

AUDIT COMMITTEE: 01 February 2016

**DRAFT LOCAL GOVERNMENT (WALES) BILL – WELSH
GOVERNMENT CONSULTATION**

REPORT OF THE DIRECTOR GOVERNANCE & LEGAL SERVICES

AGENDA ITEM: 5.4

**DRAFT LOCAL GOVERNMENT (WALES) BILL – WELSH GOVERNMENT
CONSULTATION**

Reason for this Report

1. To enable the Committee to consider the Welsh Government's draft Local Government (Wales) Bill proposals in so far as they concern matters relevant to the Committee; and respond to the Welsh Government's consultation in this respect.

Background

2. In July 2014, the Welsh Ministers published the Devolution, Democracy and Delivery White Paper – Reforming Local Government, which stated the Welsh Ministers' intention to introduce legislation to deliver local government reform. Two further White Papers were published in October 2014 and February 2015 further developing these proposals. The first Local Government (Wales) Bill was passed by the Assembly on 20 October 2015, enabling preparations to be made for the programme of local government mergers and reform.

Issues

3. The Welsh Government is now consulting upon a second Local Government (Wales) Bill. The stated purpose of the Bill is to establish new Counties by the merger of existing Counties and County Boroughs, to establish a new and reformed legislative framework for local government democracy, accountability, performance and finance, and to establish a statutory Public Services Staff Commission. The consultation is intended to provide the opportunity for comments on the proposals to be considered by the Welsh Government after the May 2016 elections, to inform its decision on how to proceed. The deadline for responses is 15 February 2016.

4. The draft Bill and accompanying documentation total around 650 pages, and 'not only expands on the much heralded structural reform, but proposes wholesale reform of how councils are governed and managed too' (extract from Welsh Local Government Association spokesperson's response to publication of the draft Bill).
5. Part 4 of the draft Bill imposes statutory duties upon the Members of the proposed new County Councils relating to the performance of their functions. Members are placed under a statutory obligation to attend meetings, hold regular ward surgeries, answer correspondence, complete compulsory training courses and publish an annual report. Leaders of political groups are required to take reasonable steps to promote and maintain high standards of conduct by Members of their group (draft Bill, Part 4, Chapters 2 and 4).
6. Part 5 of the draft Bill renames audit committees as 'corporate governance and audit committees' and provisions are made with regards to their functions (see section 148 and section 149). Particularly, the Bill provides that a committee is required to assess, and report on, the council's ability to: comply with its duties in respect of its governance arrangements (see section 111 of this Draft Bill); make progress in respect of the priorities as set out in its corporate plan (see section 112); and, handle complaints effectively. A corporate governance and audit committee must also assess, and report on, the arrangements made by the council in respect of self assessments (see section 116) and peer assessments (see section 118). The committee must also review the council's draft self assessment report (see section 117) and its draft response to: peer assessment reports and combined assessment reports (see sections 121 and 126); governance review reports (see section 134).
7. Additionally, provision is made with regards to the membership of the corporate governance and audit committees; specifically the draft Bill contains a requirement for one third of the committee to be lay persons, with the other two thirds being council members, (see section 150). The chair of the committee must be a lay person; however the deputy chair may be a member of the council, although not a member of the council's executive. The draft Bill also amends the definition of a 'lay person' by excluding more categories of persons from being a lay person, (see section 151). The definition provides that a lay person is someone who is not a member or officer of any local authority, at the time of appointment or within the 12 months preceding the appointment, nor are they a spouse or civil partner of a member or officer of any local authority. The draft Bill also stipulates who may chair a meeting of the Corporate Governance and Audit committee (section 152).
8. Part 4 and Part 5 of the draft Bill is attached at **Appendix A**. Members are invited to provide comments on the provisions of Part 4 and Part 5 of the Bill in so far as they relate to matters within the remit of the Committee (current or proposed).
9. Members may wish to note that other aspects of the draft Bill are being carefully considered by other relevant parts of the Council; and a corporate response will be collated in due course.

10. A Report setting out the Council's response to the consultation is being prepared for Cabinet to consider at its meeting in February 2016. The Committee are invited to set out their views in relation to the proposals to inform the final council response

Legal Implications

11. Relevant legal provisions are set out in the draft Bill, Part 4 and Part 5, attached at **Appendix A**.

Financial Implications

12. There are no financial implications arising from this report.

RECOMMENDATION

The Committee is recommended to:

1. Note the provisions of Part 4 and Part 5 of the draft Local Government (Wales) Bill, set out in **Appendix A**, in so far as they relate to matters within the (current or proposed) remit of the Committee, and provide comments as appropriate; and
2. Delegate authority to the Corporate Director of Resources, in consultation with the Chair, to prepare a response for Cabinet to consider on behalf of the Committee.

Marie Rosenthal
Director Governance & Legal Services and Monitoring Officer
1 February 2016

APPENDICES

Appendix A Draft Local Government (Wales) Bill, Part 4 and Part 5

Background papers

[Consultation Documents, Draft Local Government \(Wales\) Bill](#) -

Welsh Local Government Association Statement on the Draft Local Government (Wales) Bill, 24th November 2015