Item 3.3 - Annex J: List of Recommendations

Introduction

There is a need for a step change in the performance and delivery of public services in Wales.

1. The Welsh Government must initiate, lead and manage a comprehensive programme of change to address the findings of our report. This must begin immediately and will take 3 to 5 years to complete; it must be carried out in close collaboration with organisations from across public services in Wales. (paragraph 1.26)

2. The Welsh Government must create and maintain a register of devolved public bodies in Wales. (paragraph 1.31)

Complexity

The public sector relationships in Wales are overly complex and this complexity does not serve Wales well. The structures, relationships and responsibilities of public sector bodies in Wales, and the partnerships between them, must be streamlined, accountability clarified and synergies maximised.

3. The Welsh Government’s review of audit, inspection and regulation must identify ways to reduce complexity and deliver greater focus. (paragraph 2.27)

4. Scrutiny, audit, inspection and regulation must become complementary, clearly aligned and mutually reinforcing. (paragraph 2.28)

National policy mechanisms

5. 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 either:
   ● Included in unhypothecated 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. (paragraph 2.33)

6. 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. (paragraph 2.34)

7. The Welsh Government and the National Assembly for Wales must:
   - Consider the need to secure citizen-centred outcomes directly when legislating;
   - Review existing legislation to ensure it simplifies and streamlines public-sector decision-making rather than imposing undue constraints on it or creating complexity; and either repeal such provisions or clarify their meaning and interaction. (paragraph 2.37)

**Boundaries should help not hinder**

8. The boundary between the South Wales Fire and Rescue Service and the Mid and West Wales Fire and Rescue Service must be aligned with that of Abertawe Bro Morgannwg University Health Board. (paragraph 2.44)

9. The Welsh Government and delivery organisations must align the boundaries of consortia and partnerships with the boundaries of the main service-providers. (paragraph 2.47)

**Refocusing organisations**

10. Community Health Councils (CHCs) must ensure that the interests and concerns of patients are at the heart of governance, decision-making and service delivery in the NHS. This means that:
   - They must prioritise patient advice and advocacy, and reduce waiting times for this service;
   - They must scrutinise proposals for health service change constructively and objectively;
   - They must be more focussed in their scrutiny of the quality and safety of patient services by planning and co-ordinating their work with the Healthcare Inspectorate Wales, the Care and Social Services Inspectorate for Wales, the Public Services Ombudsman for Wales and local authorities; and
   - The Welsh Government must support these changes and amend the law relating to CHCs accordingly. (paragraph 2.59)

11. The Welsh Government should extend the remit of CHCs’ advice and advocacy roles to provide seamless support to those who use both health and residential social care services. (paragraph 2.59)
12. The Welsh Government should continue to reinforce the independence of the CHCs by changing their reporting line so that it is outside the remit of the Directorate of Health and Social Services. (paragraph 2.59)

13. National Park Authorities (NPAs) must develop clear and consistent ways of collaborating with each other, with local authorities, with Visit Wales and with Natural Resources Wales, on the ground, to avoid duplications and maximise the use of resources and scarce expertise. (paragraph 2.60)

14. The Welsh Government and NPAs should secure national leadership and co-ordination and the most effective use of resources and expertise. The Government should consider doing so through a single authority, whilst retaining the distinctive identities of the three parks. (paragraph 2.60)

15. Local accountability and decision making must be reinforced; local authority-nominated NPA members must represent wards which fall wholly within the Park area or, if that is impossible, partly within the Park area. The Welsh Government should consider whether directly electing NPA members would strengthen such accountability. (paragraph 2.60)

16. Fire and Rescue Authorities (FRAs) must be reconstituted to provide effective scrutiny of fire services and their chief officers. As part of this:
   - The chief fire officer should be legally responsible for planning, managing and delivering fire and rescue services, in a similar way as a chief constable is responsible for policing;
   - FRAs should focus on holding the chief officer and the service to account. This should include both pre-decision scrutiny of strategic service and financial decisions, and continual holding to account for delivery and expenditure;
   - The Welsh Government, in consultation with the FRAs, the fire services, their staff and other interested parties, must develop detailed options for ensuring transparency and accountability in fire service funding; and
   - FRAs should also assume responsibility for scrutinising joint working between the fire and ambulance services. In the future, and subject to further devolution, a reconstituted body may be established with responsibility for providing scrutiny across all the emergency services. (paragraph 2.61)

Maximising synergies

17. Urgent action is required to ensure that seamless, integrated and high-quality health and social services are provided across Wales:
● 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. (paragraph 2.66)

18. Because of the unique characteristics of the county of Powys and the distinctive patterns of service delivery that this creates, Powys County Council and Powys Teaching Health Board should merge. This should be a two stage process.
   ● The Health Board and the Council, with the support of the Welsh Government, should immediately begin action to integrate all their governance, management and delivery structures. They should define these arrangements by the end of 2014-15, and implement them immediately thereafter; and
   ● The Welsh Government and the National Assembly for Wales, in consultation with the County Council and the Health Board, should define and legislate for a new single body to provide integrated health and local government services in the county. The new body must be established as a going concern, that is, with no historic health deficit, and with stable ongoing funding arrangements consistent with the approach to health and local government services in the rest of Wales. (paragraph 2.71)

19. The Welsh Government and the National Assembly for Wales should legislate to merge Cadw and the Royal Commission on the Ancient and Historic Monuments of Wales when the Heritage Bill is introduced in 2014. (paragraph 2.76)

20. The three Fire Services and the Welsh Ambulance Service NHS Trust (WAST) must capitalise on their common responsibilities and service delivery mechanisms. To do so:
   ● Each of the Fire Services and WAST must produce a clear plan for strategic and operational co-ordination and alignment by the end of 2014, including proposals as regards sharing of premises and co-ordinating responses to incidents requiring both a fire and ambulance presence;
   ● Once established, the reformed FRAs should scrutinise progress in developing and implementing these plans at least on an annual basis. (paragraph 2.83)

21. Local partnership structures must be radically streamlined and made more effective. To do so:
All local service boards (LSBs) must ensure that they themselves fulfil and manifest the criteria we set out for effective partnership working;

- LSBs should maintain a single register of local partnerships;
- LSBs must overhaul local partnership structures to bring them into line with those criteria and with the clearer national and local priority outcomes which we also propose. This should begin immediately and conclude within one year of those priorities being articulated. Partnerships which compound complexity or do not add value should be disbanded; and
- Single Integrated Plans must also reflect these outcomes and identify the main cross-sectoral pressures and pinch points which need to be addressed; they must set out clearly the actions which need to be undertaken, by whom and by when. (paragraph 2.107)

22. Building on the achievements of NHS Wales Shared Service Partnership, a single shared services operation must be established 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. (paragraph 2.116)

**Scale and Capability**

*Urgent and radical action is needed to tackle the risks to governance and delivery, of low capacity, a lack of resilience and unsustainable costs and overheads that small organisations face. Community and neighbourhood engagement must be sustained and developed.*

**Local Government**

23. The current 22 local authorities we have should merge into larger units. This should be done by merging existing local authorities, not redrawing boundaries from scratch. (paragraph 3.72)

24. One of our options for local government mergers must be adopted and implemented urgently, creating 12, 11 or 10 local authorities. (paragraph 3.106)

25. 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. (paragraph 3.106)
26. The Welsh Government should support and incentivise early adopters who wish to begin a voluntary process of merger. The programme should nonetheless be completed in 2017-18. (paragraph 3.118)

Local and community representation

27. Community and neighbourhood representation must be maintained and enhanced. To achieve that:
   - Town and community council areas should also be merged or enlarged (paragraph 3.130); and
   - Local authorities and other partners should develop, adopt and implement a neighbourhood management or similar approach to engaging with citizens to identify, prioritise and address particular local issues, especially through co-production. (paragraph 3.134)

Existing initiatives

28. The service reconfigurations which the 2011 Simpson Review proposed have taken too long to implement. Those which are consistent with our proposed programme for change should be subsumed within that programme and its project management arrangements, to ensure delivery. This means that:
   - The Welsh Government and local government must immediately review the proposals for regional service delivery and identify any which are no longer necessary in light of the programme of change we recommend. Those that are still necessary should be implemented as soon as possible; and
   - In the interests of simplicity, coherence and efficiency, implementing all Simpson proposals should fall within the same governance arrangements as the main programme for local government restructuring. (paragraph 3.144)

29. We recommend that the Welsh Government aligns the boundaries of the four school improvement consortia with those of the new local authorities. (paragraph 3.148)

30. We recommend that the Welsh Government and the National Assembly for Wales approaches the Planning Bill and its implementation in line with our wider recommendations. (paragraph 3.151)

Governance, Scrutiny and Delivery

Governance of and between public sector organisations must be robust and unambiguous. Constructive scrutiny has a central role in holding organisations to account, improving services and engaging citizens. New models of delivery which focus on prevention, early
intervention and demand management through co-production and citizen engagement will be essential.

**Scrutiny**

31. The importance, status and value of scrutiny must be recognised, prioritised, continually sustained and reinforced. To support this:
   - All elected members, independent health board members, non executive directors, and officers must acknowledge the importance and value of scrutiny in improving services for people and organisations in Wales. The independence of scrutiny must be strongly asserted and protected, as must its essentially constructive and positive nature;
   - Executive members, non-executive directors, and officers, must similarly acknowledge the value of scrutiny in helping them to deliver services better. They must publicise and explain their decisions clearly, and invite scrutiny of them, including pre-decision scrutiny, willingly and openly. They must also acknowledge and respond to scrutiny reports promptly and in good faith; and
   - 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. (paragraph 4.47)

32. Organisations must regard scrutiny as an investment to deliver improvements and future savings. They must resource and support scrutiny accordingly:
   - 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. (paragraph 4.54)
33. 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. (paragraph 4.57)

Audit, inspection and regulation

34. Auditors, inspectors and regulators who report on individual organisations must do so directly to the appropriate scrutiny or audit committee. Where appropriate, they should assist the Committee in its consideration and holding the executive to account. (paragraph 4.62)

Governance and Accountability

35. 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. (paragraph 4.65)

36. 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. (paragraph 4.66)

37. 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. (paragraph 4.67)
**National Partnerships**

38. The Partnership Council for Wales (PCfW) and the Public Service Leadership Group (PSLG) must be reviewed and reformed to reflect the new model of public services that the Welsh Government determines following our report. This should be in place within 6 months of the Welsh Government’s response to this report. (paragraph 4.73)

39. The PCfW and PSLG, with the Welsh Government, must own and support the programme of change required to meet our recommendations. (paragraph 4.73)

**A Leader’s Accountability in Local Government**

40. 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. (paragraph 4.77)

**Governance, Scrutiny and Accountability in the NHS**

41. Local Health Boards (LHBs) should prepare for the introduction of the Designated Persons Order by:
  - Considering whether their own internal scrutiny arrangements are sufficiently robust;
  - Identifying whether the independent members and non-executive directors are sufficiently well informed and trained to hold the executive team to account and, if not, ensuring that they receive equivalent training to that we recommend elsewhere for those involved in scrutiny processes; and
  - Ensuring that the independent members of LHBs engage with the scrutiny chairs in each relevant local authority to support the planning of local government scrutiny. (paragraph 4.85)

42. The Welsh Government should, by December 2014, review the current number, representation and appointment process of independent members of LHBs so that:
  - The overall size of each LHB is reduced to improve strategic decision-making and effective scrutiny;
  - The appropriate Cabinet members from each of the new local authorities within the LHB area are appointed as independent members;
  - At least one local authority director of social services should also be appointed to support the integration of services with local authorities in the LHB area; and that
• It considers whether, and how, the election of community representation on local health board would improve transparency, public engagement and accountability in the health service. (paragraph 4.98)

**Information Management and Digital Services**

43. The Welsh Government must lead the development of 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 across the public sector for citizens in Wales. This work should begin immediately and

• Should prioritise, at the outset, the changes that are necessary for the delivery of integrated services to the citizen in high priority services;

• It should include the development, with relevant partners, of common standards policies, procedures and, where appropriate, working practices across public sector organisations so that information and associated technology can support the delivery of efficient and effective public service; and

• Should be seen as an integral part of the overall programme of change recommended in our report and should therefore be overseen by the PCfW and associated national implementation and transition board. (paragraph 4.111)

**Reshaping Public Services**

44. The Welsh Government should work with others to establish a programme to review outcome by outcome how services could be best re-designed to achieve key national priority outcomes. These reviews should be led by those responsible for service delivery and draw on the experiences and expertise of organisations such as Nesta, the Public Policy Institute, the third sector, practitioners who have already implemented such changes, and of course those who use such services. (paragraph 4.130)

**Leadership, Culture and Values**

*Achieving the right leadership, culture and values is paramount to improving performance and public service delivery for users. New types of leadership and management at all levels are required for the value led change needed to address the challenges public services face. Wales must recruit and retain the best and create a culture of ‘one public service’, focussed on achieving and continuously improving outcomes for citizens, and with a cadre of leaders capable of moving between organisations and sectors.*

45. In order to meet the needs of the future shape of the public service there must be a new public service leadership and development centre for Wales, owned by, and accountable to, the whole of the public sector in Wales. (paragraph 5.76)
46. The Welsh Government must take the lead in creating this new leadership and development centre. The centre will replace the existing Academi Wales and its terms of reference will include:

- The centre will be established outside of Welsh Government reporting to a Board with representation from across Welsh public services, together with leading figures in public sector leadership, business and academia. Given the importance of this body in creating and sustaining value-led change, the Welsh Government should consider whether the chair, and/or other members, should be formally appointed by Welsh Ministers;
- Each public sector organisation in Wales should contribute to the cost of the centre through a contributory charging model in order to ensure commitment to customer requirements, embed ownership and provide accountability; and
- The centre must bring together the best leadership programmes and also provide training to address the areas that we identify throughout our report, where there is a need for a significant improvement in skills and competencies across public services. This will include: the constant application of good governance; strengthening continuous improvement; improving scrutiny; and adopting new forms of delivery. (paragraph 5.77)

47. The new centre must be established by the end of 2014-15 to ensure that the required support for leadership and cultural change is in place to support the whole programme of change we recommend in our report. (paragraph 5.78)

48. The new public service leadership and development centre must develop a national framework of criteria and processes for the appointment of senior public sector officials, the adoption of which must be kept under regular review. (paragraph 5.57)

49. The Welsh Government should consider establishing an appointments commission for all senior public sector leadership posts. (paragraph 5.57)

50. Public sector leaders must develop and embrace a shared set of public service values (paragraph 5.94). In order to drive this change:

- The new public service leadership and development centre must establish a time limited project to promote and embed a consistent set of public service values;
- These values must be developed within two years through a collaborative and meaningful process involving staff from across public service organisations and at all levels;
- Once agreed, the leaders of all public service organisations in Wales should adopt these as the core values upon which any local or sector-specific variations are added;
The centre must use values-based development as a principle of all training and development opportunities, demonstrating the shared values in all aspects of learning. (paragraph 5.96)

Performance and Performance Management

There must be fewer and clearer national priorities and a clear line of sight between local, regional and national delivery. The systems for managing performance must drive the attainment of these priorities better.

Measuring performance

51. Drawing on the successful experience of the fire service, performance measures across the public sector must place a much greater emphasis on the outcome effectiveness of preventative services, and much less on the procedural efficiency of responsive services. (paragraph 6.33)

52. Drawing on Wales’s success in increasing waste recycling, the approach of setting targets and supporting their attainment through changes to delivery practices and public awareness must be adopted for other appropriate services and outcomes. (paragraph 6.38)

53. Public service providers must engage with citizens, communities and user groups in establishing means of managing and monitoring the performance of tailored programmes of delivery. (paragraph 6.60)

54. 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. So in particular, these reforms must:
   - Draw out clearly the key outcomes and priorities the Welsh Government wishes to see delivered; and
   - Create more streamlined and consistent ways of measuring service performance below that, without prescribing the detailed measurement of operational and delivery matters. (paragraph 6.65)

Driving improvement

55. By the end of 2014-15, the Welsh Government must develop and conclude high-level agreements with each local service board setting out how the board and its members
will contribute to national strategic outcomes while also addressing local needs and priorities. (paragraph 6.80)

56. Benchmarking must be a key part of a new national performance framework. The Welsh Government must, by the end of 2014-15:
   - Identify where directly comparable performance data exist in other countries;
   - Establish reliable and accurate means of comparing data where there are detailed differences in definitions;
   - Publish clear and meaningful annual comparisons between the performance of public services in Wales and the ‘best in class’ elsewhere; and
   - Use those comparisons to identify where services are under-performing here, and/or where different policies and delivery mechanisms may have potential to improve performance. (paragraph 6.86)

57. As part of their performance management and improvement systems, all public-sector organisations must, by the end of 2014:
   - Clearly identify valid and relevant benchmarks for the performance of their services, within and beyond Wales;
   - Compare their performance regularly and reliably using those benchmarks;
   - Use the results to identify under-performance, scope to improve in both output and outcome terms, and the means of doing so; and
   - Report the results of this analysis clearly and publicly, including to those charged with formal scrutiny. (paragraph 6.123)

58. Performance will only improve if the ways in which services are managed and delivered reflects established good practice. To achieve that:
   - The Welsh Government, together with service-providers and audit, inspection and regulation bodies, must identify cases where adopting good practice would demonstrably and consistently lead to continuous improvement and better outcomes;
   - Service-providers must adopt those practices or justify clearly and objectively why they need not do so; and
   - If organisations do not respond at all, and especially if poor standards of service persist, the Welsh Government must use financial, intervention and legislative levers to compel compliance. (paragraph 6.98)

59. All organisations must manage performance consistently and effectively. To achieve this:
   - Each public organisation must adopt and implement a single, robust and effective means for measuring, managing, improving and reporting their own performance,
including appropriate ICT systems. Auditors and inspectors should routinely verify the existence and effectiveness of this; and

- Organisations that routinely collaborate at a local level, and the partnerships they establish, should adopt compatible performance management techniques.

(Paragraph 6.117)

**Engagement with staff**

60. All organisations must mainstream performance management at all levels, and engage effectively with staff in defining and using performance information. In particular:

- All public service organisations must empower their staff to help define corporate and service objectives, and the means of measuring them; and use that to frame the objectives of teams and individuals; and
- As part of their commitment to continuous improvement, all public service organisations must seek to foster a culture and values that support the intelligent and informed use of performance information by staff at all levels. (Paragraph 6.121)

**Performance reporting**

61. By the end of 2014:

- All LHBs and NHS Trusts must review and reform the performance information they collect and publish, to include the totality of health services rather than just acute care;
- This must increase transparency and accountability to patients and the wider public; and ensure that those charged with scrutiny have comprehensive information allowing them to identify possible underlying problems of quality, safety or delivery; and
- The Welsh Government must oversee these changes as part of the wider reform of national performance management. It must also publish a similar range and quality of information nationally, via mylocalhealthservice.wales.gov.uk and other suitable channels. (Paragraph 6.132)

62. Organisations can only be held to account if they communicate their performance clearly, openly and honestly. To achieve that, by the end of 2014-15, the Welsh Government, in consultation with service providers and major regulators, must formulate principles and standards on performance reporting to apply across the public sector in Wales. (Paragraph 6.136)