15.

**Shared Services**

- The Commission recommends building on the achievements of NHS Wales Shared Service Partnership, by establishing a single shared services operation to provide back office functions and common services across the public sector by the end of the 2016-2017 financial year. The Welsh Government must co-ordinate and oversee its development and establishment.