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To: All Members of the Council

23 February 2017

Dear Councillor

You are invited to attend a meeting of the Flintshire County Council which will be held at 2.00 pm on Wednesday, 1st March, 2017 in the Council Chamber, County Hall, Mold CH7 6NA to consider the following items

A G E N D A

1 PRESENTATIONS

Recognition of the success of Custom House Court in the New Development Category of the Chartered Institute of Housing Welsh Housing Awards.

2 APOLOGIES FOR ABSENCE

Purpose: To receive any apologies.

3 DECLARATIONS OF INTEREST

Purpose: To receive any Declarations and advise Members accordingly.

4 PETITIONS

Purpose: To receive any Petitions.

5 PUBLIC QUESTION TIME

Purpose: To receive any Public Questions.

6 QUESTIONS

Purpose: To note the answers to any questions submitted in accordance with County Council Standing Order No. 9.4(A).

7 QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES

Purpose: The Minute Book, Edition 5 2016/17 has been circulated to Members. Members are now entitled to ask questions on these minutes, subject to certain limitations, and answers will be provided at the meeting. Members are requested to bring to the meeting their copy of the Minute Book. Any questions must have been received by the Democratic Services Manager prior to the close of business on 23 February 2017.

8 NOTICE OF MOTION

Purpose: To consider the following Notices of Motion.

(i) Councillor Andy Dunbobbin

Making the next Census count for our Armed Forces community. Draft Motion in Support of '*Count Them In*'. This council notes:

1. The obligations its owes to the Armed Forces community within Flintshire County Council as enshrined in the Armed Forces Covenant; that the Armed Forces community should not face disadvantage in the provision of services and that special consideration is appropriate in some cases, especially for those who have given the most.
2. The absence of definitive and comprehensive statistics on the size or demographics of the Armed Forces community within Flintshire County Council. This includes serving Regular and Reserve personnel, veterans, and their families.
3. That the availability of such data would greatly assist the Council, local partner agencies, the voluntary sector, and national Government in the planning and provision of services to address the unique needs of the Armed Forces community within Flintshire County Council.

In light of the above, this Council moves to support and promote The Royal British Legion's call to include a new topic in the 2021 Census that concerns military service and membership of the Armed Forces community. We further call upon the UK Parliament, which will approve the final Census questionnaire through legislation in 2019, to ensure that the 2021 Census includes questions concerning our Armed Forces community.

(ii) Councillor David Roney

In recognising the fantastic Council house building programme where Flintshire County Council will be building 200 homes over 5 years,

I ask that this Council installs Solar Panels to all of the houses currently being constructed and all future constructions to make these homes even better, and set an example to the building trade.

I also ask that this Council requests the present and future Westminster Governments to increase the feed-in tariff to encourage more use of this clean and renewable source of energy.

(iii) Councillor Helen Brown

We Flintshire County Council call upon the National Assembly for Wales and Parliament to ensure legislation is put in place to ensure every child's safety is put first when travelling to and from school.

We want peace of mind that our children are safe when travelling to and from school. We want designated school buses with appropriate funding so that entitled children can travel safely to and from school, each with a seat belt, with no child forced to travel on overcrowded public buses. Children's safety must come first.

Our children have the right to feel safe. Public buses can become overcrowded and children do not always feel safe. Public buses are for public use not for dedicated school use. Local Councils cannot currently run appropriate safe dedicated services for children along commercially operated public bus routes.

We ask for this Council to work with both Governments to bring about the necessary changes to the current legislation and provision.

9 **COUNCIL TAX SETTING FOR 2017-18** (Pages 5 - 20)

Report of Chief Officer (Community and Enterprise) -

Purpose: To approve the Council Tax charges for the following year as part of budget setting.

10 **REGIONAL WORKING AND THE WHITE PAPER 'REFORMING LOCAL GOVERNMENT: RESILIENT AND RENEWED'** (Pages 21 - 90)

Report of Chief Executive -

Purpose: (1) to update the Council on regional working in North Wales as context for considering the White Paper which proposes an alternative to local government reorganisation and
(2) to invite the Council to make a formal response to the White Paper.

11 **TRADE UNION (WALES) BILL** (Pages 91 - 106)

Report of Chief Executive -

Purpose: To invite the Council to support the Bill on the recommendation of Cabinet.

12 **PAY POLICY STATEMENT** (Pages 107 - 134)

Report of Chief Executive and Senior Manager, Human Resources & Organisational Development -

Purpose: To provide Members with a summary of the Pay Policy Statement which summarises the Council's approach to pay and remuneration for the year ahead.

13 **ANNUAL REVIEW OF CODE OF CORPORATE GOVERNANCE** (Pages 135 - 170)

Report of Chief Executive -

Purpose: To approve the revised Code of Corporate Governance for inclusion in the Council's Constitution.

14 **AMENDMENTS TO THE CONSTITUTION** (Pages 171 - 174)

Report of Chief Officer (Governance) -

Purpose: Having regard to ongoing organisational changes, to seek authority for the Chief Officer (Governance) and the Democratic Services Manager to change job titles within the Constitution as necessary.

15 **POOLING OF PENSIONS INVESTMENTS IN WALES** (Pages 175 - 242)

Report of Chief Executive and Clwyd Pension Fund Manager -

Purpose: To establish a joint committee to govern pooled investment of the eight pension funds in Wales.

Yours sincerely



Robert Robins
Democratic Services Manager

WEBCASTING NOTICE

This meeting will be filmed for live broadcast on the Council's website. The whole of the meeting will be filmed, except where there are confidential or exempt items, and the footage will be on the website for 6 months.

Generally the public seating areas are not filmed. However, by entering the Chamber you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and / or training purposes.

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FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday, 1 March 2017
Report Subject	Council Tax Setting for 2017-18
Report Author	Chief Officer – Community & Enterprise

EXECUTIVE SUMMARY

At a meeting on the 14th February 2017, a decision was reached on the Council Fund Revenue Budget for 2017-18 which incorporates setting Council Tax charges/levels as detailed in this report.

Council Tax includes three separate charges, otherwise known as precepts, which make up the overall level of Council Tax which is charged against each property. These include the County Council precept as well as the precepts for the Office of the Police and Crime Commissioner for North Wales and the Town and Community Council precepts.

Council Tax is usually expressed at a standard Band D rate which results in Council Tax being charged at lower levels for those properties in Bands A to C, and at higher levels for those properties in Band E to I.

For 2017-18, the recommended levels of Council Tax for each property band and for Town and Community Council area are set out in Appendix 1 to this report.

RECOMMENDATIONS

1	Set the 2017-18 Council Tax as detailed in Appendix 1
2	Note and endorse the continuation of the policy of not providing a discount in the level of Council Tax charges for second homes and long term empty homes, and where exceptions do not apply, to also charge from 2017-18 the Council Tax Premium rate of 50% above the standard rate of Council Tax for second homes and long term empty dwellings.
3	Approve designated officers to issue legal proceedings and appear on behalf of the Council in the Magistrates Court for unpaid taxes.

REPORT DETAILS

1.00	EXPLAINING THE COUNCIL TAX SETTING EXERCISE
1.01	The Council Tax charges for 2017-18 include precepts relating to the County Council, Police and Crime Commissioner for North Wales and all Town/Community Councils.
1.02	There are several statutory decisions that need to be taken and these are divided into the following sections in Appendix 1 :-
1.03	Section 1 – this details the Council Tax Base for 2017-18, as previously approved by cabinet, which shows the number of properties expressed as Band D equivalents (shown in total and by each Town/Community Council). The Tax Base also takes into account appropriate adjustments for statutory discounts, exemptions and assumed losses in collection.
1.04	Section 2 – this details the income and expenditure of the County Council and Town and Community Councils. It also sets out the amount of Council Tax to be charged across the various Valuation Bands in respect of the County Council precept and each Town/Community Council precept.
1.05	Section 3 – this details the specific amount of Council Tax that is to be charged in each Valuation Band as a direct result of the precept set by the Police & Crime Commissioner for North Wales.
1.06	Section 4 – details the standard amount of Council Tax that taxpayers will be required to pay from April 2017, recognising that some households will pay less because of discounts or exemptions and some will pay more in the event of the Council Tax Premium being payable.
1.07	<p>Section 5 – re-affirms the continuation of the current policy into 2017-18 of not granting discounts on second homes and long term empty properties which are defined by Regulations as three Prescribed Classes of Dwellings :</p> <ul style="list-style-type: none">• Class A – dwellings which are not a person’s sole and main residence and which are substantially furnished with a restriction on occupancy for a period of at least 28 days consecutive days in any 12 month period (referred to as second homes)• Class B – dwellings which are not a person’s sole and main residence and which are substantially furnished with no restriction on occupancy (also referred to as second homes)• Class C – dwellings which are not a person’s sole and main residence which are also unfurnished and unoccupied and have been so for a period of over 6 months in most cases. <p>The current policy of not offering a discount on second and long term empty homes forms part of a wider strategy of encouraging owners to bring property back into full use and is crucial to the implementation of the Council Tax Premium scheme where an additional charge, otherwise known as a Premium, will apply. In other words, is it essential to continue</p>

	to adopt of policy of not awarding discounts on such properties in order to levy a Council Tax Premium.
1.08	Section 6 – in view of the determination previously made by full Council in March 2016 to introduce a Council Tax Premium scheme from April 2017, this section confirms that unless there are exceptions to be applied, Council Tax will be charged at a premium rate of 50% above the standard rate of Council Tax for those dwellings that are defined as ‘second homes’. A Council Tax premium of 50% will also apply to those dwellings defined as ‘long term empty’ which have been empty for a continuous period of one year.
1.09	Section 7 & 8 – approves designated officers to issue legal proceedings and appear on behalf of the Council in the Magistrates Court when prosecuting in cases of unpaid Council Tax and Business Rates.
1.10	Section 9 – provides for the advertisement of the Council Tax for 2017-18 in the local press as required by Regulation.

2.00	RESOURCE IMPLICATIONS
2.01	Setting the Council Tax for 2017-18 is an annual process to determine the new charges for the next financial year as part of the overall budget strategy.
2.02	Setting Council Tax at the levels recommended in this report will allow the Council to work to a balanced budget after taking into account other considerations and efficiency targets for 2017-18.
2.03	The Council will raise, through its own precept, Council Tax of £70,122,877 which will help to partly fund the running of local services.
2.04	As part of the setting of Council Tax for 2017-18, the Council will also pay across to the Police and Crime Commissioner for North Wales a total precept of £15,835,551 The precepts for each Town and Community Council vary but collectively a precept £2,710,545 will be distributed between the Town and Community Councils, based on the individual precept requirements for each Town and Community Council.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	There is a statutory duty to consult with non-domestic ratepayers on the Council’s budget proposals, including proposals for capital expenditure, before the commencement of each financial year and a consultation exercise has been undertaken to fulfil the legal requirements.
3.02	The Councils budget agreement for 2017-18 now result in the setting of Council Taxes as detailed in this report. The budget proposals have already been discussed at all Overview and Scrutiny Committees in June and July 2016 and finally at Corporate Resources Overview and Scrutiny Committee on 30 th November 2016 and 20 th January 2017.

3.03	The final budget proposals to determine the proposed level of Council Tax charges were also agreed at County Council on 14 th February.
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4.00	RISK MANAGEMENT
4.01	The Council also has a responsibility to issue Council Tax bills and to also collect the precepts on behalf of the Police & Crime Commission for North Wales and Town/Community Council.
4.02	Setting the Council Tax at full Council will therefore fulfil all statutory requirements to set and collect Council Taxes from April 2017.

5.00	APPENDICES
5.01	Appendix 1 contains all resolutions and decisions needed to set the 2017-18 Council Tax.
5.02	Appendix 2 provides statistical information of the 2017-18 Council Tax charges by Town and Community Council area.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Local Government Finance Act 1992 • Local Government Act 1972 and 2003 • Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations • Housing (Wales) Act 2014 <p>Contact Officer: David Barnes, Revenues Manager Telephone: 01352 703652 E-mail: david.barnes@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Council Tax Base: is a measure of the Council's 'taxable capacity' taking into account the number of properties subject to Council Tax after taking into account discount and exemption schemes.
7.02	Council Tax Precepts: Council Tax is made up of three separate components or charges, these are often referred to as 'precepts'. The Police and Crime Commissioner get part of their funding from Council Tax to pay for Police services and local Town and Community Councils rely almost entirely on funding from Council Tax to fund the running of Town and Community Council services

7.03	Valuation Bands: The amount of Council Tax that is paid depends on the Valuation Band for each domestic property. The Valuation Office Agency (VOA) is responsible for valuing all properties in Wales and placing every property in one of nine property bands, ranging from Band A to Band I.
7.04	Council Fund Revenue Budget: Prior to the start of each financial year, the Council is required to set a budget for its day-to-day expenditure to pay for local service. This is called a Revenue Budget and is the amount of money the Council requires to provide its services during the year, taking into account grants it also receives from Welsh Government.
7.05	Council Tax Premium scheme: From April 2017, local authorities in Wales will be able to charge a premium of up to 100% of the standard rate of council tax on long term empty homes and second homes. The scheme is intended to be a useful tool to help local authorities to bring back these homes into full use and to support the supply of housing

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**STATUTORY & OTHER NECESSARY COUNCIL TAX
RESOLUTIONS FOR 2017-18**

1. That it be noted that at its meeting on 15th November 2016 the Council calculated interim amounts, subsequently modified as follows, for the year 2017-18 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992.

63,543 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Wales Regulations 1995, as its Council Tax base for the year, broken down into the following Town/Community areas :-

Argoed	2,461.95
Bagillt	1,478.04
Broughton & Bretton	2,660.14
Brynford	476.90
Buckley	6,639.60
Caerwys	624.25
Cilcain	743.28
Connahs Quay	6,099.93
Flint	4,580.04
Gwernaffield & Pantymwyn	1,027.84
Gwernymynydd	560.89
Halkyn	1,361.79
Hawarden	6,321.93
Higher Kinnerton	838.14
Holywell	3,265.40
Hope	1,859.72
Leeswood	838.09
Llanasa	1,940.90
Llanfynydd	864.88
Mold	4,342.94
Mostyn	713.03
Nannerch	271.91
Nercwys	306.59
Northop	1,534.01
Northop Hall	819.15
Penyffordd	1,994.20
Queensferry	700.43
Saltney	1,867.06
Sealand	1,155.47
Shotton	2,190.98
Trelawnyd & Gwaenysgor	418.58
Treuddyn	758.82
Whitford	1,154.74
Ysceifiog	671.38
TOTAL TAX BASE	63,543.00

being the amounts calculated in accordance with regulation 6 of the Regulations as the amounts of its Council Tax base for the year for dwelling in those parts of its area to which special items relate.

2. That the following amounts be now calculated by the Council for the year 2016-17 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 and Alteration of Requisite Calculations (Wales) Regulations 2013 :-
 - (a) Aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a)-(d) (including Community Council precepts totalling £2,710,545) £377,566,288
 - (b) Aggregate of the amounts which the Council estimates for items set out in Section 32 (3) (a) and 32 (3) (c). £119,699,918
 - (c) Amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above calculated in accordance with Section 32 (4) as the budget requirement for the year. £257,866,370
 - (d) Aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant or Additional Grant. £185,032,947
 - (e) The amount at 2(c) above less the amount at 2(d) above, all divided by the amount at section 1 above, calculated in accordance with Section 33 (1) as the basic amount of Council Tax for the year. £1,146.21
 - (f) Aggregate amount of all special items referred to in Section 34 (1). £2,710,545
 - (g) Amount at 2(e) above less the result given by dividing the amount at 2(f) above by the amount at section 1 above calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of Council Tax for the year for dwellings in those parts of the area to which no special items relate. £1,103.55
 - (h) The amounts given by adding to the amount at 2(g) above the amounts of special items relating to dwellings in those part of the Council's area mentioned below, divided in each case by the amount at 1(b) above, calculated in accordance with Section 34(3) as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which special items relate. £0.00

**FLINTSHIRE COUNTY COUNCIL CHARGES (BAND D) 2017-18
(Including Community/Town Councils)**

	£
Argoed	1131.46
Bagillt	1131.36
Broughton & Bretton	1143.02
Brynford	1138.46
Buckley	1148.95
Caerwys	1150.81
Cilcain	1140.83
Connahs Quay	1153.29
Flint	1145.77
Gwernaffield & Pantymwyn	1134.68
Gwernymynydd	1130.29
Halkyn	1139.53
Hawarden	1140.75
Higher Kinnerton	1135.76
Holywell	1168.13
Hope	1141.80
Leeswood	1160.23
Llanasa	1134.98
Llanfynydd	1139.39
Mold	1162.98
Mostyn	1145.62
Nannerch	1143.55
Nercwys	1157.37
Northop	1123.55
Northop Hall	1137.70
Penyffordd	1138.50
Queensferry	1160.66
Saltney	1146.52
Sealand	1152.88
Shotton	1148.79
Trelawnyd & Gwaenysgor	1152.88
Treuddyn	1149.02
Whitford	1142.55
Ysceifiog	1138.77

- (i) The amounts given by multiplying the amounts at 2(h) above by the number which in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D calculated in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Area	VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £	I £
Argoed	754.31	880.03	1005.74	1131.46	1382.89	1634.33	1885.77	2262.92	2640.07
Bagillt	754.24	879.95	1005.65	1131.36	1382.77	1634.19	1885.60	2262.72	2639.84
Broughton & Bretton	762.01	889.02	1016.01	1143.02	1397.02	1651.03	1905.03	2286.04	2667.05
Brynford	758.97	885.47	1011.96	1138.46	1391.45	1644.45	1897.43	2276.92	2656.41
Buckley	765.97	893.63	1021.29	1148.95	1404.27	1659.60	1914.92	2297.90	2680.88
Caerwys	767.21	895.08	1022.94	1150.81	1406.54	1662.28	1918.02	2301.62	2685.22
Cilcain	760.55	887.32	1014.07	1140.83	1394.34	1647.87	1901.38	2281.66	2661.94
Connahs Quay	768.86	897.01	1025.14	1153.29	1409.57	1665.87	1922.15	2306.58	2691.01
Flint	763.85	891.16	1018.46	1145.77	1400.38	1655.00	1909.62	2291.54	2673.46
Gwernaffield & Pantymwyn	756.45	882.53	1008.60	1134.68	1386.83	1638.99	1891.13	2269.36	2647.59
Gwernymynydd	753.53	879.12	1004.70	1130.29	1381.46	1632.64	1883.82	2260.58	2637.34
Halkyn	759.69	886.30	1012.91	1139.53	1392.76	1645.99	1899.22	2279.06	2658.90
Hawarden	760.50	887.25	1014.00	1140.75	1394.25	1647.75	1901.25	2281.50	2661.75
Higher Kinnerton	757.17	883.37	1009.56	1135.76	1388.15	1640.55	1892.93	2271.52	2650.11
Holywell	778.75	908.55	1038.33	1168.13	1427.71	1687.30	1946.88	2336.26	2725.64
Hope	761.20	888.07	1014.93	1141.80	1395.53	1649.27	1903.00	2283.60	2664.20
Leeswood	773.49	902.40	1031.31	1160.23	1418.06	1675.89	1933.72	2320.46	2707.20
Llanasa	756.65	882.77	1008.87	1134.98	1387.19	1639.42	1891.63	2269.96	2648.29
Llanfynydd	759.59	886.20	1012.79	1139.39	1392.58	1645.79	1898.98	2278.78	2658.58
Mold	775.32	904.54	1033.76	1162.98	1421.42	1679.86	1938.30	2325.96	2713.62
Mostyn	763.75	891.04	1018.33	1145.62	1400.20	1654.79	1909.37	2291.24	2673.11
Nannerch	762.37	889.43	1016.49	1143.55	1397.67	1651.80	1905.92	2287.10	2668.28
Nercwys	771.58	900.18	1028.77	1157.37	1414.56	1671.76	1928.95	2314.74	2700.53
Northop	749.03	873.88	998.71	1123.55	1373.22	1622.91	1872.58	2247.10	2621.62
Northop Hall	758.47	884.88	1011.29	1137.70	1390.52	1643.35	1896.17	2275.40	2654.63
Penyffordd	759.00	885.50	1012.00	1138.50	1391.50	1644.50	1897.50	2277.00	2656.50
Queensferry	773.77	902.74	1031.69	1160.66	1418.58	1676.51	1934.43	2321.32	2708.21
Saltney	764.35	891.74	1019.13	1146.52	1401.30	1656.09	1910.87	2293.04	2675.21
Sealand	768.59	896.69	1024.78	1152.88	1409.07	1665.27	1921.47	2305.76	2690.05
Shotton	765.86	893.51	1021.14	1148.79	1404.07	1659.37	1914.65	2297.58	2680.51
Trelawnyd & Gwaenysgor	768.59	896.69	1024.78	1152.88	1409.07	1665.27	1921.47	2305.76	2690.05
Treuddyn	766.01	893.69	1021.35	1149.02	1404.35	1659.70	1915.03	2298.04	2681.05
Whitford	761.70	888.65	1015.60	1142.55	1396.45	1650.35	1904.25	2285.10	2665.95
Ysceifiog	759.18	885.71	1012.24	1138.77	1391.83	1644.89	1897.95	2277.54	2657.13

3. That it be noted that for the year 2017-18 the Police and Crime Panel have stated the following amounts in precepts issued to the Council, amounting to a total precept of £15,835,551 in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below :-

	Valuation Bands								
	A £	B £	C £	D £	E £	F £	G £	H £	I £
Precept	166.14	193.83	221.52	249.21	304.59	359.97	415.35	498.42	581.49

4. Having calculated the aggregate in each case of the amounts at 2(i) and 3 above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby sets the following amounts as the amounts of Council Tax for the year 2017-18 for each of the categories of dwellings shown below:

Area	VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £	I £
Argoed	920.45	1073.86	1227.26	1380.67	1687.48	1994.30	2301.12	2761.34	3221.56
Bagillt	920.38	1073.78	1227.17	1380.57	1687.36	1994.16	2300.95	2761.14	3221.33
Broughton & Bretton	928.15	1082.85	1237.53	1392.23	1701.61	2011.00	2320.38	2784.46	3248.54
Brynford	925.11	1079.30	1233.48	1387.67	1696.04	2004.42	2312.78	2775.34	3237.90
Buckley	932.11	1087.46	1242.81	1398.16	1708.86	2019.57	2330.27	2796.32	3262.37
Caerwys	933.35	1088.91	1244.46	1400.02	1711.13	2022.25	2333.37	2800.04	3266.71
Cilcain	926.69	1081.15	1235.59	1390.04	1698.93	2007.84	2316.73	2780.08	3243.43
Connahs Quay	935.00	1090.84	1246.66	1402.50	1714.16	2025.84	2337.50	2805.00	3272.50
Flint	929.99	1084.99	1239.98	1394.98	1704.97	2014.97	2324.97	2789.96	3254.95
Gwernaffield & Pantymwyn	922.59	1076.36	1230.12	1383.89	1691.42	1998.96	2306.48	2767.78	3229.08
Gwernymynydd	919.67	1072.95	1226.22	1379.50	1686.05	1992.61	2299.17	2759.00	3218.83
Halkyn	925.83	1080.13	1234.43	1388.74	1697.35	2005.96	2314.57	2777.48	3240.39
Hawarden	926.64	1081.08	1235.52	1389.96	1698.84	2007.72	2316.60	2779.92	3243.24
Higher Kinnerton	923.31	1077.20	1231.08	1384.97	1692.74	2000.52	2308.28	2769.94	3231.60
Holywell	944.89	1102.38	1259.85	1417.34	1732.30	2047.27	2362.23	2834.68	3307.13
Hope	927.34	1081.90	1236.45	1391.01	1700.12	2009.24	2318.35	2782.02	3245.69
Leeswood	939.63	1096.23	1252.83	1409.44	1722.65	2035.86	2349.07	2818.88	3288.69
Llanasa	922.79	1076.60	1230.39	1384.19	1691.78	1999.39	2306.98	2768.38	3229.78
Llanfynydd	925.73	1080.03	1234.31	1388.60	1697.17	2005.76	2314.33	2777.20	3240.07
Mold	941.46	1098.37	1255.28	1412.19	1726.01	2039.83	2353.65	2824.38	3295.11
Mostyn	929.89	1084.87	1239.85	1394.83	1704.79	2014.76	2324.72	2789.66	3254.60
Nannerch	928.51	1083.26	1238.01	1392.76	1702.26	2011.77	2321.27	2785.52	3249.77
Nercwys	937.72	1094.01	1250.29	1406.58	1719.15	2031.73	2344.30	2813.16	3282.02
Northop	915.17	1067.71	1220.23	1372.76	1677.81	1982.88	2287.93	2745.52	3203.11
Northop Hall	924.61	1078.71	1232.81	1386.91	1695.11	2003.32	2311.52	2773.82	3236.12
Penyffordd	925.14	1079.33	1233.52	1387.71	1696.09	2004.47	2312.85	2775.42	3237.99
Queensferry	939.91	1096.57	1253.21	1409.87	1723.17	2036.48	2349.78	2819.74	3289.70
Saltney	930.49	1085.57	1240.65	1395.73	1705.89	2016.06	2326.22	2791.46	3256.70
Sealand	934.73	1090.52	1246.30	1402.09	1713.66	2025.24	2336.82	2804.18	3271.54
Shotton	932.00	1087.34	1242.66	1398.00	1708.66	2019.34	2330.00	2796.00	3262.00
Trelawnyd & Gwaenysgor	934.73	1090.52	1246.30	1402.09	1713.66	2025.24	2336.82	2804.18	3271.54
Treuddyn	932.15	1087.52	1242.87	1398.23	1708.94	2019.67	2330.38	2796.46	3262.54
Whitford	927.84	1082.48	1237.12	1391.76	1701.04	2010.32	2319.60	2783.52	3247.44
Ysceifiog	925.32	1079.54	1233.76	1387.98	1696.42	2004.86	2313.30	2775.96	3238.62

5. In line with the existing policy of the Council, that for 2017-18, in accordance with Section 12 of the Local Government Finance Act 1992 (as amended by Section 75 of the Local Government Act 2003 and the Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004, no discounts shall be granted to second homes subject to Council Tax which are unoccupied and furnished, (defined as Prescribed Classes A and B) and long term empty and unfurnished properties (defined as Prescribed Class C)
6. In accordance with section 12a and 12b of the Local Government Finance Act 1992, as inserted by section 139 of the Housing Act 2014, by virtue of a determination made at Council on 1st March 2016, the Council Tax Premium scheme will apply from 1st April 2017. Therefore, from 1st April 2017, unless there are exceptions to be applied in line with The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015, Council Tax shall be charged at a premium rate of 50% above the standard rate of Council Tax for those dwellings that are defined as 'second homes'. A Council Tax premium of 50% will also apply to those dwellings defined as 'long term empty' which have been empty for a continuous period of one year.
7. Authorisations - Council Tax
 - a) That the holders of the posts of Revenues Manager, Team Manager for Council Tax and Business Rates Assessment, Team Manager for Collection and Enforcement, Court/Prosecutions Officer, Revenues Officers, be authorised under Section 223 of the Local Government Act 1972 to issue legal proceedings and to appear on behalf of the County Council at the hearing of any legal proceedings in the Magistrates Court by way of an application for the issue of a Liability Order in respect of unpaid Council Taxes and penalties under Part VI of the Council Tax (Administration and Enforcement) Regulations 1992; by way of an application for the issue of a warrant of commitment to prison under Part VI of the Council Tax (Administration and Enforcement) Regulations 1992; to require financial information to make an Attachment of Earnings Order; to levy the appropriate amount by taking control of goods and sale of goods; and to exercise all other enforcement powers of the County Council under the Council Tax (Administration and Enforcements) Regulations 1992 and any subsequent amendments of such Regulations.
8. Authorisations - National Non-Domestic Rates
 - a) That the holders of the posts of Revenues Manager, Team Manager for Council Tax and Business Rates Assessment, Team Manager for Collection and Enforcement, Court/Prosecutions Officer, Revenues Officers, be authorised under Section 223 of the Local Government Act 1972 to issue legal proceedings in the Magistrates Courts by way of application for the issue of a liability order in respect of unpaid rates; by way of an application for the issue of a warrant of commitment and to exercise all other powers of enforcement of the County Council under the Non-Domestic (Collection and Enforcement) (Local Lists) Regulations 1989 and any amendment thereto.
9. That notices of the making of the said Council Taxes for 2017-18, signed by the Council's Corporate Finance Manager/Section 151 officer, be given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

Appendix 2

2017-18 Council Tax Charges

Lowest to Highest Amounts by Town/Community Council

Community Councils	BAND D			
	Community	Flintshire	Police	Total
	£	£	£	£
Northop	20.00	1,103.55	249.21	1,372.76
Gwernymynydd	26.74	1,103.55	249.21	1,379.50
Bagillt	27.81	1,103.55	249.21	1,380.57
Argoed	27.91	1,103.55	249.21	1,380.67
Gwernaffield & Pantymwyn	31.13	1,103.55	249.21	1,383.89
Llanasa	31.43	1,103.55	249.21	1,384.19
Higher Kinnerton	32.21	1,103.55	249.21	1,384.97
Northop Hall	34.15	1,103.55	249.21	1,386.91
Brynford	34.91	1,103.55	249.21	1,387.67
Penyffordd	34.95	1,103.55	249.21	1,387.71
Ysceifiog	35.22	1,103.55	249.21	1,387.98
Llanfynydd	35.84	1,103.55	249.21	1,388.60
Halkyn	35.98	1,103.55	249.21	1,388.74
Hawarden	37.20	1,103.55	249.21	1,389.96
Cilcain	37.28	1,103.55	249.21	1,390.04
Hope	38.25	1,103.55	249.21	1,391.01
Whitford	39.00	1,103.55	249.21	1,391.76
Broughton & Bretton	39.47	1,103.55	249.21	1,392.23
Nannerch	40.00	1,103.55	249.21	1,392.76
Mostyn	42.07	1,103.55	249.21	1,394.83
Flint	42.22	1,103.55	249.21	1,394.98
Saltney	42.97	1,103.55	249.21	1,395.73
Shotton	45.24	1,103.55	249.21	1,398.00
Buckley	45.40	1,103.55	249.21	1,398.16
Treuddyn	45.47	1,103.55	249.21	1,398.23
Caerwys	47.26	1,103.55	249.21	1,400.02
Sealand	49.33	1,103.55	249.21	1,402.09
Trelawnyd & Gwaenysgor	49.33	1,103.55	249.21	1,402.09
Connahs Quay	49.74	1,103.55	249.21	1,402.50
Nercwys	53.82	1,103.55	249.21	1,406.58
Leeswood	56.68	1,103.55	249.21	1,409.44
Queensferry	57.11	1,103.55	249.21	1,409.87
Mold	59.43	1,103.55	249.21	1,412.19
Holywell	64.58	1,103.55	249.21	1,417.34

Appendix 2

2017-18 Council Tax Charges

Amounts in Town / Community Council order

Community Councils	BAND D			
	Community	Flintshire	Police	Total
	£	£	£	£
Argoed	27.91	1,103.55	249.21	1,380.67
Bagillt	27.81	1,103.55	249.21	1,380.57
Broughton & Bretton	39.47	1,103.55	249.21	1,392.23
Brynford	34.91	1,103.55	249.21	1,387.67
Buckley	45.40	1,103.55	249.21	1,398.16
Caerwys	47.26	1,103.55	249.21	1,400.02
Cilcain	37.28	1,103.55	249.21	1,390.04
Connahs Quay	49.74	1,103.55	249.21	1,402.50
Flint	42.22	1,103.55	249.21	1,394.98
Gwernaffield & Pantymwyn	31.13	1,103.55	249.21	1,383.89
Gwernymynydd	26.74	1,103.55	249.21	1,379.50
Halkyn	35.98	1,103.55	249.21	1,388.74
Hawarden	37.20	1,103.55	249.21	1,389.96
Higher Kinnerton	32.21	1,103.55	249.21	1,384.97
Holywell	64.58	1,103.55	249.21	1,417.34
Hope	38.25	1,103.55	249.21	1,391.01
Leeswood	56.68	1,103.55	249.21	1,409.44
Llanasa	31.43	1,103.55	249.21	1,384.19
Llanfynydd	35.84	1,103.55	249.21	1,388.60
Mold	59.43	1,103.55	249.21	1,412.19
Mostyn	42.07	1,103.55	249.21	1,394.83
Nannerch	40.00	1,103.55	249.21	1,392.76
Nercwys	53.82	1,103.55	249.21	1,406.58
Northop	20.00	1,103.55	249.21	1,372.76
Northop Hall	34.15	1,103.55	249.21	1,386.91
Penyffordd	34.95	1,103.55	249.21	1,387.71
Queensferry	57.11	1,103.55	249.21	1,409.87
Saltney	42.97	1,103.55	249.21	1,395.73
Sealand	49.33	1,103.55	249.21	1,402.09
Shotton	45.24	1,103.55	249.21	1,398.00
Trelawnyd & Gwaenysgor	49.33	1,103.55	249.21	1,402.09
Treuddyn	45.47	1,103.55	249.21	1,398.23
Whitford	39.00	1,103.55	249.21	1,391.76
Ysceifiog	35.22	1,103.55	249.21	1,387.98

Appendix 2

2017-18 Council Tax Charges Lowest to Highest % amounts

Community Councils	BAND D		
	Community	Flintshire	Police
	%	%	%
Shotton	-3.68	3.00	3.79
Bagillt	-3.10	3.00	3.79
Broughton & Bretton	-2.25	3.00	3.79
Sealand	-1.95	3.00	3.79
Higher Kinnerton	-1.56	3.00	3.79
Llanasa	-0.79	3.00	3.79
Brynford	-0.40	3.00	3.79
Connahs Quay	0.00	3.00	3.79
Penyffordd	0.00	3.00	3.79
Saltney	0.00	3.00	3.79
Whitford	0.00	3.00	3.79
Northop	0.05	3.00	3.79
Hawarden	0.51	3.00	3.79
Argoed	1.09	3.00	3.79
Buckley	1.50	3.00	3.79
Treuddyn	1.54	3.00	3.79
Northop Hall	2.00	3.00	3.79
Gwernymynydd	2.22	3.00	3.79
Leeswood	2.81	3.00	3.79
Nercwys	3.00	3.00	3.79
Mostyn	3.11	3.00	3.79
Queensferry	3.37	3.00	3.79
Flint	3.86	3.00	3.79
Mold	4.01	3.00	3.79
Halkyn	4.84	3.00	3.79
Llanfynydd	4.86	3.00	3.79
Ysceifiog	5.01	3.00	3.79
Nannerch	5.26	3.00	3.79
Gwernaffield & Pantymwyn	6.76	3.00	3.79
Caerwys	6.83	3.00	3.79
Cilcain	13.38	3.00	3.79
Holywell	19.39	3.00	3.79
Trelawnyd & Gwaenysgor	30.09	3.00	3.79
Hope	30.15	3.00	3.79

Appendix 2

2017-18 Council Tax Charges

% Amounts in Town / Community Council order

Community Councils	BAND D		
	Community	Flintshire	Police
	%	%	%
Argoed	1.09	3.00	3.79
Bagillt	-3.10	3.00	3.79
Broughton & Bretton	-2.25	3.00	3.79
Brynford	-0.40	3.00	3.79
Buckley	1.50	3.00	3.79
Caerwys	6.83	3.00	3.79
Cilcain	13.38	3.00	3.79
Connahs Quay	0.00	3.00	3.79
Flint	3.86	3.00	3.79
Gwernaffield & Pantymwyn	6.76	3.00	3.79
Gwernymynydd	2.22	3.00	3.79
Halkyn	4.84	3.00	3.79
Hawarden	0.51	3.00	3.79
Higher Kinnerton	-1.56	3.00	3.79
Holywell	19.39	3.00	3.79
Hope	30.15	3.00	3.79
Leeswood	2.81	3.00	3.79
Llanasa	-0.79	3.00	3.79
Llanfynydd	4.86	3.00	3.79
Mold	4.01	3.00	3.79
Mostyn	3.11	3.00	3.79
Nannerch	5.26	3.00	3.79
Nercwys	3.00	3.00	3.79
Northop	0.05	3.00	3.79
Northop Hall	2.00	3.00	3.79
Penyffordd	0.00	3.00	3.79
Queensferry	3.37	3.00	3.79
Saltney	0.00	3.00	3.79
Sealand	-1.95	3.00	3.79
Shotton	-3.68	3.00	3.79
Trelawnyd & Gwaenysgor	30.09	3.00	3.79
Treuddyn	1.54	3.00	3.79
Whitford	0.00	3.00	3.79
Ysceifiog	5.01	3.00	3.79



FLINTSHIRE COUNTY COUNCIL

Date of Meeting	1 March 2017
Report Subject	The White Paper <i>Reforming Local Government: Resilient and Renewed</i> and Regional Working
Report Author	Chief Executive

EXECUTIVE SUMMARY

Welsh Government has published a White Paper called *Reforming Local Government: Resilient and Renewed*. The White Paper is a statement of intent for the future of local government in Wales.

The White Paper replaces the earlier Local Government (Wales) Bill of the previous Welsh Government, a piece of draft legislation which had proposed a structural reorganisation of local government. In a change of policy direction the new White Paper advocates extensive regional collaborative working, supported by the unitary local authorities which are in existence, as an alternative to a structural reorganisation.

The White Paper re-includes some of the provisions of the earlier Bill, and adds new provisions, for local government governance, the powers and functions of local authorities, performance and improvement, the roles of councillors, local democracy, workforce, community councils and electoral reform.

This report invites the Council to make a response to the White Paper. The consultation runs until 11 April. The Welsh Government intent is to introduce a Bill into the legislative process in 2018.

A presentation on the White Paper will be made at the meeting to stimulate discussion.

North Wales is possibly the most advanced of the Welsh regions in collaborative regional working. The White Paper builds on some of the progressive work of North Wales and the other regions in advocating regionalism as the preferred model. The report provides a short commentary on the current arrangements for regional working as a guide.

RECOMMENDATION

1.	That Council make a response to the White Paper.
2.	That Council notes the current arrangements for regional working in North Wales.

REPORT DETAILS

1.00	WHITE PAPER REFORMING LOCAL GOVERNMENT: RESILIENT AND RENEWED
1.01	Welsh Government has published a White Paper called <i>Reforming Local Government: Resilient and Renewed</i> . The White Paper is a statement of intent for the future of local government in Wales. The White Paper replaces the earlier Local Government (Wales) Bill of the previous Welsh Government, a piece of draft legislation which had proposed a structural reorganisation of local government. In a change of policy direction the new White Paper advocates extensive regional collaborative working, supported by the unitary local authorities which are in existence, as an alternative to a structural reorganisation.
1.02	The White Paper reinforces the role and importance of local government in Wales. Whilst offering the facility for the voluntary merger of councils there is no intent to enforce mergers or to pursue the option of a wholesale local government reorganisation.
1.03	The paper sets out the rationale for regionalism and lists a series of tests against which the potential for enhanced regional working should be evaluated. The paper then lists a series of strategic and functional working areas where a form of regional working would be required, and a series of strategic and functional areas where the potential of regional working should be explored.
1.04	The strategic and functional areas where regional working is to be required are:- <ul style="list-style-type: none">• Economic development• Transport• Land Use Planning and Building Control• Social Services• Education Improvement• Additional Learning Needs• Public Protection
1.05	The strategic and functional areas where regional working is to be explored are:- <ul style="list-style-type: none">• Housing• Waste• Community Safety and Youth Justice

1.06	The paper also sets out ambitions to explore the options for the regional or national organisation of shared or 'back off' services.
1.07	The paper explores which geographies or 'foot-prints' should be set for regional working, and the options for the extent of mandatory regional working that Government should direct. The paper gives a preference for a model where a regional 'footprint' would be prescribed for some functions such as economic development, and where a framework would be set out for others with a choice of regional boundaries and combinations of public bodies such as public protection.
1.08	The paper then goes on to explore the funding, workforce and governance challenges of regional working and collaboration. The paper poses the option of a 'joint governance committee' for regional collaboratives as a variation of the long-standing joint committee model.
1.09	In the middle and later sections of the White Paper there are proposals for:- <ul style="list-style-type: none"> • the repealing of the Local Government (Wales) Measure 2009 which sets of the current arrangements for performance and improvement planning and their regulation • the reform of the governance and funding arrangements for Fire and Rescue Authorities • the governance models for councils, the roles of councillors and local democracy • the role and value of community councils • electoral reform including the minimum age of voting, digital access to electoral registration and voting, flexible arrangements for voting, and the local adoption of the single transferable voting system for local elections
1.10	The White Paper carries forward from the earlier Bill the proposal to introduce the power of general competence as an enabling legal power for local authorities.
1.11	A presentation at the meeting will pull out the most important contents of the White Paper, explore their risks and benefits, and offer a suggested Council position to stimulate debate.
	Current Regional Working in North Wales
1.12	North Wales is in a strong position to respond to the White Paper as it is possibly the most advanced of the Welsh regions in collaborative regional working. The White Paper actually builds on some of the progressive work of North Wales, and some of the functional areas proposed for regional working have been advocated by Flintshire and partners in the region in earlier informal consultation by the Cabinet Secretary.
1.13	For North Wales there is no contention over geographical boundaries. The regional definition is undisputed and there is 'co-terminosity' whereby the six councils all fall exactly within the regional boundaries of the Health Board, North Wales Police and North Wales Fire and Rescue Authority.

1.14	<p>North Wales matches up to the proposed areas for directional or exploratory regional working as follows:-</p> <p>Economic Development: all six councils in the region are committing to a new statutory joint committee to oversee the regional Economic Growth Strategy. The terms of reference of the Committee, and the scope of the developing Strategy, are fully consistent with the intentions of the White Paper.</p> <p>Transport: transport planning and service commissioning will form part of the above as a specialist function. The former transport joint committee Taith was dissolved at the direction of the Welsh Government. The White Paper proposes a reversal of this position.</p> <p>Land Use Planning and Building Control: for planning there are informal arrangements regionally for policy and practice sharing, setting and achieving performance standards, and sharing specialist resources such as the historic environment and natural environment. A number of pieces of important strategic work have been commissioned and completed jointly including the Community Infrastructure Levy (CIL) and strategic sites. There is an integrated joint regional service for minerals and waste planning (hosted by Flintshire). For Building Control there are informal regional arrangements for policy and practice sharing for a service which operates in a competitive fee-earning environment.</p> <p>Social Services: there are informal arrangements regionally for policy and practice sharing, setting and achieving performance standards, and sharing specialist resources. There are several national and regional joint service models for commissioning services or overseeing professional practice including adoption services and safeguarding. There is significant joint work with the Health Board and other partners to develop and manage the commissioned care market. There are formal sub-regional integrated services including the North East Wales Community Equipment Service (Flintshire – Wrexham – Health Board EAST)</p> <p>Education Improvement: all regions of Wales have in place an integrated School Improvement Consortium. In North Wales GWE is governed by a statutory joint committee. The consortium model could be expanded to take in more functions.</p> <p>Additional Learning Needs: this function could potentially be imported into the education improvement consortium GWE, subject to a business case whereby the quality, responsiveness and viability of a regionalised service was assured.</p> <p>Public Protection: there are informal arrangements regionally for policy and practice sharing, setting and achieving performance standards, and sharing specialist resources. Services are localised and are scaled according to the size and complexity of each county.</p> <p>Housing: there are informal regional arrangements for policy and practice sharing, and a number of formal sub-regional arrangements for example the sharing of specialist posts, commissioned Supporting People services, co-procurement of stores services, a single integrated housing register, and</p>
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	<p>creative housing schemes with registered social landlords such as Extra Care.</p> <p>Waste: five of the six local authorities have a formal contractual partnership for non-recyclable domestic waste disposal. This partnership has the capacity to be expanded into recycle sales, procurement and possibly operational service integration.</p> <p>Community Safety and Youth Justice: North Wales has a regional Safer Communities Board (SCB) for community safety, youth justice and criminal justice. There are informal and progressive arrangements regionally for policy and practice sharing, setting and achieving performance standards, and sharing specialist resources.</p> <p>Shared Services: there are few formal regional arrangements for shared services in North Wales with an exception being the regional Emergency Planning Service (hosted by Flintshire). There are examples of the informal sharing of resources in professional networks such as specialist and peak-time case sharing in legal services. There are examples of the regional procurement of specialist goods and services such as ICT. On a sub-regional level there are formal arrangements such as the Joint Procurement Team (Denbighshire-Flintshire), the traded Occupational Health Services (Flintshire-Wrexham) and the partnership training function (Flintshire-Coleg Cambria).</p>
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2.00	RESOURCE IMPLICATIONS
2.01	None at this early stage of the legislative process.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Extensive consultation underpins the vision document as set out in the report.

4.00	RISK MANAGEMENT
4.01	None at this early stage of the legislative process.

5.00	APPENDICES
5.01	Appendix A - White Paper <i>Reforming Local Government: Resilient and Renewed</i> .

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Chief Executive Telephone: 01352 702101 E-mail: chief.executive@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>White Paper: a policy paper which sets out the intention to pass legislation and is published for consultation and scrutiny.</p> <p>Bill: the piece of draft legislation which precedes an Act in the legislative process.</p>



Llywodraeth Cymru
Welsh Government

White Paper

Reforming Local Government: Resilient and Renewed

Date of issue: 31 January 2017

Responses by: 23:59 on 11 April 2017

Overview

The White Paper 'Reforming Local Government: Resilient and Renewed' is the Welsh Government's statement of intent about the future of Local Government in Wales.

The proposals in this White Paper set out arrangements for regional working; describe a strengthened role for councils and councillors; provide a framework for any future voluntary mergers; and sets out the role of community councils.

How to respond

The closing date for responses is **11 April 2017**.

Responses can be submitted via the online document of consultation questions: <https://consultations.gov.wales/consultations/reforming-local-government-resilient-and-renewed>

To respond to the consultation, please either complete the online form or request the accompanying questionnaire and return it either by email:

RLGProgramme@wales.gsi.gov.uk

or by post to

Reforming Local Government
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

The consultation document can be accessed from the Welsh Government website at: <https://consultations.gov.wales/consultations/reforming-local-government-resilient-and-renewed>

Data protection

How the views and information you give us will be used

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

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FOREWORD



Local government plays a vitally important part in the lives of every citizen in Wales. Councils provide the services which educate our children, care for our elderly, dispose of our waste and light our streets. It faces some ongoing challenges. There is more to be done in achieving greater consistency and excellence, at a time when there will also be less money year on year for public services.

Reform is essential if Local Authorities are to be financially resilient and able to maintain and improve the quality of services during this extraordinary period of austerity. That is why change is a necessity, not a choice. But in setting out new proposals for reform we are committed to building a collective consensus around the way ahead.

Since I became Cabinet Secretary for Finance and Local Government in May 2016, I have been involved in an ongoing dialogue with Local Authorities and their partners about the change we need in order to create a resilient and renewed local government. We all recognise that the future requires us to work differently, but more importantly it requires us to work together, within the sector and with our partners to deliver high quality, responsive and integrated public services alongside those who need them.

Our focus will continue to be on supporting people when they need it most and equipping our public services to respond to the opportunities and the challenges that the current political, financial and environmental uncertainties present. But increasingly we need to look towards public services of the future, their role, and the role of citizens.

This White Paper sets out a new relationship between national and local government. One where there is a mutual understanding and recognition of respective roles and interests, and where all partners are given the space to maximise the positive impact they have through working with citizens on mutually agreed agendas. It sets out a new approach to reform focused on greater regional working. It sets a framework for local government to work within, providing a menu of options that local government can use, based on their local circumstances and strengths. It also highlights those proposals previously consulted upon which received broad support and which we intend to take forward within this new legislative proposal.

The Well-being of Future Generations Act with its ways of working and wellbeing goals will help to bring a shared focus to this work, one where we can all work together to deliver long term benefits to Wales.

A handwritten signature in black ink that reads 'Mark Drakeford'.

Professor Mark Drakeford
Cabinet Secretary for Finance and Local Government

1. INTRODUCTION

- 1.1.1 The Well-being of Future Generations (Wales) Act 2015 ('WFG Act') sets the scene for the Wales we want. It clearly sets out the longer term goals public services in Wales are working towards, and the ways of working that public services should adopt to achieve them. Within this vision for Wales' long term future, Welsh Government will work with others to set out the key priorities for public services.
- 1.1.2 We are clear that it is not our role to prescribe in detail how those priorities should be achieved; that is for those directly engaged in the delivery of services to determine. Proposals for reform cannot and should not be developed and delivered by Welsh Government alone. Shared leadership, political and at officer level, are essential to secure a successful future for local government in Wales.
- 1.1.3 Local government touches the lives of each and every individual in Wales; its residents and its visitors. Local government is there to support individuals, families and communities when they need help most, empowering them to remain independent or take back their independence as quickly as possible. But also to deliver services that everyone uses, for example schools giving children the best start in life, the safe collection and disposal of waste, and the roads and pavements we drive and walk on. Every Local Authority excels in something, most are good at many things, none is good at everything. It is vital we, collectively, continue to build resilience and support renewal in local government so local people and communities are supported to thrive.
- 1.1.4 Following consultation on the White Paper 'Power to Local People'¹, the previous Welsh Government set out proposals for local government reform in the 'Draft Local Government (Wales) Bill' ("the Draft Bill"), in November 2015. The majority of the proposals in the Draft Bill were well supported and welcomed by the public service and wider stakeholders as a positive step in providing greater freedom and flexibility in the development and delivery of services. However, it was clear that proposals for wide ranging mergers were not supported and are therefore no longer being pursued.
- 1.1.5 The drivers for change however remain clear. We need to support Local Authorities to address the financial challenges faced by public services and enable the ongoing delivery of better outcomes for local people and the improvement of communities.
- 1.1.6 Since the National Assembly for Wales elections in May 2016, the Welsh Government has been in dialogue with local government and wider partners about the case for reform and possible approaches we could adopt to build resilience. The Cabinet Secretary for Finance and Local Government has met the Leaders and Chief Executives of Local Authorities on several occasions on a one to one basis, in small groups and in the WLGA Regional Partnership Boards. Officials have discussed proposals directly with groups representing key service areas, for example the Directors of Public Protection, Association of Directors of Education in Wales, Association of Directors of Social Services, Society of Welsh Treasurers, and Lawyers in local government. Three workshops took place for Local Authority officers to discuss the proposals, we were joined by wider public service partners to

¹ <http://gov.wales/docs/dsjlg/consultation/150203ajlg/white-paper-on-local-people-fullv2-en.pdf>

explore the implications for them. Through the WLGA, we have sought views from Elected Members through a series of three independently facilitated workshops.

- 1.1.7 We are clear that, in line with the ways of working set out in the Future Generations Act, our approach to reform must continue to be developed in partnership with those delivering public services. This way of working and the need for reform to be a shared solution to the challenges we face as a public service will continue to underpin our approach as we consult on this White Paper and develop our proposals further in the light of consultation responses.
- 1.1.8 Discussions during the summer of 2016 highlighted that there remains a need and an appetite for reform, supported by greater regional working, building on the majority of the proposals previously consulted upon. Building resilience is essential if Local Authorities are to meet the challenges ahead. We have heard that greater regional working will allow Local Authorities to undertake service planning, commissioning and delivery at an appropriate scale.
- 1.1.9 We want to develop a more equal partnership with citizens. The role of public services should be to support people to live independent lives and to seek to de-escalate demand, intervening only when necessary and only for as long as required. In doing so, the focus inevitably shifts to prevention and a public service which is able to put more effort into helping people to avoid crisis, rather than one which is focused on supporting people in crisis. This is about creating prudent public services for the future.
- 1.1.10 Working in this way will represent change for public services and citizens alike. In order to support this work, the Welsh Government has asked the Effective Services Group² to build on the 'Prudent Healthcare Principles'³ and develop a set of 'Prudent Public Service Principles' that can be used by organisations across the public service to help recast the role and relationship between services and individuals. We are already making hugely positive impacts on the daily lives of people in Wales. We need to continue on this journey to deliver the Wales that we all want in the future.
- 1.1.11 This White Paper sets out some of the new proposals that have emerged in discussions with Elected Members, officers and the wider public service. The proposals in this White Paper set out arrangements for regional working; describe a strengthened role for Councils and Councillors; provide a framework for any future voluntary mergers; and sets out the role of Community Councils.
- 1.1.12 This White Paper also outlines the initial steps for financial reform. Work is underway to develop comprehensive proposals for the reform of the finance system in local government. This will be consulted upon in due course. Annex One sets out a brief summary of these proposals and their current status. Where there are significant changes to a previous proposal they are discussed within this White Paper.

² <http://gov.wales/topics/improving-services/effective-services-group/?lang=en>

³ <http://gov.wales/topics/health/nhs-wales/prudent-healthcare/?lang=en>

2. REGIONAL WORKING

2.1 Rationale for Regional Working

- 2.1.1 The Well-being of Future Generations Act requires us to take a different approach to working. It asks the public service to be more holistic in its decision making, taking a much broader perspective and recognising the interdependencies that exist and the importance of working together and with citizens.
- 2.1.2 There are already many collaborations which plan, commission and deliver services right across Wales. We want to build on these successes, learn from what has worked and what hasn't and consolidate this learning into more ambitious regional working. We have heard from local government, and the wider public service, that more could, and should be done together. We want to build on this.
- 2.1.3 Discussions with local government Leaders and Chief Executives show there is enthusiasm for greater regional working, and it is clear that there are a number of areas where a more systematic approach to regional working would benefit local people and communities. Regional working is not easy. It requires commitment and dedication; it must be built on a foundation of trust and willingness to compromise for the greater good. It requires clarity of purpose about what the collaboration is trying to achieve, and also clarity regarding roles and responsibilities, governance, accountability and financing mechanisms; not just for the organisations delivering services, but for the people receiving services.
- 2.1.4 When considering collaborative arrangements we should think carefully about the benefits, and sometimes disadvantages of regional working. Regional working should achieve better outcomes for people and communities in the short term; a greater focus on prevention and de-escalation to bring about better outcomes over the much longer term, opportunities to transform and refocus services on a larger scale, or by the more efficient deployment of scarce or specialist resources. There should be practical benefits too; economies of scale; removing duplication; reducing complexity; simplifying activity and ensuring consistency. As well as workforce resilience, particularly in highly specialised areas or areas with very small numbers of staff. Regional working has the potential to offer staff more varied experiences and career opportunities.
- 2.1.5 Regional working must result in better outcomes, and/ or improve the resilience of services. That may mean that the cost of delivery might be the same, but the service is more resilient: or possibly the cost is higher, but the outcome is considerably improved: or the cost of delivery is reduced and service outcomes are maintained. It may be that collaborative working can result in service transformation which would not have been achieved at a smaller scale.

2.2 Considering Regional Working

- 2.2.1 Discussions with Local Authorities underline that working on a regional basis should not be undertaken for the sake of it. There needs to be consideration of the appropriateness for regional working. In response, Welsh Government has developed a series of 'tests' that could help inform these considerations.

These 'tests' are made up of a series of questions about the nature, challenges and opportunities of regional working. This will then give a clearer sense of whether the function, service area or activity, or a part of them, is potentially suited to regional delivery. It may be the case that a given service area looks positive for regional working on one or two tests but less strong on others. This is inevitable and emphasises the need for decisions to be informed by engagement with practitioners, Local Authority Elected Members and officers, the public and wider partners.

'TESTS'

Underpinning tests

- Will regional working help to improve or maintain outcomes?
- Is this an area which should be done locally?
- Are there linkages with other service areas?
- Are benefits likely?

Tests for regional working

- *Will it improve the resilience of the service?*
For example, a service area with known sustainability challenges such as a significant reduction in budgets / staffing? Or perhaps an area with episodic but critical and unavoidable activities?
- *Will it improve the capacity and capability in the service, particularly at senior levels?*
For example, would regional working resolve issues in an area where it has been difficult to recruit (at either specialist or senior level)?
Or would regional working allow more strategic use of resources to plan, commission or deliver the service on a larger footprint?
- *Will it make a service or activity viable?*
For example, is this an area which is not viable at a smaller scale?
- *Will it offer economies of scale or greater efficiencies?*
For example, is it more efficient to deliver regionally and has scope to deliver savings?
- *Will this help increase public value?*
For example, would regional working offer the opportunity to make it easier to do the right thing or to increase ambition for what can be achieved?
- *Is this an area where Local Authority boundaries get in the way of the service a citizen might want?*
- *Is this a new service or expanded area of responsibility?*
For example, where there are no local arrangements in place yet.
- *Is there good practice that can be expanded on?*
Is there effective regional working already in place in one (or more) areas which make the case for undertaking the service on a regional basis across Wales?
- *Is this an area where joint working with partners is important and where partners operate on a different (and larger) regional footprint?*
For example, is this an area with significant interaction with other partners and regional arrangements would make joining up easier and enable more effective integration of services?

Consultation Question 1:

The Welsh Government believes that it is appropriate to consider ‘tests’ to frame thinking around regional working. Do you think the ‘tests’ set out are helpful in guiding thinking? What other tests or considerations might also be used?

2.3 Proposed Functions for Regional Working

- 2.3.1 The proposals for mandatory and systematic working in this White Paper offer an opportunity to strengthen, regularise and simplify the existing arrangements between Local Authorities. Enabling Local Authorities to delegate decisions to be made at a regional level with strong democratic governance and oversight, including scrutiny, will strengthen their ability to operate consistently with other partners. Decision making at regional levels, should enable specialist and other resources to be deployed effectively to identify and meet the needs of people in each region including by increasing the focus on prevention. It will make integrated working more straightforward and effective for other partners and improve outcomes for people. It should also provide for greater alignment with the regional delivery of other services.
- 2.3.2 We have set out a number of areas where we are proposing to require regional working. There are a number of other areas where we have heard there are likely to be some opportunities for regional working, but there needs to be more discussion with practitioners, therefore we have set out a number of areas where more exploration of regional working would be useful.

Requiring Regional Working

Economic Development

- 2.3.3 Local Authorities in Wales have a range of powers and functions in relation to economic development and the economic wellbeing of their areas. They have considerable discretion as to how they exercise these functions and there is substantial variation in the extent to which Authorities engage in economic development and the manner in which they do so. Many Authorities, and other stakeholders, have commented that the current administrative geography of Local Authorities does not provide a natural or effective scale for a coherent approach to economic development, in terms of both the area across which functions are carried out and the capacity and capability of individual Authorities to plan and implement economic development in a strategic way. The scope to develop the conditions which attract business investment, to skill up and house the workforce and to provide the integrated transport and infrastructure needed to support growth is inhibited by the lack of scale and capacity in the current arrangements.
- 2.3.4 The Welsh Government and local government are already responding to the insufficiency of the current Local Authority structure by building the broader regional partnerships designed to nurture economic development which are emerging from the city deal and city region approaches. Purposeful regional arrangements around the Cardiff Capital Region City Deal, Swansea Bay City Deal and the North Wales Economic Ambition Board are taking shape. Ceredigion and Powys are not covered by city deal proposals but are leading the Growing Mid-Wales partnership. We propose to adopt these arrangements as a basis for the regional delivery of economic development functions (including employment and skills development) and to include

economic development in the list of functions to be carried out on a mandatory and systematic basis.

- 2.3.5 Welsh Government are seeking views on the functions that might be exercised on a regional basis to contribute to the economical development of the region. Comments regarding the functions, either in terms of the broad nature of functions or by reference to individual statutory functions, are welcomed. We would also welcome views as to whether the geography of the proposed regional arrangements for these functions offers the most effective structure to secure economic prosperity.

Transport

- 2.3.6 Local Authorities have a number of powers and duties in relation to transport and it is widely recognised that there are merits in preparing strategic plans for transport provision on a regional basis, as is currently the case for North Wales, Mid Wales, South West Wales and South East Wales, taking account of the pattern of demand and providing for integration of transport infrastructure and service delivery. Regional transport plans are already being prepared for the majority of Wales. We are seeking views on whether other transport functions would be well-suited to regional delivery.
- 2.3.7 There is already considerable alignment between the economic development, transport and strategic planning functions of local authorities, with the city deal and economic growth footprints, referred to in the section on economic development, providing the clearest basis for future delivery. We propose to adopt these regions as the footprint for future transport planning, recognising that regional transport plans are currently being prepared on a different geographical basis. We are seeking views on the proposed footprint and whether a different model might be more appropriate for transport functions, particularly in Mid Wales (Ceredigion and Powys).

Land Use Planning and Building Control

Land Use Planning

- 2.3.8 We propose that land use planning be undertaken in future on a regional basis. Between 2009/10 and 2016/17 resources devoted to the planning function declined by 53%⁴, the largest reduction of any Local Authority service area. At the same time our expectations of the planning system have increased. The planning system is a key enabling mechanism for a diverse range of priorities including economic prosperity, affordable housing and green infrastructure. It is an important facilitator of well-being. The effective implementation of the Well-being of Future Generations (Wales) Act, the Environment (Wales) Act, Historic Environment (Wales) Act and Planning (Wales) Act, require resilient planning authorities with access to specialist skills.
- 2.3.9 Existing regional working arrangements are limited in this service area, with the exception of collaborative working on minerals and waste planning. We believe that the introduction of a systematic approach to regional delivery of planning services will significantly improve service quality, provide greater resilience and enhance opportunities for workforce development and progression.

⁴ <http://www.senedd.assembly.wales/documents/s500002771/FIN4-01-16%20P1%20WLG%20consultation%20response.pdf>

- 2.3.10 Provisions within the Planning (Wales) Act may provide the basis for the regionalisation of planning services. We have modernised the arrangements for Joint Planning Boards so they can prepare Local Development Plans (with the exception of National Parks) and determine planning applications. We have also introduced the ability to prepare Strategic Development Plans (SDPs).
- 2.3.11 We do not believe that SDPs are necessary across the whole of Wales. Where considered necessary, the preparation of a SDP should be undertaken on a broader economic development footprint. This would allow strategic issues to be addressed across the wider area ensuring that connections are made to regional economic regeneration, transport and natural resource management opportunities. The Planning (Wales) Act makes provision for SDPs to be prepared by a single purpose body, a Strategic Planning Panel. With the emergence of regional governance arrangements, such as those linked to City Deals, it may be possible to use these governance arrangements instead. More broadly, this White Paper proposes new statutory arrangements for the consistent governance of regional working. These new proposed arrangements could be applied to planning. We would welcome views on this.
- 2.3.12 In addition to the preparation of a SDP where this is necessary, we consider that there could be benefits from other planning services being provided on a regional basis. We are seeking views on the best approach to identifying an appropriate footprint for the regional delivery of services. In particular, views are sought on the functions which need to be undertaken at a sub regional level, but at a larger scale than individual Authorities. We consider that functions relating to planning (other than those strategic functions identified above) fall into this category. Ensuring that planning services are not too distant from citizens and communities is essential.
- 2.3.13 The initial scope of the planning functions to be delivered at a sub regional level is identified below. They have been identified to maintain the link between LDP preparation and decisions on planning applications. We have also sought to identify the related specialist advice essential for efficient and high quality decision making.
- Preparation of LDP
 - Setting and collecting Community Infrastructure Levy
 - Development Management (processing of planning applications and enforcement functions)
 - Specialist advice on the following services:
 - Minerals and waste
 - Built environment conservation services
 - Green Infrastructure, landscape and ecology
 - Viability and S106 agreements (planning obligations)
 - Urban Design
 - Highways development management
- 2.3.14 Democratic accountability is a fundamental principle of the planning system. We do not wish to undermine this. We believe that there are two options to maintain accountability under a regional delivery approach. Existing

legislative powers could be used to create Joint Planning Boards (Joint Planning Board Model) which would be made up of Councillors from each constituent Authority, with decisions on the LDP and planning applications being made by the Board. Similarly, regional decision-making by elected members could also be undertaken through the new 'Joint Governance Committee' proposed in this White Paper. This would ensure that the arrangements for planning were aligned with the proposed arrangements for other services. An alternative approach would see responsibility for planning decisions remaining with existing principal Authority / National Park Authority with the preparation of the LDP and processing of applications undertaken by officials at the regional level. In this way the regional service delivery unit would service a number of planning committees (shared service model).

- 2.3.15 We would welcome views on the planning activities identified for delivery at the regional level and whether there are further functions relating to planning that could be best exercised on a regional basis and any further suggestions you may have.

Local Authority Building Control

- 2.3.16 The issues facing local government building control are similar to those faced by planning departments and include reduced resources, difficulties in encouraging new entrants and an absence of specialist skills particularly in smaller authorities. Limited cooperative arrangements exist currently.
- 2.3.17 The Building Control service currently sit mainly within planning or public protection departments. The general trend appears to be towards co-location with the planning function given planning and building control are the main mechanisms to manage development. For this reason we propose that Local Authority building control services be delivered regionally on the same footprint.

Social Services

- 2.3.18 Social services covers a range of functions some of which are more closely inter-connected than others, and, at the margins, Local Authorities define different actions under the term social services. There are essential links to health and also links to housing, education and the police. These functions touch upon some of the most vulnerable in our society, and will be important to everyone at some point in their lives. These are services where there are recognised challenges to meet and the desire to change the way in which services operate to meet them, including planning and operating at greater scale. Consistency in decision making and delivery is increasingly important.
- 2.3.19 The Social Services and Wellbeing (Wales) Act required partnership arrangements to be made in each Local Health Board area, under the direction of a Regional Partnership Board. The Partnership Boards have representation from Health Boards, Local Authorities (elected and officer) and service users. These Partnerships have been established for defined functions, focussed particularly on areas where successful integration between local government and health is essential for the provision of effective services for citizens. The Social Services and Well-being (Wales) Act and supporting statutory guidance requires joint planning, commissioning and the use of pooled budgets between health and local government. The existing guidance recognises that social service users often are affected by or need more than one inter-entitative partners are expected therefore to

extend their partnership arrangements beyond the priority areas in order to improve outcomes for the population as a whole.

- 2.3.20 The governance arrangements described in this White Paper will need to support integration with the Local Health Board and other partnership working.

Education Improvement

- 2.3.21 Education improvement encompasses a range of functions carried out by schools, Local Authorities, and regional consortia in Wales. The roles and functions of each tier are governed by the National Model for Regional Working which was agreed in autumn 2013 to accelerate the rate of progress in improving educational outcomes in schools.
- 2.3.22 There are currently four regional education consortia operating in Wales, three as joint committees of the constituent authorities and one (for south east Wales) as a joint management company serving the constituent Authorities.
- 2.3.23 It is recognised that the position in relation to educational improvement is complex, both in terms of the different range of improvement services provided by the existing consortia and the current regional structures. There are considerable variations in the range of improvement services provided by the existing consortia and their geography does not align neatly with the footprints for the delivery of other services.
- 2.3.24 Where there are existing regional arrangements in place, the proposals in this White Paper are intended to build upon them and provide a prompt to re-examine them. There remains flexibility to scale up activity to larger geographies by working across two or more regions where appropriate. In the case of education improvement, Health Board areas might provide a starting point for this although it is also recognised that certain authorities fall into different Health Board and consortia areas.
- 2.3.25 It is essential that the education sector, especially post-16 education, responds to the needs of the public sector workforce if local government is to be able to recruit staff in the future with appropriate Welsh language skills. The education sector will need information about the current and future requirements for Welsh language skills more widely so that the sector can respond to meet demand. This information could be collected and considered regionally with plans developed across the region to ensure sufficient training for Welsh language skills are available. This links to local government's role as a key employer, not only directly but through their contract and partnership agreements. Planning in this way could have an essential role in encouraging young people to maintain and develop their Welsh language skills on leaving statutory education for use in the workplace.
- 2.3.26 Views are sought on what approach might offer the best fit for the regional delivery of education improvement services and on the range and nature of improvement services which could be most effectively delivered at a regional level.

Additional Learning Needs

2.3.27 The Welsh Government introduced the Additional Learning Needs and Education Tribunal (Wales) Bill ('the ALNET Bill') on 12 December 2016. This bill will put in place:

- A single statutory framework to support children and young people aged 0 to 25 with additional learning needs (ALN) in schools and further education, making it easier for them as they move through the system, replacing the different approaches and legislation for learners with special educational needs (SEN) up to the age of 16 and learners with learning difficulties and/or difficulties in post-16 education. It will create a single plan (the individual development plan) to replace the existing range of statutory and non-statutory plans for learners, ensuring equity of rights regardless of the learner's level of need or the education setting they attend;
- An integrated, collaborative process of assessment, planning and monitoring with a focus on early intervention, including duties on Health Boards and Local Authorities to collaborate with each other to meet a child or young person's ALN to enable them to reach their full potential; and
- A fair and transparent system for providing information and advice and for resolving concerns and appeals, with Local Authorities required to make arrangements for avoiding and resolving disagreements.

2.3.28 Among other functions, the ALNET Bill will transfer responsibility to Local Authorities for maintaining individual development plans for learners who require specialist post-16 placements. Overwhelmingly, these will be learners with whom the Local Authority has been involved throughout their school based education (and for whom they will have maintained a Statement of SEN under the current system and will have maintained an individual development plan under the new system). In many cases, Local Authorities will also have on-going social care involvement with these young people. The transfer of this responsibility from Welsh Government to Local Authorities will improve the transition process by encouraging Local Authorities, Health Boards and post-16 providers to work together to plan for and secure support, and to improve local provision relevant to the individual needs of children and young people with ALN. Funding for these placements will be transferred from Welsh Government to Local Authorities.

2.3.29 Greater collaborative working on a regional and multi-agency basis will be vital to deliver improved quality services for learners with ALN going forward. This process has already begun, through the ALN Innovation Fund launched in 2016, which focuses on the development of creative, collaborative delivery models and the growth of relationships between education, social services, health and further education.

2.3.30 The proposals for local government reform and the development of robust, accountable regional arrangements on a statutory basis, present significant opportunities to support more effective implementation of the ALNET Bill and the wider ALN transformation programme.

2.3.31 Although any legislation on Local government reform is not yet confirmed, we would aim to ensure the implementation timetable was complementary and

we would encourage early action by Local Authorities to get ahead of the statutory requirements for ALN coming into force.

- 2.3.32 Views are sought on what elements of a Local Authority's ALN functions, as proposed in Part 2 of the ALNET Bill⁵, might offer the best fit for effective regional delivery.

Public Protection

- 2.3.33 We propose that public protection functions should be undertaken regionally. This builds on the general direction of travel in this service area but mandating a requirement to work regionally will provide further impetus to current joint working. This will also provide for the maximum level of resilience and a greater scope for workforce development and progression.
- 2.3.34 Public protection is a broad service area and Local Authorities currently include different functions under this umbrella. It encompasses primarily:
- a. **environmental health:** including, but not limited to, pollution control, food safety, food hygiene, health and safety, noise control;
 - b. **trading standards:** including, but not limited to, consumer protection, product safety, rogue trading, animal welfare; and
 - c. **licensing:** including, but not limited to the licensing of taxis, street trading, entertainment, sex establishments.
- 2.3.35 However, we welcome views on the scope of functions to be included under the term 'public protection'. We will analyse responses which will help to inform proposals. We will also work with the WLGA / Local Authority Public Protection Cymru Change Programme to identify a list of core functions to be mandated.

Consultation Question 2:

In this White Paper the Welsh Government has set out a number of areas which it believes should be required to be delivered on a regional basis. Do you agree that these areas should be delivered regionally? What practical considerations should we consider in taking these proposals forward? What other 'ancillary' powers would be required to ensure the effective exercise of the functions exercised regionally?

Exploring Regional Working

Housing

- 2.3.36 The Local Authority role with regard to housing operates at strategic and operational levels. At the strategic level, local authorities are, for example, charged with assessing local housing needs, which informs plans for investment in housing supply. Those authorities that have retained their own stock also need to determine the level of investment in maintaining that stock. They also support initiatives designed to make the best possible use of existing homes e.g. by bringing empty properties back into use.
- 2.3.37 The operational level covers a wider range of functions which are often staff intensive and which will continue to need to be delivered locally. These include landlord functions, statutory homelessness services, providing housing-related support and the enforcement of housing law including, for

⁵ <http://www.assembly.wales/laid%20documents/pri-ld10862/pri-ld10862-e.pdf>

example, the Housing, Health and Safety Rating System, Rent Smart Wales, and the regulation of Mobile Homes sites. Rent Smart Wales is a good example of a locally delivered service supported by a single national Information Technology platform hosted by Cardiff on behalf of all authorities.

- 2.3.38 Good models of regional collaboration already exist and provide a foundation on which to build stronger delivery structures. For example, the Supporting People programme operates under six Regional Collaborative Committees. As Local Authorities and their partners in Public Services Boards and Regional Partnership Boards begin to implement the wellbeing plans they are developing, the preventative aspects of this programme need to be aligned more closely with social services commissioning, which is often targeted at the same vulnerable groups.
- 2.3.39 Local Authorities have identified housing supply as a key component of the economic development strategies emerging under the proposed cross-authority city deals. If current housing shortages are to be tackled effectively, these house building interventions need to be aligned with the structures which support land use planning.
- 2.3.40 Further consideration will need to be given to how the strategic aspects of housing delivered on a regional footprint can most effectively interface with the more staff intensive services such as tackling homelessness, which will continue to be delivered locally.

Waste

- 2.3.41 Waste and recycling is a service area with a history of significant joint working among Local Authorities, for example in relation to food and residual waste treatment. There is potential to build on this existing activity and expand regional working to other parts of this service area, for example in relation to arrangements for waste and recycling collection. In considering the scope to do this, we recognise the profile of waste collection issues locally and the different arrangements currently in place, including different service delivery models and contracts. At the same time, we also recognise there is real scope for efficiency savings and further reductions in carbon emissions over time and an opportunity to refocus on providing a more consistent experience for citizens.
- 2.3.42 We would welcome views on the potential for greater regional working in this area and any particular considerations we should have in mind. We are also interested in the opportunity, over time, to consolidate existing regional waste activity on a more consistent footprint with other service areas.

Community Safety and Youth Justice

- 2.3.43 Community Safety Partnerships and Youth Offending Teams are not formally devolved, although they rely heavily on devolved services, such as health, education and social services. If other public services are being delivered on a regional footprint there will be a case for Community Safety Partnerships and Youth Offending Teams to consider moving to a similar footprint that matches the services which support their work.

Consultation Question 3:

In this White Paper the Welsh Government has set out a number of areas which it believes could also be delivered on a regional basis. Do you think that Local Authorities should also be required to deliver these functions regionally to deliver these functions? Are

there any other practical considerations we should be aware of?

Consultation Question 4:

Are there any other functions that would benefit from a systematic approach to regional working?

Consultation Question 5:

Welsh Government believes that, subject to engagement with local government and other partners, there should be flexibility to enable Welsh Ministers to mandate additional functions to be undertaken regionally. Do you agree or disagree? Why?

Enabling Greater Regional Working

2.3.44 This is a starting point, not an end point. Local government has told us it is ambitious in the area of regional working and prepared to do more than the minimum prescribed by the Welsh Government where there is a strong case for regional working. We would encourage Local Authorities to show leadership in this area and identify where they can come together and work regionally on other services. It will be for local determination to take forward regional working in additional service areas or functions. We will ensure that where localities choose to be more ambitious with their regional arrangements there is sufficient flexibility in the system to enable this.

Consultation Question 6:

The Welsh Government believes that the new arrangements should not prevent Local Authorities using their existing powers to undertake additional functions regionally. Do you agree or disagree? Why?

2.4 Sharing Services

2.4.1 The operation of public services relies on underpinning supporting services, some transactional, some specialist, some externally facing and some less so. The Welsh Government considers many of the reasons for greater regional working hold true for these supporting services. The tests set out at paragraph 2.2.1 are also valid for many of these services. They also have the potential to yield significant savings which can be redirected into front-line service delivery. Indirectly, authorities and services which carry high transaction costs are subsidised by those who carry out these activities more efficiently. This is not sustainable.

2.4.2 Regional working arrangements will present opportunities for Local Authorities to build sustainable services. As part of this there will be scope to share Welsh language capacity to ensure those wishing to receive services through the medium of Welsh are able to do so. This will be enabled by both the sharing of staff and professionals delivering services and the sharing of Welsh language capacity in corporate services. In this way, and in line with the Welsh Government's previous commitment, Local Authorities working together can be a catalyst for ambitious improvements in the standard of Welsh language services. There is also an opportunity for Local Authorities to come together to exploit digital technology to open up a wider range of services to delivery through the medium of Welsh.

2.4.3 Consideration of the implications for the Welsh language must be built into regional working arrangements as Local Authorities consider their role in the

delivery of *A million Welsh speakers by 2050*.⁶

- 2.4.4 *Language, Work and Bilingual Services*,⁷ the Report of the Working Group on the Welsh Language and Local Government was published in June 2016. A move towards greater regional working will enable many of the Report's recommendations to be taken forward. For example supporting a collaborative approach on leadership, making Welsh language a firm part of the regional economic development agenda will be important for the resilience of communities where Welsh is strong.
- 2.4.5 Many respondents to our consultation on the draft Welsh language strategy, *A million Welsh Speakers by 2050*, emphasised the need to take different approaches in different areas in terms of growing the numbers of Welsh speakers and promoting use of the language. At the same time, some respondents reminded us that as the nature of modern society changes and the way people live their lives change, we will need to understand how this has an impact on language use. For example, as people become increasingly mobile and as communication networks expand, there is a need for language planning to happen increasingly at a regional, as well as local level.
- 2.4.6 The proposed approach to regional arrangements set out in this paper will mean Local Authorities will need to consider how back office and administrative services can most effectively support regional working and create opportunities for the sharing of supporting services. Our aim to support resilience and renewal in local government includes consideration of how and when we should expect to develop shared approaches to supporting or administrative services. We recognise that supporting services would not necessarily need to mirror any new regional arrangements. Flexibility in our approach to regional arrangements, discussed in detail in section 2.7, will allow for consideration of different patterns for regional working. Some supporting and administrative services could be sensibly undertaken on a pan-Wales basis. We also see this as an area offering scope to integrate across public services, for example encompassing health or third sector systems.
- 2.4.7 Even where services remain local or are undertaken regionally, there are likely to be significant operational benefits and cost benefits as a result of adopting national common standards, for example in relation to cyber protection and technology delivery. The rapid development and uptake of cloud based solutions for the provision of key ICT services such as e-mail and data storage provides further scope for efficiency and cost savings. Working together to realise these benefits and building any new joint supporting services on cloud-based technologies is likely to secure greater economies of scale. Similarly, whatever scale a supporting service was being undertaken at, there are real opportunities to enable efficiencies by the adoption of open data standards to allow easy sharing and exploitation of data resources.
- 2.4.8 Local government has successfully introduced some shared back office services, for example, providing back office functions to a range of smaller organisations, shared legal services in West Wales, and local government pensions' services. But other opportunities to share services have been

⁶ <https://consultations.gov.wales/consultations/welsh-language-strategy>

⁷ <http://gov.wales/docs/dsjlg/publications/160644/language-work-bilingual-services-en.pdf>

explored, and not taken forward.

2.4.9 The KPMG report⁸ in June 2015 showed that variation existed in the cost per transaction for back office functions across different Local Authorities which could not be explained simply by reference to the nature of the service or the size of the Local Authority. It illustrated that establishing some form of back office shared service could secure significant savings above and beyond those which can be achieved by Authorities reviewing and rationalising their services to bring them into line with the high performers. It did not, however, set out a clear proposal for precisely how such extra savings would be achieved via a shared service arrangement. Nor did it consider other potential benefits in quality of service, ability to improve, expertise and resilience.

2.4.10 In discussions with Local Authorities there is general agreement that this is an area where progress has been inconsistent, and there is likely to be potential for improvements to efficiency, resilience and quality of some services. Whilst we broadly categorise what we mean by shared services later in this paper, the following are some suggestions of activities where service sharing might be taken forward (nationally or regionally):

- Technology platforms, to offer greater consistency as well as cost savings e.g. new Planning Portal, Community Care Information Service
- Specialist services where expert knowledge or skills can sometimes be in high demand and short supply e.g. internal audit; assurance around cyber threats and management, Welsh language and legal expertise, some finance functions, asset management.
- Joint or shared transactional services where processes are consistent or could reasonably be expected to be so e.g. council tax collection and wider revenue and benefits, payroll, transactional services that use the same IT systems.

2.4.11 There is also the example of the NHS Wales Shared Service Partnership (NWSSP) which provides a range of back office administrative services to NHS Trusts in Wales, resulting in cost reductions and efficiencies by introducing common processes and sharing good practice. This has taken time but it has delivered savings (the NWSSP annual report for 2015-16 describes more than £20 million in procurement savings in 2015-2016); improved services against key performance indicators (direct savings of £2 million have been returned to NHS Wales in 2015-2016, against a target of £1 million) and has taken on new functions and services by agreement as it has demonstrated success. At present, the NWSSP cannot provide services to organisations beyond the NHS but Welsh Government has previously consulted upon whether it should take a legislative opportunity to widen its scope to allow it to provide services to Local Authorities and others. There are also examples of local government led equivalent services.

2.4.12 Shared services can be broadly categorised into the following:

- Joint procurement - Examples of which are National Procurement Services and the electronic procurements system (e-PS)

⁸ <http://gov.wales/topics/localgovernment/publications/welsh-local-authorities-administrative-cost-review/?lang=en>

- Shared platforms - Example of which is Public Sector Broadband Aggregation
- Shared Service delivery - Examples of which are Archives Services and Regulatory Services
- Shared back office functions - Examples of which are NHS Wales Shared Service Partnership, Legal services in West Wales and ICT services

2.4.13 We are interested in views about where the greatest value is likely to come from in pursuing shared supporting services and how we can collectively make more rapid and deeper progress in this area to continue to secure even more efficient delivery of services as well as other wider benefits.

2.4.14 There is also an opportunity to look beyond Local Authorities and to develop solutions which integrate across public service providers. We are interested in views on where the opportunities lie for doing this. Modern technology offers opportunities for dispersed working but the employment changes which might follow greater concentration of shared supporting services would need to be consistent with our overall policy of supporting employment in those communities where this provides the greatest impact on local economies.

2.4.15 We recognise that sharing services has been an ongoing journey in Wales with some successes and some projects which have not delivered as planned. We are interested in views on the barriers to successful sharing of services and how these might be overcome. In particular, data sharing has already been flagged as part of our autumn engagement exercise and we are interested in the specific challenges it continues to pose and examples of how this has been overcome.

2.4.16 As part of these considerations, we need to understand how they could be enablers of regional working more generally.

Consultation Question 7:

The Welsh Government believes that some back office and transactional services ought to be organised and delivered regionally or nationally. Which services do you believe could best be organised and delivered in these ways?

Consultation Question 8:

The Welsh Government believes that overcoming data sharing issues is key to taking forward greater regional working of back office functions. What legislative obstacles have made progress on sharing services difficult? How have they been or could they be overcome? What challenges does data sharing pose?

Consultation Question 9:

The Welsh Government believes sharing more back office functions would be helpful. There are a number of options:

- *Enable the NHS Wales Shared Service Partnership for providing services to local government (and others)*
- *Establish a similar model to provide back office services to local government (and others)*
- *Establish an alternative model to provide back office services to local government (and others)*

Which do you believe would be most appropriate to best support regional working? Why? What other alternative models could work effectively and what steps could the

Welsh Ministers take to enable or encourage local government-led alternative models to be implemented?

- 2.4.17 One specific area, which has interests wider than local government, is the potential for better management and use of public sector assets through regional planning and governance. If the public sector is to maximise positive outcomes for people and communities and deliver value for money, its property asset resources must be managed with the same scrutiny and assurance already applied to the management of its financial resources. Public sector partners have many examples to offer of co-location and co-investment. Working together through the pan public sector National Assets Working Group they have also produced and endorsed some useful tools.
- 2.4.18 A more proactive collaborative asset management approach across the Welsh public sector offers the potential to integrate services (including estate management) to improve the customer experience and to create wider efficiencies. It also offers potential to rationalise the estate and improve the quality of public service assets by investing more in fewer shared physical assets. This will allow surplus assets to be included, sometimes in combination, in land release for new homes and employment-related development. A Pilot Study in the Cwm Taf PSB area has been exploring the potential benefits of this approach. The Welsh Government's Budget for 2017/18 includes £2 million new investment to carry out asset mapping across Wales.
- 2.4.19 The Welsh Government is keen to understand how local government and others, including Welsh Government, can work together better to make the best use of their collective assets. Barriers to this in the past have included knowledge of others' plans and opportunities. To support this work it is proposed that a 'Regional Asset Collaboration best practice toolkit' is developed.
- 2.4.20 Such an approach will require appropriate governance arrangements to ensure that collaborative behaviour is embedded in ongoing decisions related to service and estate planning. Given the links to the economy the larger economic footprints may be appropriate in order to successfully engage with the wider public sector and reap the potential benefits.

Consultation Question 10:

The Welsh Government believes that joint understanding and planning of public sector assets is essential to maximize their impact and that this requires regional mapping of estates assets and future intentions. How can this joint governance and decision making best be achieved? Is the larger economic footprint the right one?

2.5 Governance and Accountability

- 2.5.1 Our proposals for regional working will require different governance mechanisms to underpin them. This will ensure that collaborative behaviour is embedded in decision making, accountability and scrutiny. It will need to ensure that Elected Members remain at the heart of the decision making and scrutiny process. It will require flexibility and simplicity to be at the heart of the overarching governance arrangement.
- 2.5.2 A regional governance model will require that decisions which are being taken are in the best interests of people across the region, rather than within

individual local areas. The aim is that, overall, service provision improves as a result of this approach, for example by providing services which no one Authority could deliver alone or by making more effective use of scarce expertise. This might mean for example, that to have greatest impact on a particular issue, the region should allocate more resources to one Local Authority area than another. This may be controversial locally, but governance arrangements will need to be robust enough to make and be accountable for these difficult decisions. To ensure that regional functions can be undertaken effectively and that the accountability arrangements match the footprint on which the functions are being exercised, we propose placing a duty on those exercising the functions and those holding them to account to consider both the local and regional interest in undertaking their responsibilities.

- 2.5.3 Any accountability model at a regional level will need to ensure that there is clarity for local people, officers, Elected Members and other public service organisations about where decisions are being made and on the scope of those decisions. There needs to be clarity over which functions are being exercised where, and who is exercising them on what basis. There must be a clear process to delegate functions for regional decision-making within the framework which Welsh Government will provide. There must also be clear arrangements and real commitment from those exercising functions regionally to report back to their Local Authority and be held to account by its Members.
- 2.5.4 Citizens and communities will need to be clear about how they are able to interact with the regional arrangements in order to influence and contribute to decision making. These new arrangements will further enhance the role of Elected Members, who will have a crucial part to play in ensuring that the people they represent can navigate the new system and act as their advocates.
- 2.5.5 Welsh Government will provide a clear framework for making arrangements to hold those making decisions to account. Regional arrangements will need to be appropriately scrutinised to ensure effective performance and value for money are being delivered, and that better outcomes are being achieved at a regional level. There will need to be transparency, especially in those circumstances where things unfortunately go wrong.
- 2.5.6 We will provide a framework which allows for choices in how scrutiny is undertaken. There will be the option of continuing to undertake scrutiny in each of the constituent Principal Councils within a regional arrangement, or to establish a standing regional scrutiny committee, or to undertake regional scrutiny on a task and finish basis or to adopt a mix of these approaches. In undertaking scrutiny of a regional function, it is proposed that Elected Members should be under a duty to consider the regional interest as well as the interests of their particular Local Authority.
- 2.5.7 We also want Local Authorities to take the opportunity of new regional arrangements to develop smart scrutiny approaches. This means moving away from scrutinising the minutiae of day to day operations and focusing on where the major impacts for citizens are or on matters which are new or contentious. It also means adopting different approaches including using digital and other technologies and giving citizens a key role and real voice in the process.

- 2.5.8 There are a number of approaches which could underpin the new overarching arrangements for regional governance. These range from voluntary joint arrangements, the ‘traditional’ joint committee, through to new regional entities in which functions are vested and to whom budgets and staff move, for example a ‘combined authority’. In discussions with local government over the autumn, we have heard that the most appropriate model for regional governance is likely to be a strengthened joint committee. For the purpose of this White Paper this model is being referred to as a ‘Joint Governance Committee’.
- 2.5.9 A ‘Joint Governance Committee’ would build on existing and familiar joint committee arrangements, but would offer additional benefits, such as a requirement to ‘think’ regionally. The Welsh Government proposes setting out a common rulebook for the new ‘Joint Governance Committee’ in legislation to ensure consistency, so there is a robust, common platform from which everyone is working from. These provisions will provide the framework within which Local Authorities would be required to delegate authority to the ‘Joint Governance Committee’. We are proposing that once formed, constituent Local Authorities would be required to work together on this basis, they would not be permitted to ‘walk away’ from the obligation to carry out regional decision making.
- 2.5.10 We propose that the members of any ‘Joint Governance Committee’ would be the locally Elected Member with responsibility for the functions being exercised by that Committee. We envisage that there might be more than one ‘Joint Governance Committee’ per region, depending on the footprint on which functions were exercised or, alternatively, that a single ‘Joint Governance Committee’ might establish a number of Sub-Committees with responsibility for specific functions and services.
- 2.5.11 Where a ‘Joint Governance Committee’ is exercising functions in multiple service areas or which touch on the interests of more than one portfolio holder, there will be flexibility to either allow one Member to represent the interests of their Local Authority as a whole or for both to be represented, providing matching levels of representation are provided by the other Local Authorities within the ‘Joint Governance Committee’.
- 2.5.12 Similarly, we intend to develop a common framework to support pooling of budgets in pursuit of the functions exercised by ‘Joint Governance Committees’. This framework will be developed in partnership with local government, in common with the way the rules governing the general local government settlement are developed together.
- 2.5.13 Based on our discussions with Local Authorities, it is proposed that the Welsh Government sets out a framework for ‘Joint Governance Committees’, this will include:
- **membership arrangements** – our proposal is that the membership of the ‘Joint Governance Committee’ should be made up of the Elected Member or Members with responsibility for the function(s) being exercised, with the proviso that each Local Authority must have equal membership
 - **delegation of functions** – our proposal is that we will prescribe the functions which must be exercised regionally by the Local Authority. The delegation process will therefore be about providing clarity and

transparency for Elected Members and the public about to whom the delegations are made in each Local Authority and the accountability which has been put in place to hold them to account, there will be no option to refuse to delegate

- **voting arrangements** – our proposal is that each Local Authority will have equal representation and voting power on any ‘Joint Governance Committee’
- **funding flows** from Local Authorities to the ‘Joint Governance Committee’ – our proposal is that we will provide a mandatory framework for this and develop it in partnership with local government
- **scrutiny arrangements** – we will provide a range of options for the approach to scrutiny and ensure that those undertaking scrutiny have a duty to consider the regional as well as the local interest.

2.5.14 We will work with the WLGA and SOLACE to establish an independent task and finish group to help us to develop the statutory framework within which the ‘Joint Governance Committee’ will operate. There is already a range of existing legislation which enables or requires joint working in respect of the functions set out above. In light of our aim to create a simplified, flexible and consistent form of regional governance which has democratic decision making at its core, we will ask the task and finish group to consider this legislation and whether it should be used as part of the framework, in conjunction with it or whether it should be repealed and replaced.

2.5.15 Our vision for these new arrangements is that they will evolve over time and the level of joint working and the scope of what is undertaken regionally will be able to grow.

Consultation Question 11:

The Welsh Government believes a strengthened joint committee (a ‘Joint Governance Committee’) offers an appropriate governance model for regionally delivered services and intends to set out a framework for local government to use to deliver this. What should the democratic accountability and scrutiny arrangements be for such a model? Should each participating Local Authority have equal voting rights or should they be weighted in some way?

2.6 Regional Footprint(s) Arrangements

2.6.1 The picture of regional arrangements for local government is complex. There is general alignment of arrangements in some parts of Wales, for example in North Wales and Gwent, but there is greater diversity of arrangements elsewhere. These arrangements have evolved in this way for a range of reasons and one of the key pieces of feedback from the engagement with Local Authority Leaders and Chief Executives was a real desire to simplify these arrangements and reduce the demand on the time of Elected Members and officers in participating in a range of often overlapping or partially duplicatory collaborative arrangements.

2.6.2 On this basis and reflecting the views expressed on possible approaches to a rationalised set of footprints, two footprints were highlighted as potentially appropriate to mandate for the exercise of regional functions in the Cabinet

Secretary for Finance and Local Government's October Oral Statement⁹. These were the 'economic development' footprint (that is something based around the current City Regions and the North Wales Economic Ambition Board footprint) and the current Local Health Board footprint.

- 2.6.3 Since then, we have been engaging on the detail of how the proposed new arrangements for regional working might operate. It has become clear that there are practical reasons why such a simple approach might not offer the maximum advantage and that some flexibility would be beneficial. The challenges are greater in some parts of Wales than others because some have a greater diversity in existing arrangements. In some cases, simply mandating the health footprint might involve disaggregating existing, larger collaborative arrangements (for example, the Education Consortia) or breaking up functioning shared service delivery (for example, Bridgend, Cardiff and the Vale of Glamorgan's Shared Regulatory Service.) Neither of these outcomes would be desirable.
- 2.6.4 Under current arrangements, Bridgend provides social services as part of a wider partnership with Neath Port Talbot and Swansea. These arrangements have taken some time to develop and are working well. However, for other services, Bridgend works in different combinations most notably for education improvement where it forms part of the Central South Education Consortium. Bridgend is also part of the Cardiff Capital Region.
- 2.6.5 The proposals present an opportunity to look again at the position of Bridgend and whether consistency could be promoted by rationalising the pattern of regional services in which Bridgend is currently involved.

Consultation Question 12:

The Welsh Government believes that in order to put in place arrangements which reduce complexity for Authorities and their partners the position for Bridgend needs to be considered. Although Bridgend is fundamentally concerned in this, other partners including other Local Authorities and the Local Health Boards also have valid interests. We are therefore seeking views on how best to address the issues set out here.

- 2.6.6 During our autumn engagement a number of Leaders and officers have pointed to the benefits of flexibility and having the ability to work together at sub regional level (for example within the North Wales footprint) or to work together where there is commonality of demographics or of place (for example across cities in South East Wales).
- 2.6.7 These considerations are finely balanced and we have identified four potential approaches to the footprint question:

Option 1: Mandating prescribed footprints for regional working

- 2.6.8 Welsh Government would require regional working by specifying what functions had to be exercised on which footprint. This is the original approach arising from the discussions in the summer based on the 'economic development' footprint and Local Health Board boundaries and would be the most rigid approach. It would have the advantage of clarity and simplification.

⁹ <http://www.assembly.wales/en/bus-home/pages/rop.aspx?meetingid=3994&language=en&assembly=5&c=Record%20of%20Proceedings&startDt=04/10/2016&endDt=04/10/2016#427466>

Greater flexibility could be provided by allowing building blocks of footprints to be combined to support the delivery of specific services across a wider area. For example, a regional collaboration which spanned two Local Health Board boundaries.

Option 2: Mandating a framework

2.6.9 This option would offer the greatest flexibility and would see Welsh Government requiring regional working for specific services, but without specifying the footprint on which it had to take place, which would be left to local determination. Welsh Government would provide a framework within which that local determination would be made. For example, this could involve specifying a minimum number of Local Authorities that need to be part of a regional arrangement or requiring the Local Authorities have regard to certain things, such as Local Health Board boundaries.

Option 3: A framework and a footprint

2.6.10 An alternative approach is where for some functions a footprint would be prescribed, for example transport planning and strategic land use planning might be prescribed to take place on an economic development footprint. However, for other functions, such as public protection, regional working arrangements would need to comply with the framework for regional working, for example, a minimum number of Local Authorities working together, and / or consideration of Local Health Board boundaries.

Option 4: Deliberatively Regional

2.6.11 Another variant on requiring regional working might be one where Welsh Government would engage in a deliberative process with local government to determine the appropriate footprint for each service / function and the footprints would be made mandatory at the conclusion of that process.

2.7 Preferred Approach

2.7.1 Having considered the feedback we have already received on this important issue and undertaken our own assessment of the options, our preferred approach is Option 3. We believe that this hybrid approach offers an appropriate balance between requiring more systematic working and sufficient flexibility to allow Local Authorities to come together to put in place arrangements that best suit local circumstances.

2.7.2 There was a broad welcome for mandating an 'economic development' footprint. We propose that this footprint should be based on the WLGA regions, which are broadly coterminous with the existing economic development areas: Cardiff Capital Region, North Wales Economic Ambition Board and the Swansea Bay City Region. Our expectation is that the distinct set of arrangements that are already in place for Growing Mid Wales and the Swansea Bay City Region would continue under the umbrella of the Central and South West Wales 'Joint Governance Committee' area.

2.7.3 We anticipate, subject to feedback as part of this White Paper consultation, that this 'economic development' footprint would be mandated to undertake transport planning, certain strategic land use planning functions and economic development on behalf of their constituent Authorities. We will provide flexibility in how these arrangements must work to ensure that the scope of the current City Deal arrangements could be maintained, which would be a particular consideration in expanding the Swansea Bay City Region.

- 2.7.4 For the other functions identified in section 2.3, the specific footprints to be adopted will be determined by the constituent Local Authorities, within a framework which would guide that determination with a view to removing overlap and promoting simplicity as far as possible.
- 2.7.5 To facilitate the decision making on how other regional arrangements should be organised, the overarching 'Joint Governance Committee' operating at the 'economic development' footprint level would have oversight of the establishment of any sub-regional arrangements and would oversee their working arrangements. We propose that the overarching 'Joint Governance Committee' is required to put in place and monitor the governance arrangements for the region and ensure the efficient and effective delivery of those services and achieving outcomes for the region.
- 2.7.6 There are some functions where there are already well established regional arrangements which would mean working across these boundaries, for example the Western Bay Adoption Services, or where the six North Wales Authorities work with Powys on Minerals and Waste Joint Planning. We would not require these working arrangements to be changed, however, we would expect that the governance of these arrangements was considered by the respective 'Joint Governance Committees' to ensure robust governance arrangements were in place.
- 2.7.7 Equally, there may be opportunities for working across regional footprints where that is the right approach. For example, the *Language, Work and Bilingual Services*,¹⁰ Report recommends that a linguistic-economic strategy is developed for the counties of Anglesey, Gwynedd, Ceredigion and Carmarthenshire. Flexibility in regional working arrangements would allow for such an approach to be considered.
- 2.7.8 In considering the current and future needs of local people and communities, Local Authorities may consider voluntary mergers (discussed in Section 3). When considering voluntary merger proposals, consideration will need to be given to the impact on economic development footprints.
- 2.7.9 Our proposals represent an evolution of existing arrangements but one which puts them on a clear, consistent basis. Our autumn engagement, and proposals from the WLGA have indicated that there might be a desire to take governance arrangements further to improve outcomes in the future. It has been suggested that Welsh Ministers pursue legislation that would enable the creation of Combined Authorities in due course where there was a robust case. We are proposing that such provision could be made alongside provision for the proposals for 'Joint Governance Committees' to be used as and when they were required by local government to further their objectives.
- 2.7.10 We propose that a review of these new regional arrangements is undertaken after the legislation is implemented to track progress in bringing about change and to consider the effectiveness and efficiency of the new arrangements.

Consultation Question 13:

The Welsh Government believes that 'Option 3: A framework and a footprint' is the most appropriate model for future regional working.

¹⁰ <http://gov.wales/docs/dsjlg/publications/160614-language-work-bilingual-services-en.pdf>

- *What are your thoughts on the proposed mandatory economic development footprint for 'Joint Governance Committees'?*
- *How could a framework approach for sub-regional working in other services areas operate in practice?*
- *Is it appropriate for there to be flexibility for regional working to cross economic development boundaries in exceptional circumstances? Which circumstances would they be?*
- *How should the governance arrangements at the mandatory economic development 'Joint Governance Committees' have oversight of sub regional working?*

Consultation Question 14:

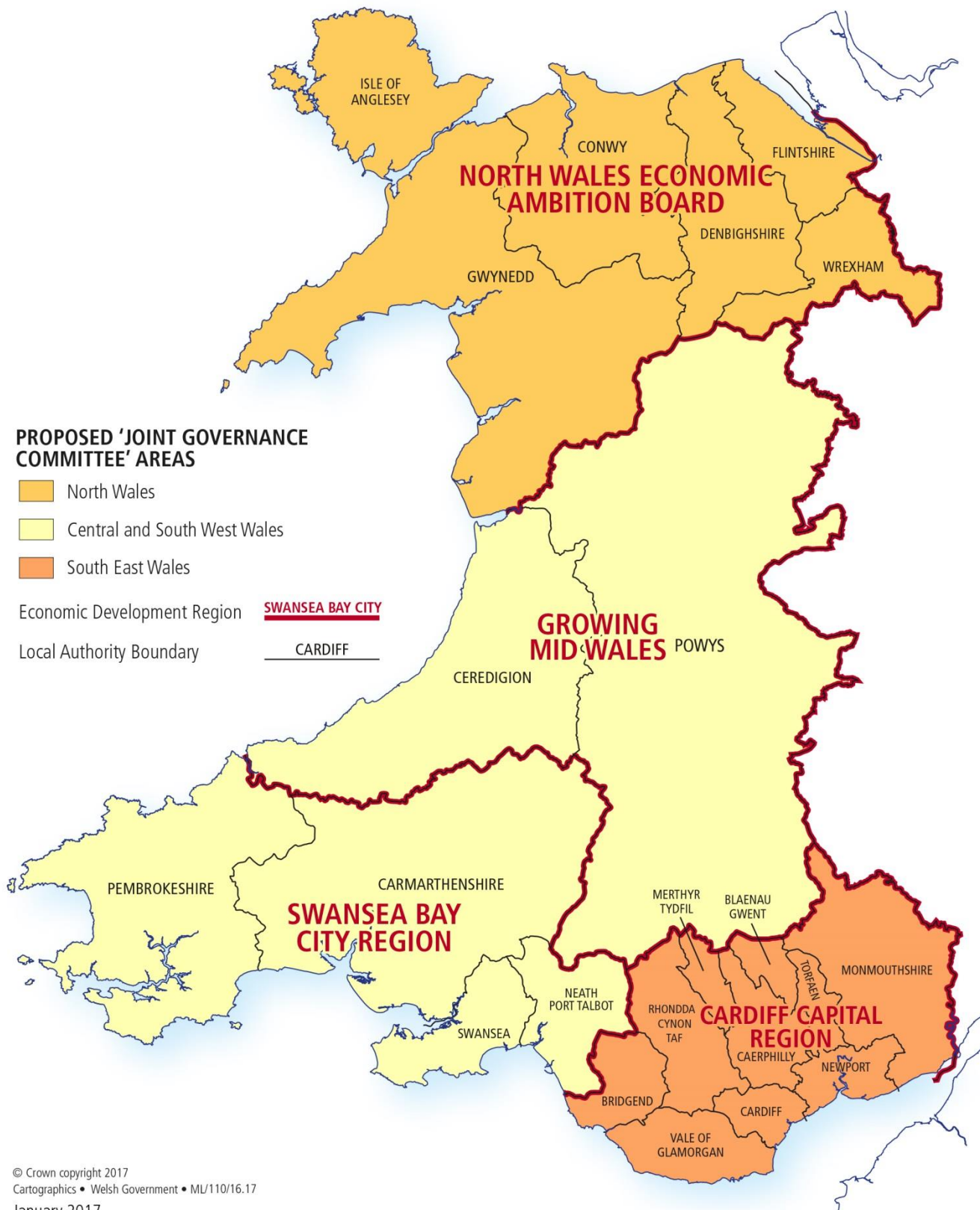
The Welsh Government would welcome comments on the appropriateness of seeking powers to create a Combined Authority. In particular, views on what minimum expectations there should be in considering the appropriateness of creating a Combined Authority are welcomed.

2.8 Funding Regional Arrangements

- 2.8.1 The Welsh Government has protected the funding for local government. However, the financial outlook for public services continues to challenge us all. Levels of financial support are unlikely to increase significantly in the future – difficult financial outlooks are, unfortunately, the new norm. Coupled with this are continuing cost pressures on all our budgets; increasing demand for many services; and tough economic challenges. As a consequence, local government continues to voice concerns about less headroom in budgets to deliver services and, importantly, to invest in improvement and new transformative delivery models. We must therefore continue to look at the funding arrangements to ensure they remain fit for purpose as services evolve.
- 2.8.2 Any regional funding arrangement will need to be as simple as is practicable, offering flexibility to suit different functions, different roles and remits, and different footprints. The arrangements need to be able to flex to support an emerging model. Importantly, regional funding arrangements must be transparent. The flow of finance between public bodies must be understandable to citizens, to Government, to the regulators and to local government itself. A range of possible funding models exists including precepting, levying, grant funding, recharging and pooled budgets. In discussions with local government, pooled contributions from the constituent local authorities has emerged as the most practical solution.
- 2.8.3 Local Authorities and other public bodies already finance a number of collaborative arrangements. Principal authorities pool resources to support collaborative working and it is a funding model which is well-established, with minimal barriers and a high degree of flexibility. The majority of existing Joint Committees identify a lead Local Authority in relation to finance and this arrangement appears appropriate within a regional context. We intend to build on the existing arrangements where these work best, rather than add complexity by imposing a new and complex funding model.

WALES

Proposed 'Joint Governance Committee' Areas



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January 2017



- 2.8.4 We propose that a mandatory financial framework is developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent local authorities.
- 2.8.5 The amounts to be pooled would be determined by local agreement, providing local government with the flexibility and autonomy to make this work. A crucial feature of this model is that the constituent authorities agree the levels and apportionment of funding for the functions to be carried out regionally. The ability of authorities to reach and adopt such funding agreements will be fundamental to their success in working together to deliver functions on a regional basis. It is proposed that the framework also provides for a default arrangement which would be invoked where local agreement is not reached. As part of developing such a framework in partnership with local government, consideration will need to be given to where the legal authority to spend public money sits within a regional arrangement. For example, many collaborative arrangements include legal agreements between Authorities to confirm that when a lead Authority acts, it is acting on behalf of the others so that the financial liability does not fall to a single Authority.
- 2.8.6 In contributing financially to regional expenditure, Local Authorities would need to take this into account in their annual budget setting process and in relation to their statutory duty to set a balanced budget. This will require early discussions on the level of regional expenditure and the local contributions needed. It would be appropriate for each 'Joint Governance Committee' to produce a Medium Term Financial Plan (and associated medium term delivery plan), so that Local Authorities can forward plan their finances. We believe that to offer transparency to the public, any regional arrangements should be required broadly to balance income and expenditure in-year. Consideration will be given as to whether a limited reserves facility would be practicable.
- 2.8.7 Existing collaborative arrangements (under a Joint Committee) are subject to formal accounting and audit requirements. We do not see a need to change these requirements. The Chief Finance Officer (Section 151 Officer) has an important role in securing the best value for public money and driving efficiencies. The Chief Finance Officer has particular statutory duties and a fiduciary responsibility to the taxpayer. The Chief Finance Officer (and the Monitoring Officer) has a role in advising whether particular decisions are likely to be contrary to the policy framework or budget of the Council. Many Chief Finance Officers also undertake this role for particular services or collaborative arrangements. The nature of this role in the context of greater regional working will be the subject of detailed discussions with local government in developing the financial and governance frameworks.

Consultation Question 15:

The Welsh Government believes that a mandatory financial framework should be developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent Local Authorities.

- *Should the expenditure of 'Joint Governance Committees' be met by constituent Local Authorities, in proportions to be agreed locally, to ensure the most flexible approach?*
- *Should the framework provide for a default position if local agreement cannot be reached, and how such a default position might be triggered?*

- *What further considerations might relate to, or need to be included in, a financial framework?*

2.9 Wider Reforms to Finance

2.9.1 The Welsh Government also wishes to explore more wide-ranging reform of the local government finance system, to meet our aims of improved sustainability of services and of greater fairness for Wales' citizens and businesses. The future role for local government outlined in this White Paper has a bearing on the wider changes which can be made to the finance system. A separate statement has been published 31st January 2017 setting out more detail on the areas intended to be explored. The Welsh Government will consult on proposals as they are developed.

2.10 Workforce Matters

2.10.1 The most valuable asset of the public service is its workforce. For public services to thrive in the future we must nurture and develop our staff to ensure they have the capacity and capability to adapt to the changing needs of our society and to continue to deliver excellent public services.

2.10.2 Attracting and retaining our best talent is critical to driving the transformational change to which we aspire, and people need interesting and varied opportunities if they are to commit to a career in public services. In order to maximise the opportunities available to individuals, Wales needs to develop a public service that enables staff to develop flexible careers across the whole service, sharing experiences and ways of working. This will mean that public services are better able to work together to support effective service delivery.

2.10.3 Establishing resilient services is paramount to the future of local government. Issues of capacity and scale affect many parts of local government and the wider public sector, specialist skills will need to be shared and technical expertise utilised collaboratively across organisational and sectorial boundaries. There are a range of organisations already working collaboratively to do this.

2.10.4 No single workforce model has been adopted by these organisations. Some have chosen to leave staff where they are and manage across a number of different employers. Others have chosen to transfer staff or to create a single shared staffing structure. Some have chosen to harmonise terms and conditions, whilst others have retained separate terms and conditions to manage staff across multiple organisations. Following the single status agreement, the job evaluation and grading process was individually undertaken by local government. This has provided consistency within organisations, however inconsistencies continue to exist across local government as a whole. Local government has the opportunity to develop greater standardisation of approach, where appropriate, to workforce matters to smooth the path to regionalised working, whilst ensuring that the equalities secured by individual Local Authorities through enacting the single status agreement, are not lost.

2.10.5 The Public Services Staff Commission will no longer be made a statutory body and will be brought to a close in March 2018. Until then, it will continue to provide advice on workforce matters under the strategic direction of the

Workforce Partnership Council. In coming months, the Workforce Partnership Council will be subject to a wider review, coproduced by social partners working together. The purpose of this review will be to ensure the Workforce Partnership Council has clear roles, responsibilities and tripartite structures and is well placed to drive social partnership working in Wales within the changing context outlined in this White Paper.

- 2.10.6 In August 2015 a task and finish group of the Workforce Partnership Council was established to focus on workforce planning and mobility. The work of this group is ongoing. There may still be a need for Welsh Government Ministers to provide statutory guidance on matters such as approaches to recruitment, retention, workforce planning, performance management.
- 2.10.7 The proposals around regional working, if accepted, will affect the local government workforce. Matters around how we can maximise the opportunities of regional working for the local government workforce, and mitigate any potentially negative effects, will be brought to the Workforce Partnership Council.
- 2.10.8 The previous consultation provided mixed views on the value of Welsh Government having such a statutory guidance making power. Annex One sets out a brief summary of previous proposals and their current status. We believe that to support organisations to move to a more consistent and regional approach to delivering services it may be helpful to have the ability to issue statutory guidance where there is an identified need. Welsh Government's intention would be to only issue guidance on workforce matters where it will enhance the development of national or regional delivery of public services.

Consultation Question 16:

The Welsh Government believes that to support organisations to move to a more consistent and regional approach to delivering services it will be necessary to issue statutory guidance where there is an identified need. Do you agree or disagree? If you agree, what types of advice, guidance and support on leadership and workforce matters might lead to greater local, regional and national consistency?

2.11 Public Services Boards

- 2.11.1 People's lives don't stop at geographical or service boundaries. Public services need to work together behind the scenes to ensure seamless services for citizens. Public Services Boards have a unique role in bringing together the wider public service to improve the economic, social, environmental and cultural wellbeing of their areas. In other words, to make a visible difference for citizens. The work that is already underway must continue at pace in order to support regional working.
- 2.11.2 The reform of local government, and a requirement for Local Authorities to work increasingly on a regional basis, will have broader implications for public service partners and Public Services Boards.
- 2.11.3 Local Authorities will be asked to come together to exercise functions on a regional basis. This will mean Public Services Boards, in bringing together the key public service partners, will have to consider how they work with the new regional arrangements. They will also need to give consideration as to whether it would be appropriate to organise themselves to reflect new regional arrangements.

2.11.4 There are already extensive powers for Boards to work together on a larger footprint. The legislation also allows for Public Services Boards to merge, based on the Local Health Board footprint. It may be appropriate to amend this legislation allowing for greater flexibility in the merger (and where necessary de-merger) of Boards to allow them to accommodate different regional footprints.

Consultation Question 17:

The Welsh Government believes it would be helpful if Public Services Boards could collaborate or merge across Local Health Board Boundaries. Do you agree or disagree? Why?

Consultation Question 18:

The Welsh Government believes Public Services Boards should be allowed to de-merge as well as merge. Do you agree or disagree? Why?

3. VOLUNTARY MERGERS

- 3.1.1 In considering the current and future needs of local people and communities, Local Authorities must give serious thought as to how best to organise themselves to maximise the impact they can have. Despite greater regional working, it may be that Local Authorities choose to come together in to a single larger Authority to better deliver for local people.
- 3.1.2 This will require Local Authorities to develop a robust proposal for structural change. The Welsh Government will not set out a long list of specific criteria that a proposal must meet; the rationale and circumstances for voluntary merger will be different in each case, and Local Authorities must have the flexibility available to them to bring forward proposals in different circumstances. But those committed to the merger process will need to be clear as to the opportunities and benefits, in both the short and medium term. Therefore, the Welsh Government believes it is reasonable for there to be a set of minimum expectations that should be met in considering the appropriateness of voluntary merger.
- 3.1.3 In developing proposals for merger, account would need to be taken of the ongoing resilience of the organisations, effective delivery of services and outcomes for local people, and the proposed future financial position. Proposals should deliver sufficient benefits to people and communities to warrant the merger. The case for change should be built together, by the Local Authorities, and their local stakeholders. As with the previous voluntary merger prospectus and the Local Government (Wales) Act 2015, we would require, any proposal to be consulted upon locally. This includes consultation with local people, staff (and any representative bodies), and other public service partners. Any final proposal to merge would need to be subject to a successful resolution by the full Council of all of the merging authorities.
- 3.1.4 A proposal for voluntary merger will need to be developed in dialogue with Welsh Government. This will enable Welsh Government, and others, to provide appropriate support. Discussion and cooperation will be crucial to ensure a workable timetable and the proposal is fit for purpose in the longer term.
- 3.1.5 Once a final merger proposal is put forward, the Welsh Government would need formally to accept it. Welsh Government would then ask the Local Democracy and Boundary Commission for Wales to undertake an electoral review of the proposed new authority area and bring forward regulations enabling merger to happen. Such regulations would require approval from the National Assembly for Wales. It is possible that more than one merger proposal could be brought forward at any one time, and that the regulations required may be different to reflect the different needs of merging bodies. Such regulations are likely to cover:
- the transfer of staff, assets and liabilities
 - details on elections
 - the setting up of transition committees and the shadow Local Authority
 - the implementation of any statutory transactions regime as necessary

- 3.1.6 It may be helpful to issue guidance on these issues, and as such Welsh Government intend to take guidance making powers with regards to voluntary merger.
- 3.1.7 Welsh Government will need either to seek new powers in order to give effect to voluntary mergers or to amend the existing legislation allowing for voluntary mergers which is contained in the Local Government (Wales) Act 2015 (the 2015 Act). The powers in the 2015 Act allowing for voluntary merger were linked to a strict timetable for the then proposed merger programme. They cannot now be used for voluntary mergers which would take effect after 1 April 2018, hence the need for new legislation or to amend existing legislation.

Consultation Question 19:

The Welsh Government would welcome comments on what minimum expectations there should be in considering the appropriateness of voluntary merger.

4. A FRAMEWORK FOR LOCAL LEADERSHIP

4.1 Shared Expectations

- 4.1.1 The goals and ways of working set out in the WFG Act are the vision for the future within which we all must work. The Welsh Government needs to ensure it is providing the framework that local government needs to deliver excellent public services to local people and communities. We are clear that our 'ask' must be different. Welsh Government should set the broad strategic framework within which local government works to deliver the outcomes that we are collectively trying to achieve. This is a different relationship; it is one based on mutual respect and trust. It is an open and ongoing dialogue around shared problems. It requires maturity on both sides.
- 4.1.2 In '*Taking Wales Forward*'¹¹ the Welsh Government commits to changing the relationship between Welsh Government, the WLGA and local government. To this end the Welsh Government, working with local government, will refresh the Local Government Partnership Scheme which sets out the principles that the Welsh Government and local government will use to work together for the citizens of Wales. We remain committed to reducing unnecessary burdens on the public sector and business. Welsh Government are committed to increasing funding flexibilities for Local Authorities and are working closely with local government to ensure the most appropriate delivery mechanisms for future funding, this includes looking at transferring further grants into the Revenue Support Grant. This goes beyond the public service, for example, the Cabinet Secretary for Economy and Infrastructure is considering the range of panels, bodies and groups that are engaged in providing advice across the business and economy landscape with a view to simplifying arrangements.
- 4.1.3 Welsh Government will provide the framework within which local government can operate best to meet the current and future needs of individuals and communities. This framework must be flexible, offering a menu of choices to allow local government to operate in ways that best meets local needs. In turn, local government must work with local people and communities to shape a shared future.
- 4.1.4 The Welsh Government must be clear on what outcomes it expects local government to deliver. Sometimes this will mean delivering outcomes in a consistent way, for example setting minimum standards. On other occasions this could mean creating consistency in governance arrangements to ensure there is transparency in decision making, so local people can understand how and where decisions are being made.
- 4.1.5 As part of developing these new proposals for local government reform we have sought the views of Leaders, Elected Members, Chief Executives, local government officers and the wider public service. We are committed to an ongoing relationship where we are open about the challenges we collectively face and where we work together, as one public service, to meet those challenges. Shared leadership will require trust, a willingness to work together and to compromise, as well as a mutual appreciation of our respective but distinctive roles in improving outcomes for people in Wales.

¹¹ <http://gov.wales/docs/strategies/160920-taking-wales-forward-en.pdf>

- 4.1.6 Part of Welsh Government's commitment to this will include looking to reduce performance reporting requirements, including plans, annual reports and strategies. We will ensure this approach is reflected in the legislative proposals brought forward in a new Local Government Bill. But we will also work with colleagues more broadly across Welsh Government to remove unnecessary burdens put on local government. We will continue to consider the use of specific grants, seeking to offer as much financial flexibility as possible for local government to work within.
- 4.1.7 We remain committed to providing a general power of competence to Local Authorities and those Community Councils which meet minimum criteria. This will allow local government to do more, being more innovative and flexible in their approach. Local Authorities will be able to use this power to work with others to provide cost-effective services and facilities in new ways to meet the needs of local communities. A Council could lend or invest money; or set up a company or co-operative society to trade and engage in commercial activity. Use of the power is not restricted to the geographical area of the authority or for the benefit of its residents. It offers Local Authorities a breadth of opportunity to innovate, and local citizens must be part of this joint enterprise.

4.2 Distributed Leadership

- 4.2.1 Everyone has some leadership responsibilities. Faced with a problem to be solved, the first question any employee of local government should ask "What contribution can I make to resolving this matter?" A full resolution will then involve contributions from others, working together. This form of distributed leadership is the antithesis of an approach which invites employees always to pass problems higher and higher up hierarchical management structures.
- 4.2.2 Effective leadership will be key to enabling and delivering these changes. Not only is there a corporate responsibility for leadership. There are also expectations on individuals, Elected Members and officers, to take responsibility for leading. This goes way beyond any legislation or guidance that Welsh Government or others may produce. This is an ethos; a commitment to developing learning organisations, where the needs of local people and communities are put at the heart of decision making and our approach is based on a co-productive relationship. We have already set out the values we expect all public services, including Welsh Government, to embody through 'One Welsh Public Service'.¹² These values are set within the context of the Well-being of Future Generations Act and articulate some of the behaviours we would expect leaders at all levels to display in their daily working.
- 4.2.3 To support Local Authorities to build on this we will pursue a requirement for Leaders to undertake objective setting with Cabinet Members. As a result of feedback received during the previous consultation this will be amended to a minimum of twice during an election cycle, although Leaders can choose to do this more frequently. As previously proposed, we will place a new duty on leaders of political groups to promote good standards of conduct by their members and to co-operate with Standards Committees in exercising their functions. Where appropriate, Standards Committees will hear cases of

¹² <https://academiwales.gov.wales/pages/one-welsh-public-service>

alleged failure by members to perform prescribed performance duties, as well as breaches of the member code of conduct.

Consultation Question 20:

The Welsh Government would welcome comments on any of the proposals set out previously in the draft Local Government Bill and associated consultation paper, Annex One refers.

4.3 Performance and Improvement

4.3.1 Part of our plans to give local government the framework to lead includes an ongoing commitment to changing performance management arrangements. Welsh Government intends to repeal Part 1 of the Local Government (Wales) Measure 2009 (“the 2009 Measure”) for all ‘Improvement Authorities’.¹³

Fire and Rescue Authorities

4.3.2 The fire and rescue services in Wales have a track record of delivery. They have reduced fires and fire casualties by over 50% since responsibility was devolved in 2004. They also have a long history of regional working, having operated on that basis since 1996. In that sense, they already represent an example of the broad approach which this White Paper proposes for other Local Authority services.

4.3.3 However, Fire and Rescue Authority governance and funding arrangements do not generate sufficient accountability, for instance, Council leaders and cabinet members are generally not members. There is also no separation between executive and scrutiny functions, and budgets are set without any formal external challenge or control.

4.3.4 To correct this, and to ensure that fire and rescue services are properly integrated with other regionalised services, it is proposed that Fire and Rescue Authorities will change their governance arrangements so that their membership will resemble that of Joint Governance Committees, and budgets would be set on a pooled basis by agreement. This would not change the role, number or boundaries of Fire and Rescue Authorities, or their existence as separate organisations empowered to employ staff, spend money and exercise functions on their own account.

4.3.5 As part of the new Bill it is proposed that the 2009 Local Government Measure will no longer apply to Fire and Rescue Authorities from the same date as Local Authorities. They will not be subject to the new improvement and performance regime set out for Local Authorities. A full consultation will be undertaken in due course as to the new governance, funding and performance management arrangements for Fire and Rescue Authorities.

National Park Authorities

4.3.6 The Future Landscapes Wales programme, chaired by Lord Dafydd Elis-Thomas AM, was established in October 2015 and involves representatives of the National Parks, Areas of Outstanding Natural Beauty, interest groups and business. It was initially tasked to explore the Marsden Report on the Review of Designated Landscapes in Wales and consider the case for reform.

¹³ Improvement Authorities are: Local Authorities, the National Parks and the Fire and Rescue Authorities

- 4.3.7 The Marsden Report recommended that “*The Welsh Government should reduce the disproportionate regulatory burden on National Park Authorities that is designed for larger and more complex Local Authorities.*” This view is endorsed by Future Landscapes Wales which is advocating that work should begin immediately to develop a proportionate approach to planning and performance reporting which discharges duties under the Well-being of Future Generations Act and can be adopted as substitutes or supplements to the other statutory reporting requirements.
- 4.3.8 As part of the new Bill the 2009 Local Government Measure will no longer apply to National Park Authorities from the same date as Local Authorities. They will not be subject to the new improvement and performance regime set out for Local Authorities. An alternative approach will be developed tailored to the needs and size of the National Park Authorities, but consistent across all three.

Consultation Question 21:

The Welsh Government believes that Part 1 of the Local Government (Wales) Measure 2009 should be repealed for all ‘Improvement Authorities’. Do you agree? Why?

Local Authorities

- 4.3.9 Following positive feedback, Welsh Government remains committed to changing the performance framework to one that is guided by the principles of the WFG Act and informed by good governance principles. Local Authorities will be required to secure good governance (as set out by the CIPFA good governance framework)¹⁴ and in doing so take part in self assessment and peer review. Local government, working with its partners and with constructive external challenge, is best placed to understand how to build and deliver excellence within the sector, for the sector. The provisions in the Draft Bill allow for flexibility in how Local Authorities approached self assessment and peer review. We remain committed to local ownership of performance and giving Local Authorities choice in how they deliver improvement.
- 4.3.10 Our expectations of Local Authorities to take greater responsibility for their improvement journey remains. Welsh Government intends to require Corporate Governance and Audit Committees to take a greater role in challenging the performance of their Local Authority area, ensuring Elected Members are at the heart of driving improvement.
- 4.3.11 Audit, inspection and regulation bodies also have a role to play in enabling local government to achieve more for local people. Welsh Government remains committed to asking these bodies to work together more effectively and also work more closely with Authorities to support better outcomes for citizens.
- 4.3.12 As previously set out, Welsh Government will retain a power of intervention, and the ability to commission and act upon the findings of independent governance reviews, where there are concerns. This is in addition to intervention arrangements under service specific areas.

¹⁴ <http://www.cipfa.org/policy-and-guidance/standards/international-framework-good-governance-in-the-public-sector>

5. LEADING LOCALITIES

5.1 Working in Partnership with People

- 5.1.1 Local government has a key role in helping communities to define the futures to which they aspire. This isn't just about organisations working with each other when there is crisis; but about how they work together *with* their communities to prevent crisis. Co-production with citizens must be at the heart of this. There are legitimate roles for local communities (whether through a Community Council and/ or community groups), Local Authorities, regional bodies, and national Governments in 'place shaping'.
- 5.1.2 In shaping the future for communities in Wales there needs to be a golden thread that links community level aspirations with national goals. The Well-being Goals set that framework. To make this golden thread a reality requires close working between Community Councils, Local Authorities, other public bodies and Public Services Boards, and any regional arrangements. The challenge will be to all head in the same direction, without unnecessary duplication. Working in partnership to maximise outcomes for people and communities; ensuring that organisations are undertaking the most impactful activity given their skills, expertise, and remit.

5.2 Role of Councillors

- 5.2.1 Our proposals for local government reform put Councillors at the heart of the process, leading their local communities. Local Councillors, whether sitting on Community Councils or Local Authorities, are critical in advocating for communities and individuals. They are elected to represent their communities, speaking up for their ambitions and aspirations, but also holding to account those responsible for decisions around and delivery of services, ensuring that services meet the needs of local people and communities.
- 5.2.2 Councillors must represent their communities, but they should also be representative of their communities. Our aim is to promote greater diversity amongst those who stand for election. To strengthen this connection we are taking steps to increase diversity among those who stand for election and encourage greater participation in local democracy.
- 5.2.3 We have been working over the last three years to create a diverse pool of candidates for the local elections later this year. Since the publication of the McAllister report "On Balance"¹⁵ in 2014, the Welsh Government has led the Diversity in Democracy campaign. As well as encouraging political parties to commit themselves to selecting candidates from under-represented groups in winnable seats, the campaign has included the recruitment of around 50 mentees, who have shadowed existing Councillors.
- 5.2.4 We will use evidence from the WLGA's exit survey on Councillors standing down this year, the candidates' survey of all those standing for election this year, and the evaluation of our Diversity in Democracy programme to examine how the profile of Councillors changes in 2017 and give consideration to what more needs to be done.

¹⁵ <http://gov.wales/topics/localgovernment/publications/expert-group-report/?lang=en>

- 5.2.5 We propose to retain the provisions from the Draft Bill which would require Local Authorities to produce strategies explaining how the public can understand how decisions are made and how they can participate in the process. In addition, we intend to make broadcasting of Council meetings – already widely practised – a statutory requirement and Councils will be required also to allow Members to attend Council meetings remotely if they have domestic, business or travel difficulties preventing them getting to the main meeting place.
- 5.2.6 New duties for Leaders of political groups to ensure high standards of conduct amongst their members will add to a package designed to make life as a Councillor more attractive and to encourage a more diverse range of people to consider involvement in the future.
- 5.2.7 Councillors are the voice of their communities. The previous White Paper and Draft Bill sought views designed to provide clarity as to what local people can expect from Local Authority Councillors. This included holding regular surgeries, responding to correspondence in set timescales, publishing reports on their activities. In the light of the Jo Cox tragedy and other representations, we intend to modify the need to hold surgeries with a provision which requires that Councillors must provide opportunities for their constituents to be in contact with them, there will be a menu of choices that Councillors will be able to choose from to best suit their local communities.
- 5.2.8 The Draft Bill included some proposals which we now consider to be too rigid. Leaders were to be required to hold annual public meetings. All Councillors were to be required to produce annual reports. Instead we intend to bring forward proposals that offer Leaders and Councillors a menu of how they might improve, where necessary, their interaction with the public. The important point will be that they engage consistently – and make themselves available to the public – and provide regular information as to how they have done this.

Consultation Question 22:

The Welsh Government believes there should be minimum expectations on Councillors for interacting with their local constituents. Do you agree or disagree? If so, what should these minimum expectations be?

5.3 Listening to Localities

- 5.3.1 Local people and communities should also have the opportunity to put their views forward through an open dialogue with their Local Authority. The previous White Paper and Draft Bill set out proposals requiring Local Authorities to set out how they intend to support and encourage their local communities to participate in the democratic process, outlining how local people would be able to contribute to the development of plans and policies. We believe this remains critical and we intend this to include how local people can be part of the regional as well as the local democratic process.
- 5.3.2 The previous White Paper and Draft Bill proposed a requirement to establish ‘community area committees’ for all Local Authorities as a mechanism for gathering views on local priorities and objectives to be fed into the decision-making process. There was strong resistance to requiring such an arrangement in the previous consultation, particularly around the potential for these committees to take on functions. Part of the rationale for ‘community

area committees' was to counterbalance concerns that larger merged Local Authorities would be further from local communities, therefore such a provision is no longer necessary. However, Section 18 of the Local Government Act 2008 already allows Local Authorities to establish area committees; some Local Authorities are using these and have indicated that the legislation could be amended so Local Authorities could choose to establish them or to use existing area committees to be used in more flexible ways.

Consultation Question 23:

The Welsh Government believes it could be helpful to make some minor changes to existing area committee legislation to increase their flexibility. What do you believe these changes should be?

5.4 Balancing Local and Regional Leadership

- 5.4.1 The requirement for Local Authorities to work on a regional basis will have implications for the way in which Councillors, the Local Authority and employees operate. All will need to be clear about how they balance the responsibilities they have to their local area, with those for the larger region.
- 5.4.2 Councillors and officers are expected to act with integrity, honesty, impartiality and objectivity for the best interests of their communities and to act in the public interest. The proposed regional arrangements will require them to act in the interests of both their Local Authority and any regional arrangement. There will be times when decisions made in one setting will have implications for the other. We will have to be clear about how these responsibilities interact with each other.
- 5.4.3 We intend to review the Member¹⁶ and employee¹⁷ codes of conduct to ensure they support effective decision-making at the local and regional level.

Consultation Question 24:

The requirement for Local Authorities to work on a regional basis will require Councillors, the Local Authority and employees to balance the responsibilities they have to their local area, with those for the larger region. How best could this be achieved?

5.5 Local Government Functions

- 5.5.1 In the previous White Paper and Draft Bill, we proposed to revoke Section 13 of the Local Government Act 2000 and replace it with provisions which would allow Local Authorities to make their own decisions on the allocations of functions, subject to statutory guidance and a fall-back power of intervention by Welsh Ministers. In delivering the new regional model, Local Authorities may need to delegate functions to the regional arrangement. There could be significant complications if these functions are delegated in different ways. It would also affect the representation of the participating authorities if functions were the responsibility of the executive in some, but the full Council in others.

¹⁶ The conduct of members is governed by a set of 10 general principles of conduct (based on the 7 Nolan principles) prescribed in the Conduct of Members (Principles) (Wales) Order 2001 and a code of conduct prescribed in the Local Authorities (Model Code of Conduct) (Wales) Order 2008.

¹⁷ The code of conduct for "qualifying employees" is prescribed in Code of Conduct (Qualifying Local government Employees) (Wales) Order 2001

- 5.5.2 During the initial stage of the establishment of regional arrangements, it would be best if individual Local Authorities had similar provisions for the responsibility for functions within the Council. In the longer term, it may be possible to revisit this and see whether a change along the lines previously considered would be practical and preferable. Therefore Welsh Government is not proposing to move from the existing regime at this time.
- 5.5.3 In the meantime, Welsh Government intends to consult with local government on amendments which are required to the existing regulations in order to capture new responsibilities which have been placed on Local Authorities in recent years.
- 5.5.4 The Localism Act 2011 enabled English authorities to return to the committee system. Only a handful have done so. The Welsh Government suggests that Councils in Wales should have the opportunity to choose a non-executive model if they wish. Any move away from a cabinet system would require different rules for the appointment of members to any joint regional governance arrangement. They would have to ensure that it did not provide an obstacle to them effectively participating in regional arrangements.

Consultation Question 25:

The Welsh Government intends to make a return to a form of the committee system available to Local Authorities where it best meets local circumstances. How would this option best work within the context of the proposals for new regional arrangements?

5.6 Leadership from Officers

- 5.6.1 The move to a regional model will take time. Leading the workforce during this period will require strategic vision across all tiers of the organisation. Evidence has shown that leaders who are not committed fully to a process fail to maximise the opportunities for change.
- 5.6.2 Bringing together disparate teams to plan, commission and deliver a single regionalised service brings immediate challenges but longer term benefits. Leaders will need to consider how they can for example, harmonise terms and conditions that will meet the needs of both the workforce and the organisations.
- 5.6.3 Collaborative arrangements will have implications for all statutory officers. There are a number of statutory positions that have been created including:
- Head of Paid Service
 - Chief Finance Officer
 - Monitoring Officer
 - Head of Democratic Service
 - Director of Social Services
 - Director of Education
 - Director of Children’s Services
- 5.6.4 Delivery of a regional service would be best facilitated if the statutory responsibilities for that regional service fell to a single individual, for example education responsibility would fall to a regional education director. The structure beneath the regional management will be for the Local Authorities

and regional management to discuss and agree. It is envisaged that the organisational structures beneath the regional management team will adapt over time. We will examine the existing legislation in respect of statutory officers to ensure it contains appropriate provisions, so that, over-time, clarity can continue to be provided as to how a regional model would work in terms of statutory officers responsibilities.

Consultation Question 26:

The Welsh Government believes it may be appropriate to limit future designation of relevant statutory Senior Officer posts to a regional level where the functions are being delivered regionally. Do you believe this is appropriate? Why? If so, how might this best be delivered?

6. COMMUNITY COUNCILS

- 6.1.1 The WFG Act provides a shared vision for public services in Wales for the future. Community Councils should all be considering how they can increasingly work with other partners and local citizens to contribute to the well-being of their area, regardless of whether they have a legal duty to do so or not.
- 6.1.2 Community Councils are an integral part of local government. They are often closest to people and local communities, and therefore uniquely placed to see, and provide, those services which can have a significant impact on an individual's well-being. Where Community Councils exist within an area, Local Authorities and Public Services Boards will look to them to be a voice of communities. Like Local Authority Councillors, Community Councillors must represent and be representative of their communities. They should actively engage with their local people and businesses to help identify ambitions and needs of local communities, but also to understand the strengths and assets that their communities have.
- 6.1.3 There is enormous variability in current arrangements, not only in terms of coverage, but in responsibilities, budgets and ambition. As such it is important that we take the opportunity to consider what we could learn from the high performing Community Councils and give consideration to how we might support all Community Councils into this space. This includes consideration of the support that Community Councils might need, but also the flexibility that would help them go further in their ambitions.
- 6.1.4 We need to open up an honest debate about what the future of Community Councils might look like, and consider what the right organisational format is to support local communities. To contribute to this debate the Welsh Government will commission a comprehensive review of the Community Council sector. Until we have concluded that work we do not intend to proceed with structural reform or to commission the Local Democracy and Boundary Commission for Wales to undertake reviews of Community Council arrangements at this time.
- 6.1.5 Whilst we need to look to the longer term future of Community Councils, the sector cannot stand still. There are things that can be done now to strengthen the role of Community Councils and improve their operation and governance, enabling them to take on the provision of services and assets to local communities where they choose to do so.
- 6.1.6 We have developed an 'agenda of action' to help build resilience and renewal in the sector in the short to medium term. Many of these are actions we can take together using existing powers.
- Producing a toolkit to support Community Councils in working through what is required in taking on new services and assets, building on experiences of the key ingredients.
 - Re-energising ties between Community Councils and Local Authorities and provide a platform to share the good examples across Wales, bringing the new cadre of county and Community Councillors together after the Local government elections next year at a conference focused on strengthening these key relationships.

- Facilitating the creation of clusters of smaller Community Councils, by making some modest funding available to support the initial setting up of joint arrangements.
- Commissioning the Local Democracy and Boundary Commission for Wales to draw up guidelines for Local Authorities to secure consistency in the manner in which community reviews are conducted.
- Supporting Community Councils to raise awareness of and encourage participation in Community Council elections, and to increase diversity.

6.1.7 Some of the actions we can take would require us to legislate, and we intend to use this opportunity to do so.

- Making the General Power of Competence available to innovative ambitious Councils looking for more freedom to serve their communities. The proposal we have previously consulted on remains essentially the same, with some changes planned to how Councils which meet the requirements and pass a resolution are referred to: and how long Councils continue to hold the status after passing a resolution
- Previously we proposed placing a duty on Local Authorities to consider whether certain training should be compulsory for members of Community Councils. We still believe there would be value in all Community Councils considering whether they have the skills and expertise needed to be able to operate effectively. Therefore we intend to place an obligation on Community Councils to consider and plan for their training needs, and publish and review their plan regularly. The duty could be met in a way which was proportionate to the size and responsibilities of the Council.
- Ensuring citizens are kept informed and have the right to make representations on any business conducted at a Council meeting, learning from where this is done well. This is part of an ethos of co-production.

Consultation Question 27:

The Welsh Government believes there are things that can be done now to help build resilience and renewal in the sector in the short to medium term and would welcome comments on the list of actions at paragraph 6.1.6 that could be taken in the short term to help the sector be more effective/ resilient views on any other actions which could be taken?

7. ELECTIONS AND VOTING

- 7.1.1 This White Paper is being published as the Wales Bill comes towards the end of its Parliamentary journey. Therefore many of the proposals that we are seeking views on in this chapter are predicated on the National Assembly for Wales assuming greater responsibility in these areas. We are therefore seeking initial views to help inform thinking on reforms to electoral registration and voting arrangements. The National Assembly will be considering separately the potential for reforms to its elections. A more detailed consultation will take place later this year, subject to the Wales Bill being passed, on the detail of reforms.
- 7.1.2 Proposals Welsh Government are likely to consider are; a review of postal voting procedures, the use of all-postal elections, electronic voting, electronic counting of votes, voting at places other than polling stations, and proposals to hold elections on different days. Consideration will also be given to whether local returning officers/ electoral registration officers would be allowed to trial these reforms in different ways better to meet the needs of different communities and locations. Proposals will be brought forward to remove entitlement to personal fees for returning officers.
- 7.1.3 Welsh Government also intends to explore how a single electronic register for Wales might be developed. This would include looking at issues such as; data sharing, automatic voter registration, and greater access to register information by Local Authority staff. Importantly, consideration will be given to reducing the voting age to 16 for local government elections. It should be noted that the franchise for elections to the National Assembly is the same as that for local government. On the basis of the provisions of the Wales Bill, the Assembly would be able to determine whether that arrangement would remain for the future.
- 7.1.4 Welsh Government remains committed to moving to a five-year term for local government. However in doing so we would require greater transparency for those standing for office. We are considering a proposal to require candidates to make clear whether they were or are members of a registered political party, whether they were formally selected to stand for that party or not. All candidates would also be required to publish election statements to a central website to allow voters easily to access information on the manifestos of all candidates. Welsh Government intend to take forward previous proposals preventing Assembly Members from also serving as Councillors concurrently.
- 7.1.5 Each Local Authority has its own democratic mandate and is made up of Councillors who serve as the directly elected representatives of local people. It is vital that the system for electing local Councillors is one which commands the respect and confidence of local people. Therefore we are exploring the following reforms which would allow local government greater flexibility to put in place local electoral arrangements.
- 7.1.6 Currently Local Authorities in Wales use the 'First Past the Post' system¹⁸ of voting. It has been used in local government elections in Wales for well over a century. 'First Past the Post' means that candidates with the most votes win

¹⁸ First Past the Post System: Voters put an X next to their favoured candidate and the candidate with the most votes in the constituency wins.

seats. For example, an area is divided into a number of electoral wards and each ward has a fixed number of Councillors, this can range from one up to as many as five. In an election, voters in a ward have as many votes as there are Councillors (although the voter need not use every vote). The votes cast for each candidate are counted and totalled. If the ward is entitled to one Councillor, then the candidate with the most votes in that ward is elected; if the ward is entitled to two Councillors, the two candidates with the most votes in that ward are elected, etc up to five candidates.

- 7.1.7 Supporters of the ‘First Past the Post’ system take the view that the voting and counting procedures are simple and there is a straightforward relationship between where a candidate finishes in the final tally and whether or not they are elected. Opponents claim that the system produces results which are often disproportional, (i.e. the system favours the strongest party locally and therefore does not reflect the preferences of voters across the area). Critics also take the view that this system encourages tactical voting and votes can be “wasted” i.e. cast for candidates who have little or no chance of winning, or for the winning candidate above the level they need to win.
- 7.1.8 The Welsh Government believes, subject to powers in this area being devolved to Wales, that like the National Assembly for Wales, local authorities as a tier of government should have the opportunity to consider the appropriateness of their own voting arrangements.
- 7.1.9 There are several other systems in use elsewhere. For example, elections to the National Assembly for Wales, the Scottish Parliament and the London Assembly are conducted under the ‘Additional Member’ system¹⁹; elections in Great Britain to the European Parliament are held under the ‘Party List’ system.²⁰ The ‘Additional Member’ and ‘Party List’ systems require voters to choose from a list of candidates presented by a registered political party. Whilst Independent and non-affiliated candidates are able to stand their chances of election are much reduced.
- 7.1.10 The Northern Ireland Legislative Assembly and local Councils in both Scotland and Northern Ireland are elected using the ‘Single Transferable Vote’ system.²¹ In the ‘Single Transferable Vote’ system voters are asked to rank the available candidates in order of preference. To be elected, a candidate must achieve a minimum “quota”, or share of the votes, determined by a calculation based on the number of people voting and the number of seats to be filled. By ranking their vote, if the voter’s preferred candidate has no chance of being elected or has enough votes to achieve

¹⁹ Additional Member System: A hybrid voting system where voters are asked to vote in two ways. It combines elements of First Past the Post where voters mark an X next to the candidate they want to represent them in their constituency, and proportional representation, where voters mark an X next to a party who have a list of candidates to represent a larger regional constituency.

²⁰ Party List System: Parties present lists of candidates, seats are awarded according to their party’s share of the vote. This is usually done using an electoral formula or a quota.

²¹ Single Transferable Vote System: Voters rank candidates in order of preference. To get elected, candidates need to reach a set share of the votes (determined by the number of seats to be filled). Each voter gets one vote, which can transfer from their first-preference to their second-preference. If your preferred candidate has little chance of being elected or has enough votes already, your vote is transferred to your second choice candidate in accordance with your instructions.

and exceed the quota, their vote may be transferred from the voter's first-preference to their second-preference.

- 7.1.11 The 'Single Transferable Vote' system produces election results which generally reflect the proportions of votes cast for the different political parties, groups and independents across the total area. This system does not present the same difficulties for independent or non-affiliated candidates as the 'Additional Member' or 'Party List' systems.
- 7.1.12 The Welsh Government considers that, because of the substantial presence of independent candidates, among the alternatives, the other electoral system which best reflects the current and future needs of local government in Wales is the 'Single Transferable Vote'. As such, the Welsh Government proposes to make legislation which will allow Councils in Wales to decide which voting system best reflects the needs of their local people and communities. Local Authorities will be able to use the 'First Past the Post' or the 'Single Transferable Vote' systems for elections to their Council.²² It will be for Councils themselves to make the choice of voting systems for their own localities.
- 7.1.13 Councils will continue to use the current electoral system, until such time as they decide to change. If a Council decides to change electoral arrangements, it must use the new system for at least the next two whole Council ("ordinary") elections which follow the decision. After two whole Council elections under the new electoral system, a Council will be able to switch back to the previous system if it chooses to do so. By-elections will be held using the same electoral system as is being used for the whole Council elections.
- 7.1.14 The Welsh Government does not intend to extend the option to Community Councils of the 'Single Transferable Vote' system at this time. It will be considered as part of the review of Community Councils paragraph 6.1.4 refers.

Consultation Question 28:

The Welsh Government is seeking initial views on all of the proposals set out in Chapter 7 on elections and voting.

Consultation Question 29:

The Welsh Government would welcome any views on the potential financial and non-financial benefits and costs associated with the proposals in the White Paper.

Consultation Question 30:

The Welsh Language Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on the opportunities for people to use the Welsh language and treating the Welsh language no less favorably than the English language. The Welsh Government seeks views on that assessment. Are there any other positive or adverse effects not identified in the assessment? Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

²² The proposal is conditional on the National Assembly for Wales being granted responsibility for local government elections under the Wales Bill currently going through Parliament

Consultation Question 31:

The Children's Rights Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on children and young people. The Welsh Government seeks views on that assessment. Are there any other positive or adverse effects not identified in the assessment? Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

Consultation Question 32:

The Equalities Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on protected groups under the Equality Act 2010. The Welsh Government seeks views on that assessment. Are there any other positive or adverse effects not identified in the assessment? Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

Consultation Question 33:

Please provide any other comments you wish to make on the content of this White Paper.

8. ANNEX ONE: Status of Proposals Consulted on as Part of the Previous Draft Bill Consultation

Table One: Status of Previous Draft Bill Provisions

Policy Proposal	Included in new Bill	Commentary
Part 1: Local Government Areas and Councils		
Local government areas (<i>Compulsory Mergers</i>)	Omit	Compulsory mergers are no longer Government policy.
County Councils	Retain	These sections are mainly intended to update and make clearer the language used to express the basic constitutional arrangements for Local Authorities in Wales. Retention is part of a long term process to make the ancient and sometimes complex law of Local Authority constitutions more open and transparent. Section 12 (change of name of Council) will be retained but amended to refer to county boroughs also, since county borough status will not be abolished as originally proposed.
Establishing the Councils for the new counties	Omit	Proposal was consequential upon compulsory mergers.
Part 2: General Power of Competence		
The general power	Include	There was widespread support for a general power of competence. This proposal will be included in the new Bill.
Eligibility for the general power for Community councils	Amend	Basic proposal remains, some changes to the community councils which meet the requirements and pass a resolution are referred to: and how long councils continue to hold the status after passing a resolution.
Part 3: Promoting Access to Local Government		
Public participation in local government	Retain	This proposal will be included in the new Bill. It would place a duty on Local Authorities to encourage local people to participate in the Council's decision-making processes, input their views and have them taken into account. would also require Councils will be required to consult widely on their budget proposals.
Community area committees	Amend	Omit requirement to have Area Committees of the kind expressed in previous provisions. The White Paper seeks views as to whether, for those local authorities which might wish to operate or continue to operate area committees, any changes are required to the current provisions.
Improvement requests	Omit	There was not sufficient support for this proposal.

Policy Proposal	Included in new Bill	Commentary
Access to meetings etc	Amend	Duty on Leaders/mayors to address public meetings to be modified to enable flexibility about how Leaders engage with the public. This will include a requirement to publish how they intend to do this and report on how successful their initiatives have been. Other proposals in this section retained for inclusion in the new Bill.
Duty to publish a constitution guide	Retain	This proposal will be included in the new Bill. It will require Councils to produce an easy-to-read summary of their constitution, enabling people to see how decisions are made and by whom.
Part 4: Functions of County Councils and Their Members		
Duties on members of county Councils	Amend	Retain in principle but make some minor amendments such as the duty to hold surgeries to be changed to one of facilitating discussion of constituents' issues with them in private; annual reports duty to be replaced by one requiring Councillors to say how they have carried out communications with their electorate. In response to consultation responses, we intend to extend the period of time from two to three weeks for Councillors to respond to correspondence.
Breaches of duties	Amend	A Member receiving a sanction from a standards committee can become subject to a petition which, if receiving sufficient signatures (at least 20% of the local electorate), would trigger a by election.
Further provisions about duties on members	Retain	Leaders of political groups to be required to promote good standards of conduct amongst their Members. This proposal will be included in the new Bill. The provisions relating to the role of standards committees in providing advice and training on the new duties of members will also be retained.
Executives of county Councils	Amend	We will retain the need for leaders to agree objectives with their Cabinet Members, but allow flexibility about the regularity of review.
Appointment of certain chief officers	Retain	This proposal will be included in the new Bill. It will require leaders to make arrangements to manage the performance of the chief executive and also provide that the Head of Democratic Services become a chief officer position.
Overview and scrutiny committees and standards committees	Retain	This proposal will be included in the new Bill and will require the establishment of joint overview and scrutiny committees where services are being delivered collaboratively.
Minor amendments to other legislation	Retain	These will be included in the new Bill.

Policy Proposal	Included in new Bill	Commentary
Part 5: County Councils: Improvement of Governance		
Duty to make arrangements to secure good governance	Retain	This proposal will be included in the new Bill.
Corporate plans	Omit	The WFG Act in effect already asks local authorities to produce a corporate plan.
Assessments of governance arrangements	Retain	This proposal will be included in the new Bill. Local Authorities will be required to secure good governance, this will be tested through regular self assessment and period peer review.
Governance reviews and intervention	Retain	This proposal will be included in the new Bill.
Co-ordination between regulators	Amend	This proposal will be included in the new Bill but amended following feedback from regulators.
Corporate governance and audit committees	Retain	This proposal will be included in the new Bill.
Part 6: Community Councils		
Review of Community Council arrangements	Omit	An independent review to take a more comprehensive look at the future of the community council sector is being commissioned, .
Members of Community Councils to complete training	Amend	Rather than require Community Councillors to undertake specific training community councils will be placed under a duty to consider their training needs and prepare and publish a plan setting out how it proposes to respond to the training needs identified.
Community Council election dates	Amend	The proposal to change the term of office from four years to five years is retained but the change no longer needs to be linked to the timescales for introducing compulsory mergers and will be linked to the introduction of five year terms for principal authorities generally.
Part 7: Workforce Matters		
Guidance on workforce matters	Amend	Consideration will be given to retaining a statutory guidance power, enabling Welsh Ministers to issue guidance about workforce matters.
Public Services Staff Commission	Omit	The Staff Commission will not be put on a statutory footing but will continue until April 2018.
Part 8: General and Schedules		
General		
Interpretation	Amend	Will need to reflect final content of Bill on introduction.

Policy Proposal	Included in new Bill	Commentary
Application of Act in relation to counties and county boroughs until 1 April 2020	Omit	Provision was consequential upon compulsory mergers.
Powers to make consequential etc provision / regulations and orders	Amend	Will need to reflect final content of Bill on introduction.
Coming into force	Amend	Will need to reflect final content of Bill on introduction.
Schedules		
Counties in Wales	Omit	Provision was consequential upon part 1, chapter 1
New Councils: first ordinary elections	Omit	Provision was consequential upon part 1, chapter 1
New Councils: finance	Omit	Provision was consequential upon part 1, chapter 1
Transitional etc provision	Omit	Provision was consequential upon part 1, chapter 1
The 1972 Act: amendments and transitional provision	Retain with some omitted	Most of these provisions are linked to the intention to update and make clearer the language used to express Local Authorities' constitutional arrangements and these will be retained. County borough status will continue so the provisions which removed the status are not needed and will be omitted. Omit the provisions which removed the options to have elections by halves and thirds. Principal authorities will continue to have the options available to them.
Assistants to Local Authority executives	Retain	Enables appointment of deputy cabinet members.
Consequential amendments: chief executive	Retain	Council Leaders will be required to set objectives for chief executives.
Community area committees: further amendments and repeals	Omit	Consideration now being given to amending existing legislation which provides for local authorities to have area committees, rather than replacing it.
Renaming of county Council audit committees	Retain	Broadens power of audit committees and renames as Audit and Corporate Governance Committees

Table Two: Status of Proposals in the Accompanying Consultation Document to the Draft Bill (where not covered in the White Paper above)

Policy Proposal	Included in new Bill	Commentary
Part 1: Local Government Areas and Councils		
Accounts and Audit Requirements	Include	If there are any changes required to the existing framework as a result of mandatory and systematic regional working, these will need to be reflected in the new Bill.
Council Tax	Exclude	Linked to Local Authority merger proposals.
Non-Domestic Rates	Include	Additional powers for Billing Authorities to require information from non-domestic rate payers and inspect non-domestic properties, where necessary for the investigation of potential fraud or avoidance of rates.
Part 3: Promoting Access to Local Government		
Conduct of business (review of schedule 12, LGA 1972)	Include	This will enable notices of meetings and other papers to be produced electronically only, if so desired.
Removal of the restriction on having community council meetings in licensed premises	Include	This will enable community councils to hold meetings in licensed premises. There is no longer an intention to propose that community councils adopt standing orders prohibiting the consumption of alcohol at meetings.
Part 4: General Power of Competence		
Delegation of functions to third parties	Include	It is proposed to reform Part 2 of the Deregulation and Contracting Out Act 1994 to provide for a new regime that will allow Local Authorities to delegate the exercise of certain of their functions to third parties, by order made by the Welsh Ministers.
Electoral Qualifications – 'serving on more than one council	Exclude	Consideration of whether an elected member of a principal council should be able to serve on a Community Council, or a community Councillor should be able to serve more than one community council, will form part of the review of the community council sector.
Remote attendance at meetings	Include	This will make it a requirement for Local Authorities to have arrangements for remote attendance.
Remuneration of members: power for WMS to guide the	Exclude	Welsh Ministers can provide view to IRP in the remit letter if so desired.

Policy Proposal	Included in new Bill	Commentary
IRP to review model of remuneration.		
Powers to dismiss Senior Officers	Exclude	No enthusiasm to follow English route of dispensing with role of Independent Person.
Transfer of Local Authority assets / community asset transfer	Exclude	Existing guidance on community asset transfers was updated in March 2016 and will continue to be kept under review.
Part 5: County Councils: Improvement of Governance		
State of Local Government Report	Omit	We do not intend to pursue powers in this area.
Single Information Portal	Omit	Legislation would not be required to create an information portal
Complaints	Omit	Complaints handling would be considered under the broader 'good governance' requirement
Part 6: Community Councils		
Community councils: publication of annual report	Omit	No longer proceeding with this requirement.
Performance Management of Community Councils	Omit	Consultation on the previous draft bill showed general support for performance management but confirmed this was already happening as part of good employment practices and did not need to be further legislated for.
Review of Community Council legislation	Omit	Consideration is being given to potential for consolidation of existing legislation but any proposed changes to the provisions in the Local Government Act 1972 would need to be informed by the review of the community council sector.
Community Polls	Omit	Provisions in relation to polls conducted for the purpose of forming or dissolving a community council will stay in place pending the review of the community council sector and any legislative reform which follows.

9. ANNEX TWO: Consultation Questions

Your Name	
Organisation (if applicable)	
Email/ telephone	
Your address	

CHAPTER 2

<p>Consultation Question 1. (Para 2.2.1): The Welsh Government believes that it appropriate to consider 'tests' to frame thinking around regional working.</p> <p>a) Do you think the 'tests' set out are helpful in guiding thinking?</p>
<p>b) Are there other tests or considerations that might also be used?</p>
<p>Consultation Question 2. (Para 2.3.35): In this White Paper the Welsh Government has set out a number of areas which it believes should be required to be delivered on a regional basis.</p> <p>a) Do you agree that these areas should be delivered regionally?</p>
<p>b) What practical considerations should we consider in taking these proposals forward?</p>
<p>c) What other 'ancillary' powers would be required to ensure the effective exercise of the functions exercised regionally?</p>
<p>Consultation Question 3. (Para 2.3.43): In this White Paper the Welsh Government has set out a number of areas which it believes could also be delivered on a regional basis.</p> <p>a) Do you think that Local Authorities should also be required to work regionally to deliver these functions?</p>
<p>b) Are there any other practical considerations we should be aware of?</p>
<p>Consultation Question 4. (Para 2.3.43): Are there any other functions that would benefit from a systematic approach to regional working?</p>

<p>Consultation Question 5. (Para 2.3.43): Welsh Government believes that, subject to engagement with local government and other partners, there should be flexibility to enable Welsh Ministers to mandate additional functions to be undertaken regionally.</p> <p>Do you agree or disagree? Why?</p>
<p>Consultation Question 6. (Para 2.3.44): The Welsh Government believes that the new arrangements should not prevent Local Authorities using their existing powers to undertake additional functions regionally.</p> <p>Do you agree or disagree? Why?</p>
<p>Consultation Question 7. (Para 2.4.16): The Welsh Government believes that some back office and transactional services ought to be organised and delivered regionally or nationally.</p> <p>Which services do you believe could best be organised and delivered these ways?</p>
<p>Consultation Question 8. (Para 2.4.16): The Welsh Government believes that overcoming data sharing issues is key to taking forward greater regional working of back office functions.</p> <p>a) What legislative obstacles have made progress on sharing services difficult?</p>
<p>b) How have they been or could they be overcome?</p>
<p>c) What challenges does data sharing pose?</p>
<p>Consultation Question 9. (Para 2.4.16): The Welsh Government believes sharing more back office functions would be helpful. There are a number of options:</p> <ul style="list-style-type: none">• Enable the NHS Wales Shared Service Partnership for providing services to local government (and others)• Establish a similar model to provide back office services to local government (and others).• Establish an alternative model to provide back office services to local government (and others). <p>a) Which do you believe would be most appropriate to best support regional working? Why?</p>

b) What other alternative models could work effectively and what steps could the Welsh Ministers take to enable or encourage local government-led alternative models to be implemented?
<p>Consultation Question 10. (Para 2.4.21): The Welsh Government believes that joint understanding and planning of public sector assets is essential to maximize their impact and that this requires regional mapping of estates assets and future intentions .</p>
a) How can this joint governance and decision making best be achieved?
b) Is the larger economic footprint the right one?
<p>Consultation Question 11. (Para 2.5.16): The Welsh Government believes a strengthened joint committee (a 'Joint Governance Committee') offers an appropriate governance model for regionally delivered services and intends to set out a framework for local government to use to deliver this.</p>
a) What should the democratic accountability and scrutiny arrangements be for such a model?
b) Should each participating Local Authority have equal voting rights or should they be weighted in some way?
<p>Consultation Question 12. (Para 2.6.5): The Welsh Government believes that in order to put in place arrangements which reduce complexity for Authorities and their partners the position for Bridgend needs to be considered. Although Bridgend is fundamentally concerned in this, other partners including other Local Authorities and the Local Health Boards also have valid interests. We are therefore seeking views on how best to address the issues set out here.</p>
<p>Consultation Question 13. (Para 2.7.9): The Welsh Government believes that 'Option3: A framework and a Footprint' is the most appropriate model for future regional working.</p>
a) What are your thoughts on the proposed mandatory economic development footprint for 'Joint Governance Committees'?
b) How could a framework approach for sub-regional working in other services areas operate in practice?

c) Is it appropriate for there to be flexibility for regional working to cross economic development boundaries in exceptional circumstances? Which circumstances would they be?

d) How should the governance arrangements at the mandatory economic development 'Joint Governance Committees' have oversight of sub regional working?

Consultation Question 14. (Para 2.7.9):
The Welsh Government are seeking views on the appropriateness of seeking powers to create a Combined Authority, in particular, comments on what minimum expectations there should be in considering the appropriateness of creating a Combined Authority would be welcomed.

Consultation Question 15. (Para 2.8.7):
The Welsh Government believes that a mandatory financial framework should be developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent Local Authorities.

a) Should the expenditure of 'Joint Governance Committees' be met by constituent Local Authorities, in proportions to be agreed locally, to ensure the most flexible approach?

b) Should the framework provide for a default position if local agreement cannot be reached, and how such a process might be triggered?

c) What further considerations might relate to, or need to be included in, a financial framework?

Consultation Question 16. (Para 2.10.7):
The Welsh Government believes that to support organisations to move to a more consistent and regional approach to delivering services it will be necessary to issue statutory guidance where there is an identified need.

Do you agree or disagree? If you agree, what types of advice, guidance and support on leadership and workforce matters might lead to greater local, regional and national consistency?

Consultation Question 17. (Para 2.11.4):
The Welsh Government believes it would be helpful if Public Services Boards could collaborate or merge across Local Health Board Boundaries.

Do you agree or disagree? Why?

Consultation Question 18. (Para 2.11.4):
The Welsh Government believes Public Services Boards should be allowed to de-merge as well as merge. Do you agree or disagree? Why?

CHAPTER 3

Consultation Question 19. (Para 3.1.7):
The Welsh Government would welcome comments on what minimum expectations there should be in considering the appropriateness of voluntary merger.

CHAPTER 4

Consultation Question 20. (Para 4.2.3):
The Welsh Government would welcome comments on any of the proposals set out previously in the draft Local Government Bill and associated consultation paper, Annex One refers.

Consultation Question 21. (Para 4.3.8):
The Welsh Government believes that Part 1 of the Local Government (Wales) Measure 2009 should be repealed for all 'Improvement Authorities'.

Do you agree? Why?

CHAPTER 5

Consultation Question 22. (Para 5.2.8):
The Welsh Government believes there should be minimum expectations on Councillors for interacting with their local constituents.
Do you agree or disagree? If so, what should these minimum expectations be?

Consultation Question 23. (Para 5.3.2):
The Welsh Government believes it could be helpful to make some minor changes to existing area committee legislation to increase their flexibility.

What do you believe these changes should be?

Consultation Question 24. (Para 5.4.3):
The requirement for Local Authorities to work on a regional basis will require Councillors, the Local Authority and employees to balance the responsibilities they have to their local area, with those for the larger region.

How best could this be achieved?

Consultation Question 25. (Para 5.5.4):
The Welsh Government intends to make a return to a form of the committee system available to Local Authorities where it best meets local circumstances.

How would this option best work within the context of the proposals for new regional arrangements?

Consultation Question 26. (Para 5.6.4):
The Welsh Government believes it may be appropriate to limit future designation of relevant statutory Senior Officer posts to a regional level where the functions are being delivered regionally.

Do you believe this is appropriate? Why? If so, how might this best be delivered?

CHAPTER 6

Consultation Question 27. (Para 6.1.7):
The Welsh Government believes there are things that can be done now to help build resilience and renewal in the sector in the short to medium term and would welcome comments on the list of actions at paragraph 6.1.6. Views on any other actions which could be taken are also welcomed

CHAPTER 7 & General Questions

Consultation Question 28. (Para 7.1.14):
The Welsh Government is seeking initial views on all of the proposals set out in Chapter 7 on elections and voting.

Consultation Question 29. (Para 7.1.14):
The Welsh Government would welcome any views on the potential financial and non-financial benefits and costs associated with the proposals in the White Paper.

Consultation Question 30. (Para 7.1.14):
The Welsh Language Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on the opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language. The Welsh Government seeks views on that assessment.

a) Are there any other positive or adverse effects not identified in the assessment?

b) Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

Consultation Question 31. (Para 7.1.14):

The Children's Rights Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on children and young people. The Welsh Government seeks views on that assessment.

a) Are there any other positive or adverse effects not identified in the assessment?

b) Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

Consultation Question 32. (Para 7.1.14):

The Equalities Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on protected groups under the Equality Act 2010. The Welsh Government seeks views on that assessment.

a) Are there any other positive or adverse effects not identified in the assessment?

b) Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

Consultation Question 33. (Para 7.1.14):

Please provide any other comments you wish to make on the content of this White Paper.

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FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday, 1 ST March 2017
Report Subject	Trade Union (Wales) Bill
Report Author	Chief Executive

EXECUTIVE SUMMARY

The Council debated and passed a Notice of Motion at its meeting on 1st March 2016 on the then Parliamentary Bill, which has since been enacted. The Welsh Government has recently published a piece of draft legislation called the Trade Union (Wales) Bill. The purpose of this Bill is to dis-apply certain of the provisions of the Trade Union Act 2016 in Wales. In supporting the previous Notice of Motion, Council was in opposition to contents of the then Parliamentary Bill.

The Bill was discussed at Cabinet on 14th February 2017. Cabinet has formally responded to the Equalities, Local Government and Communities Committee of the National Assembly for Wales. This is the Committee which is scrutinising the Bill and had invited responses to its call for evidence.

The Cabinet resolved to support the Trade Union (Wales) Bill jointly with recognised Trade Unions.

RECOMMENDATION

1.	That the Council supports the Trade Union (Wales) Bill, on the recommendation of the Cabinet and recognising established Council policy as set out in the Notice of Motion.
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REPORT DETAILS

1.00	THE TRADE UNION (WALES) BILL
1.01	The Trade Union Act 2016 introduced a number of controls on trade union activities within public sector employing bodies. The Act is a controversial piece of legislation. The Welsh Government has published the Trade Union (Wales) Bill which proposes to dis-apply certain of the provisions of the Act in Wales, in the interests of ‘the continued and effective delivery of public services’, specifically:- the 40% ballot threshold for industrial action to be legitimate where key public services would be affected; restrictions on facilities agreements (agreements between public sector employers and recognised trade unions for employees to be released for trade union duties in work time); restrictions on the ability of employers to deduct trade union subscriptions from their salary at source.
1.02	The Equalities, Local Government and Communities Committee of the National Assembly for Wales is scrutinising the Bill and has invited responses to its call for evidence. Whilst the call for evidence closed on 17 th February, and Cabinet has already responded with the Trade Unions in support of the Bill, Council is also invited to make a response. The Committee is aware that our meeting is taking place after the deadline and will still receive a Council response.

2.00	THE COUNTY COUNCIL’S SUPPORT FOR TRADE UNIONS – THE NOTICE OF MOTION ON 1st MARCH 2016.
2.01	<p><i>At the meeting of the County Council on 1st March 2016, the following Notice of Motion from the Leader was considered and supported.</i></p> <p><i>“Flintshire County Council notes:</i></p> <p><i>The UK Government has set out plans in its Trade Union Bill that specifically impact on local Authorities and our relationships with our employees and trade unions.</i></p> <p><i>The UK Government intends to grant Ministers the power to cut so-called “facilities time” in the public sector. This is paid time off, mutually agreed between employers and unions, for union reps to represent their members and negotiate with their employer.</i></p> <p><i>The UK Government also proposes to prohibit public sector employers assisting unions to collect their membership subscriptions through payroll (check-off) – even though this is used for a variety of other staff benefits such as cycle-to-work schemes and childcare vouchers, and even though unions often meet the costs of this.</i></p>

	<p><i>Flintshire County Council believes:</i></p> <p><i>All workers should have the right to belong to, and be active in, an effective trade union.</i></p> <p><i>Trade unions play an essential role in ensuring good industrial relations. The facilitation of trade union representatives to carry out their roles and duties, and the collection of union dues by “check-off” are useful tools in ensuring good industrial relations.</i></p> <p><i>Flintshire County Council resolves:</i></p> <p><i>Immediately to support the unions’ efforts to move members onto direct debit subscriptions, through:</i></p> <p><i>Allowing union officials access to workers;</i> <i>Allowing additional facility time to Union representatives to visit their members to achieve this aim;</i> <i>Allowing the distribution of union material through our email, intranet, payslips, internal mail and other communication systems.”</i></p>
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3.00	THE VIEWS OF THE WELSH LOCAL GOVERNMENT ASSOCIATION
3.01	<p>The Welsh Local Government Association (WLGA) Co-ordinating Committee was due to discuss the Bill on 24th February 2017. In its report the Association comments that the Welsh Government has maintained that it did not wish to apply some aspects of the Trade Union Act to the public sector in Wales, believing that it would undermine the social partnership approach that had been developed.</p> <p>The recommendation made to the Co-ordinating Committee was to note the consultation and reaffirm the previous decision of the WLGA Council to support a distinct Welsh approach.</p>

4.00	THE COUNCIL’S RELATIONSHIP WITH THE TRADE UNIONS
4.01	<p>The Council has a long history of mutual co-operation and effective working with the trade unions. The principal recognised unions in Flintshire (public services trade unions with members in our employment) are GMB, UNISON and UNITE, and the teaching trade unions. The only industrial action taken within Flintshire in recent years has been participation in national actions over pay and conditions of employment. There is no recent history of local industrial disputes which have been escalated to industrial action. Therefore, the need to impose thresholds for trade union member participation in ballots has not been tested locally.</p>

4.02	<p>The Council has a local Trade Union Procedural and Facilities Agreement with the recognised trade unions. This Agreement has recently been reviewed and updated. The Agreement provides clarity over the types of roles undertaken by the trade unions - for example Union Learning Representatives (ULRs) and Health & Safety Representatives - and steps for approving reasonable time allowances for trade union related duties. Without a Facilities Agreement it would be difficult to make sufficient provision for employees to act in trade union capacities or indeed to regulate the number of trade union officials and their total working hours on their trade union duties. Trade unions are recognised by law and play an invaluable role in negotiating changes to the terms of employment, such as the local Single Status Agreement, and in advising the workforce in times of planned organisational change such as the recent agreement to move to a Leisure, Libraries and Museums employee mutual. Employees are also entitled to trade union representation in disciplinary and other cases, and when placed at the risk of redundancy during times of service review and change. Facilities Agreements should be flexible, subject to local agreement, and are best based on recommended practice without requiring the imposition of law. The Council promotes access to trade union membership for its employees as it is in their interests to have access to advice, support and representation should they so wish.</p>
4.03	<p>The Council provides the facility for employees to pay their trade unions subscriptions through their salary. This is convenient for the employee and the trade unions and generates a transaction handling income for the Council as the employer. This is a beneficial business arrangement for all three parties. There is no practical reason to discontinue with the arrangement.</p>

5.00	RESOURCE IMPLICATIONS
5.01	None directly as the Bill, if enacted, would reinforce the status quo.

6.00	CONSULTATIONS REQUIRED / CARRIED OUT
6.01	Consultations held with the Flintshire Joint Trade Union Committee.

7.00	RISK MANAGEMENT
7.01	None at this early stage.

8.00	APPENDICES
8.01	Appendix 1 – Consultation Letter Appendix 2 - Equality, Local Government and Communities Committee Inquiry into Trade Union (Wales) Bill -Submission on behalf of the Welsh Local Government Association

9.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
9.01	Minute 103 of the Council, 1 st March 2016. http://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=143&MId=3514&Ver=4&LLL=0 Contact Officer: Chief Executive Telephone: 01352 702101 E-mail: chief.executive@flintshire.gov.uk

10.00	GLOSSARY OF TERMS
10.01	Recognised Trade Unions: trade unions which have members who are employees of the employing body. Facilities Agreement: an agreement between public sector employers and recognised trade unions for employees to be released for trade union duties in work time.

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Equality, Local Government and Communities
Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

17 January 2017

Dear Colleague

Consultation on the Trade Union (Wales) Bill

The Equality, Local Government and Communities Committee is undertaking an inquiry into the general principles of the [Trade Union \(Wales\) Bill](#). Further details about the Bill and the accompanying [Explanatory Memorandum](#) can be found on the [Bill page](#).

Terms of reference

The Committee's terms of reference for its inquiry are:

To consider —

1. the general principles of the Trade Union (Wales) Bill and the need for legislation to ensure the continued and effective delivery of public services by dis-applying certain provisions of the UK Government's Trade Union Act 2016 as they apply to devolved Welsh authorities. The provisions to be dis-applied are as follows:
 - the 40% ballot threshold for industrial action affecting important public services,



- powers to require the publication of information on facility time and to impose requirements on public sector employers in relation to paid facility time, and
 - restrictions on deduction of union subscriptions from wages by employers;
2. any potential barriers to the implementation of the Bill's provisions and whether the Bill takes account of them;
 3. whether there are any unintended consequences arising from the Bill; and
 4. the financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum).

Invitation to contribute to the inquiry

The Committee would like to invite you to submit written evidence to assist in its consideration of the Bill. It would be helpful if you could use the above terms of reference to frame your response.

Submissions should arrive by Friday 17 February 2017.

If you wish to submit evidence, please send an electronic copy of your submission to: SeneddCommunities@assembly.wales

Guidance

Submissions should be no longer than five sides of A4, with numbered paragraphs, and should focus on the terms of reference.

If you are responding on behalf of an organisation, please provide a brief description of the role of your organisation.

Please see the [guidance for those providing evidence for committees](#).

Bilingual Policy

The Committee welcomes contributions in both or either of our official languages, English and Welsh. Information not submitted bilingually will not be translated and will be published in the language of submission only. We expect



organisations to implement their own standards and schemes and to comply with their statutory obligations.

Disclosure of Information

You can find further details about how we will use your information at www.assembly.wales/InquiryPrivacy. Please ensure that you have considered these details carefully before submitting information to the Committee.

Contact details

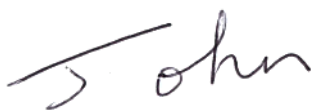
If you wish to speak to someone regarding this consultation, please use the following contact details:

Committee Clerk
Equality, Local Government and Communities Committee
National Assembly for Wales
Cardiff Bay, CF99 1NA.

Email: SeneddCommunities@assembly.wales

Telephone: 0300 200 6565

Yours sincerely,



John Griffiths AM

Chair, Equality, Local Government and Communities Committee



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Equality, Local Government and Communities Committee Inquiry into Trade Union (Wales) Bill

Submission on behalf of the Welsh Local Government Association

Introduction

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and three fire and rescue authorities are associate members. The Association seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh local government and the communities they serve.

Background

2. The WLGA and Welsh local authorities have a long-standing and mature working relationship with the recognised trade unions that developed further since devolution. All the key terms and conditions of employment within local government have been arrived at through national collective agreements and local negotiated agreements with the trades unions.
3. The WLGA has supported and embraced the concept of social partnership which has helped steer local government through severe financial difficulties. We strive wherever possible to seek consensus, although there are clearly occasions where employers and unions take a difference stance. For example, the use of third sector bodies or cooperatives in terms of delivering public services has been an area of disagreement in recent years. Nevertheless, we firmly recognise as employers that engaging with the workforce through the recognised trades unions played a significant part in ensuring that service continuity has been at the heart of some difficult decisions and fulfilling the Welsh Government's strategic aim of having citizen-centred services.
4. Industrial action within local government in Wales has been minimal over the past 10 years despite the backdrop of austerity, service efficiencies and a reducing workforce. Those that have occurred have been mainly instigated at a national level and in some circumstances the impact has been mitigated in Wales through a 'Welsh way' of dialogue and discussion, most notably with Teachers around the issue of 'Observation', in which the WLGA played a negotiating role.

The Role of the Trades Unions

5. The WLGA respects the role of trade unions and its members and understands that it can play a positive role in supporting the workforce.

The public face of trades unions is often seen as confrontational and being in constant disagreement, which is often symptomatic of an escalated industrial dispute. Whilst it is acknowledged that employers and trades unions do not agree on everything and disputes do occur, we believe strongly that there are many positive sides in working in partnership with Trades unions .

- a. **Health and Safety and Well-being.** The trades unions have a shared agenda with employers around the health and well-being of the workforce. Regulations in the form of The Safety Representatives and Safety Committees Regulations 1977 and the Health and Safety (Consultation with Employees) Regulations 1996 require employers to engage with their workforce on health and safety matters. Local government in Wales has often gone beyond this requirement and joined with trades unions to promote good health and safety and well-being. Undertaking health fayres, promoting specific health initiatives and generally supporting good health.
- b. **Learning and Development.** Welsh local government has worked with the Wales TUC to support Union Learning Representatives who help their members acquire essential/ core skills that helps them in work and life. Welsh local government has worked particularly closely with the Wales TUC to develop an e-learning hub called All Wales Academy for Local Government.
- c. **Pastoral care and Support.** The trades unions provide a range of pastoral supports and services that can assist employees who are members of a trade union. These can include a range of financial and legal services, health plans and support. These can have a positive impact on staff that enable them to continue in work and provide excellent public services.
- d. **Equalities** – The trades union have another shared agenda in promoting equality and diversity and avoiding discrimination in the workplace.
- e. **Advocacy & Representation** – there will be occasions when individuals or groups will be subject to employment processes that may affect their continued employment status. These may include discipline, redundancy and redeployment, performance management issues or retirement. Local government accepts that these individuals may require support and representation at a such a difficult time. Trades unions can assist the individual through the process, provide clarity on issues and often make these processes quicker and expedient.

Social Partnership

6. The Welsh Government is committed to the concept of social partnership as set out in 'Working Together for Wales- A Strategic Framework for Public Service in Wales.'. Welsh local government is a key stakeholder in the arrangements that support this. Welsh local Government forms part of the Workforce Partnership Council (WPC), which is a tripartite forum involving Government; Trades Unions and public sector employers. It also

abides by the principles contained in the WPC's 'Partnership and Managing Change Agreement (2012)'

7. The WLGA has actively supported the 'Creating Successful Partnerships' programme and delivered the programme in a number of authorities.
8. Welsh local government continues to engage with trades unions at an all-Wales level and supports the Joint Council for Wales. This is a joint trade union and employer's forum that provides a useful vehicle to share new and emerging issues that impact on local government; seek to provide agreed solutions to national issues; share good practice and resolve disputes should they arise.

Dispute Avoidance and Resolution

9. There will be occasions when disagreements will arise between local government employers and the trades unions. Mechanisms are in place to seek to resolve issues before formal disputes occur. Engagement at the earliest opportunity between employers and trades unions can help alleviate the need for disputes and avoid disputes escalating into industrial action.
10. In the event of formal disputes developing there is an expectation enshrined in ACAS codes that the parties should exhaust all 'local' procedures for dispute resolution prior to referral to ACAS or Employment Tribunal.
11. Welsh local government has a range of dispute resolution processes to help deal with individual and collective disputes.

The Trades Union (Wales) Bill

12. The following comments are provided specifically in relation to those elements of the proposed Trades Union (Wales) Bill:

Ballot Thresholds for 'Important Public Services'

13. The WLGA does not recognise the distinction between 'health, education, fire and transport service' and the other services provided by local authorities. Waste collection, Social Care, regulatory service and others are all important public services. The WLGA does not recognise the need to differentiate between these services for ballot purposes.

Paid facility Time and Publication of facility Time

14. The Welsh local government position on facility time has been that reasonable time off with pay should be available for trade union activities. This has been stated a number of times in the Joint Council for Wales.
15. It is recognised that different authorities have differing facility agreements. These are based on a range of factors and features relevant to that authority and will include: -

- Size of workforce
 - Geographical area
 - Budget Constraints on supporting arrangements
 - Transformation and change management Programmes
16. Local authorities should be free to develop a facilities agreement that best suits the needs of the authority. These facilities agreements are revisited periodically to ensure they are fit for purpose.
 17. The WLGA supports the notion of localism and does not support a top down, one size fits all approach that would impose requirements on individual local authorities.
 18. The WLGA does not see the benefit in the wholesale publication of facility time agreements. As alluded to above each local authority will have its own factors and features that will dictate the characteristics of its facilities agreement. Without a thorough understanding and insight into the issues and challenges that authority is facing, some of which will be confidential and sensitive, it would be impossible to compare on a fair and consistent basis, and therefore it will not be in the public interest. Internal processes such as annual budgeting and review of HR and corporate policies provides, together with scrutiny arrangements provides robust opportunity to ensure that facility agreements are fair and reasonable in the context of each authority.

Deduction of Union Subscriptions from Wages (check-off)

19. There has been a longstanding arrangement for authorities to deduct union subscriptions through payroll processes. Since the UK Governments Trade Union Act was being considered oral evidence from authorities suggested that where this was happening Service Level Agreements were in place that ensured authorities were recompensed for undertaking this.
20. We understand that as a result of the proposed legislation a number of trade unions have opted to deduct their subscriptions direct through direct debit. In view of this the WLGA will seek to establish a more up-to-date picture on check -off arrangements.
21. There are also some advantages to local authorities of assisting trades unions with subscription collection. Apart from any recompense they receive it does also allow local authorities to have an appreciation of union membership and density. It assists with understanding level of turnout and voting in the event of a ballot being undertaken. This can also be used to inform the facility time agreement if membership levels change.
22. At another level it allows individual staff who are trade union members to be quickly and appropriately signposted to their trades union for help, support, advocacy and representation if necessary. Having this understanding can save time and resources.

Conclusion

23. At the meeting of the WLGA Council in September 2015 it resolved (by majority of 21:1) to oppose the UK Government Trade Union Bill. As part of the debate they determined that the measures in the then Bill were disproportionate and they would undermine relationships between employers and the staff.
24. With the publication of the new White Paper on Local government it is the case that councils in Wales are due to embark on a significant journey. The White Paper recognises that "the local government workforce is an essential part of these proposals and the Welsh Government will consider, through the Workforce Partnership Council, how to support the transition over to the new arrangements, using statutory guidance where necessary". The employers recognise that in any major change programme, particularly in the context of recent years, it is vital to take the workforce with you and fully engage with their representative bodies. The trades unions provide an essential vehicle to ensuring that the workforce is represented and engaged in this change process over the coming years.
25. The evidence presented above supports the proposal to bring forward the Trade Union (Wales) Act that will help ensure that the mature and effective relationships that have been developed between employers and trades unions in local government continue to help improve public services in Wales.

Welsh Local Government Association

3rd February 2017

Contact:

Jonathan Lloyd

Head of Employment

02920 468644

Jonathan.lloyd@wlga.gov.uk

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COUNTY COUNCIL

Date of Meeting	Wednesday, 1 March 2017
Report Subject	Pay Policy Statement for 2017/18
Report Author	Chief Executive and Senior Manager, Human Resources and Organisational Development Manager

EXECUTIVE SUMMARY

All local authorities are required to publish an annual Pay Policy Statement.

The Pay Policy Statement presented within this report is the fifth annual Statement published by Flintshire County Council.

RECOMMENDATIONS

1	To approve and adopt the annual Pay Policy Statement for 2017/18.
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REPORT DETAILS

1.00	CONSIDERATIONS
1.01	<p>Under the Localism Act 2011 local authorities are required to publish an annual Pay Policy Statement. A Pay Policy Statement must include:</p> <ul style="list-style-type: none"> • the local authority's policy on the level and elements of remuneration for each chief officer. • the policy on the remuneration of its lowest-paid employees - together with its definition of lowest-paid employees' and its reasons for adopting that definition. • the policy on the relationship between the remuneration of its chief officers and other officers. • the policy on other specific aspects of chief officers remuneration such as recruitment, pay increases, the use of performance related pay and

	bonuses, termination payments, and pay transparency.
1.02	The Council's current Pay Policy Statement was approved by Council on 1 March 2016.
1.03	The Pay Policy Statement is part of the Council's policy framework for reward and recognition – one of the five strategic priorities of the People Strategy 2016-19.
1.04	The Pay Policy Statement for 2017/18 is appended to this report. The Statement summarises the organisation's approach to pay and remuneration.
1.05	There is no change to the proposed principles or approach to remuneration in this year's Policy. Following the publication of guidance by the Public Services Staff Commission we have included additional sections on Bonus Payments and Performance Related Pay, the use of Salary Sacrifice Schemes and our approach to Talent Management, as good practice.

2.00	RESOURCE IMPLICATIONS
2.01	None as the Pay Policy Statement appended to this report is a description of existing arrangements.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	None.

5.00	APPENDICES
5.01	Appendix A – Pay Policy Statement 2017/18

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Sharon Carney, Senior Manager, Human Resources and Organisational Development Telephone: 01352 702139 E-mail: Sharon.carney@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	As detailed in the Pay Policy Statement attached.

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Pay Policy



2017 - 2018

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1. Introduction and Purpose

The Localism Act 2011 (the Act) requires all councils to prepare an annual Pay Policy Statement by 31 March each year. Should circumstances require, the Policy can be amended during the course of the year subject to the same requirement of approval by full council.

The Pay Policy Statement should set out the Council's arrangements for the pay of its workforce, particularly its senior staff (or 'Chief Officers') and its lowest paid employees. Under section 38 (1) of the Act 2011 English and Welsh local authorities are to produce and publish a pay policy statement for each financial year covering:

- The authority's policies for the remuneration of chief officers;
- The arrangements for the publication of and access to information on the remuneration of chief officers;
- The authority's policies towards the remuneration of its lowest paid employees; and
- The relationship between the remuneration of its chief officers and other employees.

Flintshire County Council is a large and complex organisation with a multi-million pound budget providing and commissioning a wide range of essential public services. Therefore, the arrangements for the evaluation of posts across the workforce, and pay and terms and consideration of employment, are complex and require careful planning, maintenance and control.

The current UK Government fiscal policy and a reduction in public expenditure has led to councils having to reduce their workforce numbers and costs. All councils have had to review their approach to organisational design, workforce remuneration and the costs of employment terms and conditions as a consequence.

2. Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation including the following:

- The Equality Act 2010;
- Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000;
- The Agency Workers Regulations 2010;
- Where relevant the Transfer of Undertakings (Protection of Earnings) Regulations.

The Council will ensure that there is no pay discrimination within its pay and grading structures and that all pay differentials in pay can be objectively justified through the use of a Job Evaluation system. The Council's Single Status Agreement is compliant with all relevant legislation and industry practice.

3. Scope of the Pay Policy Statement

The Localism Act 2011 requires authorities to publish their pay policy on all aspects of Chief Officer Remuneration (including on ceasing to hold office) and to explain the relationship between remuneration for Chief Officers and other workforce groups including the 'lowest paid'.

In the interests of transparency the Council has chosen to take a broader approach and produces a policy covering all employee groups with the exception of School Teachers (as the remuneration for this group is set by the Secretary of State at a UK level and therefore is not within local authority control).

Nothing within the provisions of the Localism Act 2011 detract from the Council's autonomy in making decisions on pay that are appropriate to local circumstances and which deliver achieve business objectives and value for money. The Council will follow its own policy in setting remuneration levels for all workforce groups within its scope.

4. Independent Remuneration Panel for Wales (IRPW)

Section 143A of the Local Government (Wales) Measure 2011, as inserted by Section 63 of the Local Government (Democracy) (Wales) Act 2013 refers to the Independent Remuneration Panel in Wales (the "IRP") and sets out their functions for the remuneration of heads of paid service. All councils should note that the IRP may make recommendations about any on the salary of the head of paid service and any proposed change to the salary of the position.

The responsibilities of the IRPW are increasing. For example, on recruitment, directions may impose restrictions on proposed recruitment to certain posts, including chief officers. Should the Welsh Ministers decide to issue directions under subsection (1), no chief officer may be recruited without the consent of a person specified in the direction.

Detailed guidance to the Independent Remuneration Panel for Wales on the pay of Heads of Paid Service and Chief Officers under Section 143A of the Local Government (Wales) Measure 2011 and Section 39 of the Local Government (Wales) Act 2015 can be found via the following link <http://gov.wales/topics/localgovernment/publications/guidance-salaries-irp/>.

5. Broad Principles of our Pay and Reward Strategy

I) Transparency, accountability and value for money

The Council is committed to an open and transparent approach to pay policy which will enable anyone to access, understand and assess information on remuneration levels across all groups of Council employees. The following is available on the council's website at www.flintshire.gov.uk.

Remuneration data

- All employee pay scales
- Individual remuneration details for senior employees whose remuneration is over £60,000 per annum, and the number of employees whose remuneration exceeds £60,000 as required under the Accounts and Audit (Wales) (Amendment) Regulations 2010.

Policy documents

- [Additional Payments](#)
- [Policy Statement on Redundancy and Severance Payments \(including additional pension payments\)](#)

All relevant policies are reviewed periodically to ensure they are current and meet the principles of fairness, equality, accountability and value for money.

II) Development of Pay and Reward Strategy

The primary aim of a reward strategy is to attract, retain and motivate suitably skilled employees so that the organisation can perform to its best. The biggest challenge for the Council in the current financial climate is to maximise productivity and efficiency within current resources. Pay policy is a matter of striking a balance between setting remuneration levels at appropriate levels to ensure a sufficient 'supply' of appropriately skilled, experienced and qualified individuals to fill the Council's wide range of posts, and ensuring that the burden of cost does not become greater than can be justified.

It should be recognised that in a competitive recruitment 'market' remuneration levels need to enable the attraction of a suitably wide pool of talent (which will ideally include people from across the public sector and from outside as well as within Wales), and the retention of suitably skilled and qualified

individuals once in post. It should be recognised that the Council will often be seeking to recruit in competition with other public and private sector employers.

The Council is a major employer in the area. The availability of good quality employment on reasonable terms and conditions and fair rates of pay has a beneficial impact on the quality of life in the community as well as on the local economy. The Council also has a role in setting a benchmark example on pay and conditions to other employers in the area for the same reasons.

In designing, developing and reviewing the Pay and Reward strategy the Council will seek to balance these factors to achieve performance outcomes for the organisation and the community it serves, whilst managing and controlling total pay costs. This has remained a challenge year on year for the Council against a backdrop of recent pay 'freezes' for local government workers. The 1% NJC national 'cost of living' pay award for 2013/14 made for most employees followed an unprecedented three-year pay freeze.

For senior posts regulated under the Joint Negotiating Council (JNC) the pay 'freeze' had lasted for 6 years to 2015/16 and, for the most senior posts such as Chief Executives, for seven years to 2015/16.

III) The Councils Pay and Grading Structure

Section 112 of the Local Government Act 1972 provides that a local authority shall appoint such Officers for the proper discharge of its functions on such reasonable terms and conditions, including conditions as to remuneration as the local authority thinks fit.

The remuneration of the large majority of employees of the Council is in accordance with the locally agreed pay scale with spinal column points based on the nationally agreed pay spine (the NJC pay scale).

As part of its ongoing commitment to ensure the integrity of the Single Status Agreement, the Council, through the Single Status Governance Group, regularly reviews and analyses a variety of reports to ensure that reward processes are consistently applied in line with the relevant policies and to challenge where appropriate, and to receive Equal Pay Audits and to recommend an action plan as needed.

The Council uses a range of methods to evaluate pay and has multiple pay scales dependent on the terms and conditions of employment.

For roles that are not nationally prescribed and are not Chief Officer posts, the Council uses the Greater London Provincial Committee (GLPC), which is part of the Single Status Collective Agreement, and role profiles for support workers employed by School Governing Bodies.

For employees under JNC Craft Agreement (Red Book) we have a multi-skilling local agreement in place for pay which is based on 3 bands of pay in each trade and is dependent on employees being competent to undertake multi-trade working. The pay scale is based on the National Pay Scales for Craft but is all inclusive of 'tool' and 'dirt money' etc.

In 2016 the Council introduced a collective agreement known as the 'House Agreement' for Theatr Clwyd covering pay and terms and conditions of employment. The agreement introduced a new pay scale and terms and conditions of employment that ensured future payments were equitable, affordable and sustainable whilst facilitating retention and recruitment. Generic profile descriptors are used as a basis for matching each job to the most appropriate grade.

Pay Progression

With the exception of Chief Officers whose pay progression is based on performance, all employees receive annual increments until the maximum spinal point in the grade is reached, subject to six months in that grade (whether attained by appointment, promotion or re-grading).

All employees, including senior employees, will normally be appointed to the minimum point of the pay grade for the job. In certain circumstances it may be appropriate to appoint to a higher point in the pay grade. This may arise when, for example, the preferred candidate for the job is or has been in receipt of a salary at a higher level than the grade minimum, subject to approval by their respective Chief Officer.

For employees on the Craft Rates of Pay, progression through the bands of pay will be dependent upon multi-trade working.

Within Theatr Clwyd incremental progression will be dependent on Theatr Clwyd achieving collective targets which are agreed and reviewed annually by the Board of Trustees.

Bonus Payments and Performance Related Pay

The Council does not apply any bonus payments or performance related pay. The council operates an appraisal system as part of its performance management strategy but this is not linked to pay.

Chief Officer Job Evaluation

For Chief Officers, the Council uses the 'Hay' Scheme for job evaluation purposes. The Council undertook reviews of Chief Officer's roles and associated pay arrangements in 2014. Therefore, current arrangements are modern for the business needs of the Council.

IV) Additional Payments

There may be occasions when an employee is asked to carry out additional duties to those of their substantive post for a period of time. In such circumstances an additional payment may be made in line with the Council's Additional Payments policy. The policy provides a framework to ensure the continued fairness, equitability and affordability of the pay and grading structure and differentiates between the following scenarios:

Honorarium

An honorarium is payable when an employee undertakes some but not all duties or responsibilities of a higher graded post for a continuous period of at least four weeks.

Market Supplements

A market supplement is a time limited supplement to basic pay in recognition that the Council is experiencing severe recruitment and retention difficulties and that comparable posts in a competing market are paid higher salaries elsewhere.

V Protection of Earnings

The Council will take reasonable steps to protect an employee's basic pay where it is reduced as a result of:

- Organisational change
- Redeployment where the individual is at risk of or under notice of redundancy and is redeployed or assimilated into either a lower graded post or a post which attracts a lower total remuneration package than their previous post

The Council protects the remuneration of employees for a maximum of twelve months from the date of the change to basic pay, subject to a maximum of one grade difference or equivalent between the old post and the new post.

6. Chief Officer Remuneration

i) Definitions of Chief Officer

For the purposes of this statement, 'Chief Officers' are as defined within S43 of the Localism Act. The relevant posts within the Council are as follows:

- a) Chief Executive (including Head of Paid Service)
- b) Chief Officer, Governance
- c) Chief Officer, People and Resources
- d) Chief Officer, Streetscene and Transportation
- e) Chief Officer, Planning & Environment
- f) Chief Officer, Social Services
- g) Chief Officer, Education and Youth,
- h) Chief Officer, Community and Enterprise
- i) Chief Officer, Organisational Change 1
- j) Chief Officer, Organisational Change 2

These officers are responsible for working alongside and advising elected members over the strategic direction of the Council, carrying out the stated aims of the Council, ensuring the efficiency and effectiveness of all services provided by the Council and its partners, and providing overall day to day operational management of services.

A new single grade and pay range for the new Chief Officer group was introduced in June 2014. All roles in the structure are positioned in the same single incremental range, given that all roles are broadly the same size, other than the Chief Executive. Placing the new Chief Officer roles on the same grade also removes any hierarchy at senior management level and reflects the single, collective tier.

All roles have access to the same four increments. The pay range has a clear rationale, building on the options developed with the independent advice from Hay Group and being mindful of both affordability and the relativity to management roles in the grades below. The range overlaps with the increments which existed for the former Heads of Service but falls below the former Director pay. It also represents a consistent policy of paying between the lower quartile and the median.

Progression through the range is based on performance. The approach is affordable and fair, and has ensured that the Council can meet its financial targets for the reduction of senior management costs.

ii) Policy on the Remuneration of Chief Officers

The Terms and Conditions of employment applicable to Chief Officers are as determined by the JNC (Joint Negotiating Council) for Chief Officers of Local Authorities (or JNC for Chief executives of Local Authorities) as amended/ supplemented or superseded by decisions on conditions of service made by the Council from time to time and contained within the Councils Employment Policies and Procedures.

iii) Recruitment of Chief Officers

The Council's policy and procedures for the recruitment of Chief Officers is set out within Article 15, 15.01 sub section (b) of the Constitution.

The Council's Management Structure is as approved by Council. The Job Descriptions and Person Specifications for each Chief Officer post are approved prior to advertisement by the Council's appointment panel which comprises seven elected members. The determination of the remuneration to be offered to any newly appointed Chief Officer will take account of such factors as the requirements of the job, the relative size of the organization, local and national market rates and the relationship with other posts within the grading structure. It is the responsibility of the Chief Executive to make and maintain arrangements for the professional management of the Council which meet both its legal duties and its business needs.

There is a requirement under the Welsh Government Regulations that all vacant posts with a salary of over £100,000 are publicly advertised. The Council has not appointed to any posts in this range since 2007. The only exception to this new rule is where the appointment is for 12 months or less. It is also possible to divide up the duties from one deleted Chief Officer post between other existing post holders.

iv) Chief Officer Salaries

Details of the Chief Officer's basic salary are set out below (salaries are those applicable at 31st January 2016).

Chief Executive

The salary falls within a range of 1 – incremental points between £121,945.00 rising to a maximum of £132,546.00. (This salary range was set by the Council in 2007 with external advice and has not been reviewed since that time).

Chief Officers

The salary falls within a range of 1 – 4 incremental points between £82,200 rising to a maximum of £92,605.

v) Additions to Salary of Chief Officers

The Council does pay all reasonable travel and subsistence expenses on produced of receipts and in accordance with JNC conditions and other local conditions. Part III changes which formed part of the Single Status Agreement have removed other previous entitlements. A number of senior employees choose not to claim in full expenses to which they are contractually entitled as a 'conscious' voluntary decision given the current financial constraints.

The Returning Officer for the County Council is the Chief Executive. The Returning Officer duties are not part of the Chief Executive's substantive role. Fees for these duties are paid separately and are determined by the full Council for Council elections and by legislation for the Police and Crime Commissions, the National Assembly for Wales, the Parliamentary Elections, European Elections and national referenda.

vi) Performance Related Pay and Bonuses

The Council does not apply any bonuses or performance related pay to its Chief Officers pay. However, the annual increment (if not already at top of scale) is only awarded once the Annual Appraisal has been passed as satisfactory.

All Chief Officers have annual and mid-year appraisals and the Chief Executive has an annual appraisal facilitated by an external party as per national guidance and the post's contractual rights.

vii) Payments on Termination

The Council's policies for redundancy payments and retirement are set out respectively within its Discretionary Compensation Scheme and Early Retirement Policy.

Under the Local Government (Early Termination of Employment) Discretionary Compensation) (England and Wales) Regulations 2006, the Council applies its discretion under Regulation 5 in the case of both voluntary and compulsory redundancy to base any payments on an employee's actual week's pay.

Under Regulation 6, the Council makes redundancy payments (compulsory and voluntary) based upon the statutory redundancy payments scale with the entitlement in terms of the number of weeks payable being multiplied by a factor of 1.5, subject to a maximum of 45 weeks.

The Welsh Government recommends that authorities should offer their full council body the opportunity to vote before large severance packages beyond a particular threshold are approved for chief officers leaving the organisation. Welsh Ministers consider £100,000 is the right level for that threshold to be set and considers that salary paid in lieu, lump sum redundancy / severance payment, and the cost to the authority of the strain on the pension fund should be included when determining whether the package exceeds £100,000.

In addition, the Council has operated a Voluntary Redundancy (VR) scheme since February 2014. During February 2015 Wales Audit Office published its national study of public sector practice and performance on the management of early departures across Welsh public bodies. Flintshire undertook a voluntary self-assessment of our performance against the seven proposals for improvement. The Council either met or exceeded each of the relevant recommendation and we shared our self-assessment to Wales Audit Office as model practice.

Outside of the policies outlined above the Council does not operate any other policy of making any specific or general payment to its Chief Officers or any other employees on their ceasing to hold office or to be employed by the Council but it may, where appropriate, agree to waive contractual notice.

viii) Publication of Chief Officer and Other Senior Post Salaries

Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for posts where the full time equivalent salary is over £60,000 per annum the Council's Annual Statement of Accounts will include a note setting out by posts the total amount of:

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination; and
- any benefits received that do not fall within the above.

ix) Pay Increases – Chief Officers

The Council employs Chief Officers under JNC terms and conditions which are incorporated into their contracts. The JNC for Chief Officers negotiates on national (UK) annual cost of living pay increases for this group, and any award of the same is determined on this basis. Chief Officers employed on JNC terms and conditions are contractually entitled to any national JNC determined pay rises and this Council will therefore pay these as and when determined in accordance with current contractual arrangements.

7. Remuneration of the Lowest Paid Employees

The lowest paid persons employed under a contract of employment with the Council are defined as those employed on full time 37 hours equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure post single status. As at 1 January 2017, this is £14,771.00 per annum. The Council has adopted this definition as it is recommended in relevant guidance as the most easily understood.

The Council employs apprentices (and other such trainees) who are not included within the definition of 'lowest paid employees' and are paid less than the minimum spinal column point for other employees during their apprenticeship. The purpose of paying a lower salary is to reflect the particular nature and/or duration/frequency of their employment and to maximize the number of apprenticeships offered.

8. Salary Sacrifice Scheme

The Council has offered childcare vouchers and cycle to work scheme for many years but, following a review of our total reward strategy in 2016 we launched a new 'eRewards' scheme. This scheme introduced retail and leisure discounts for employees as well as providing an opportunity to re-launch childcare vouchers and cycle to work scheme via new providers all under the National Procurement Service for Wales (NPS) framework.

The aim of the schemes is to stretch net pay for employees following recent years of pay freezes and 1% pay awards against a rise in living costs. The retail and leisure discounts provides many of ways of saving on everyday expenses such as everyday shopping, motoring and insurance.

9. Pay Relativities within the Authority

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).

The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Governments Code of Recommended Practice on Data Transparency recommends the publication of the ratio between the highest paid salary and the median average salary of the whole of the Authority's workforce.

The multiples of pay for Flintshire County Council are as follows:

1. The multiple between the lowest paid (full time equivalent) employee and the Chief Executive is **1:8.97** (compared to 1:10.08 in 2013/14 (as reported in the first pay policy) and 1:9.46 last year)
2. The multiple between the lowest paid employee and mean average chief officer is **1:5.89** (previous year 1:6.15)
3. The multiple between the median (average) full time equivalent earnings of pay between the Chief Executive is **1:7.72** (previous year 1:7.73)

(information based on payroll data January 2017)

The interim Hutton Fair Pay Report noted that most top to bottom pay multiples in the public sector are in the region of **1:8.1 to 1: 12.1**. The multiples in Flintshire are therefore well within this notional range.

10. Talent Management

The Council recognises the potential in all of our employees and that talent exists throughout the organisation. The concept of talent management has in recent years evolved into a common and essential management practice covering a multitude of areas including organisational capability, individual development, performance enhancement, workforce planning and succession planning

Each of the five strategic priorities of the Councils People Strategy 2016 – 2019 contributes to talent management and defines what we will do to achieve a responsive and flexible workforce that is equipped to meet the changing needs of the organisation.

Succession planning aims to attract the best talent, retain those individuals, and develop them through well-targeted development efforts. The Council have a number of tools available for mapping current performance and future potential (for example the 9 Box Grid).

The desired results of the succession planning are to:

- Identify high-potential employees capable of rapid advancement to positions of higher responsibility than those they presently occupy.
- Ensure the systematic and long-term development of individuals to replace key job incumbents as the need arises.
- Provide a continuous flow of talented people to meet the organisations management needs.

11. National Negotiating Bodies and Pay Awards

The National Joint Council negotiates the pay, terms and conditions of employees in local authorities. It agrees an annual cost of living uplift to the national pay spine, on which each individual council decides where to place its employees. Each council takes into account a number of factors such as job size and local market conditions when deciding an employee's salary. There are no nationally determined jobs or pay grades in local government, unlike in other parts of the public sector.

As with other Welsh councils, the Council continues to comply with all nationally negotiated pay awards that are agreed at a UK level. This means that any pay awards negotiated at national level through the Joint Council for Local Government Employees and the Joint Negotiating Council for Craft Workers, Youth Workers and Community Officer will automatically be applied.

In 2016, pay awards were agreed for 2016 and 2017 and have been applied automatically. The final agreement covered our immediate obligations under the National Living Wage (see below).

12. National Living Wage

On 1 April 2016 the National Living Wage was introduced at a rate of £7.20 per hour which meant that the current bottom three pay points on the 'Green Book' pay spine were below that statutory minimum level. The current hourly rate of SCP6 is £7.06 (£13,614); SCP7 is £7.11 (£13,715) and SCP8 is £7.19 (£13,871).

Prior to NJC reaching a pay agreement in time for 1 April 2016, the Council made preparations for employees currently paid on SCPs 6, 7 and 8 to have their pay increased in accordance with the National Living Wage, which in local government equates to £13,891 per annum with effect from 1 April 2016.

This figure has been calculated by multiplying the National Living Wage rate of £7.20 by the local government standard working week of 37 hours and then multiplied by 52.143.

From 1 April 2017 the National Living Wage increases to £7.50 per hour. The 2016 pay award increased the bottom pay point on 'Green Book' pay spine to £7.65 per hour and the 2017 pay award to £7.90 per hour.

We face a huge challenge in the coming years of having to increase the bottom pay points by potentially 32% to achieve the Government's target for the National Living Wage to reach 60% of median earnings

(currently forecast to be around £9.35 per hour) in 2020. Work is ongoing to determine what changes, if any, will be required to our pay structure to meet the ongoing requirements of the National Living Wage.

As an employer we fully support the principle of the National Living Wage. The challenge arises from the lack of any national funding to support its introduction in the public services and within the sectors from which we commission services such as the social care sector.

13. Additional Costs/Contributions faced by the Council and its Employees

From 1 April 2016, the changes to the Single Tier Pension affected employees currently in contracted out pension schemes who now have to pay an additional 1.4% in National insurance contributions and therefore, have seen a reduction in their 'take-home' pay. The Council was also affected and now pays an additional 3.4% which equates to £2.7m per annum (including Schools).

Employees are also making increased contributions to their work-based pension scheme under the Local Government Pension Scheme Regulations, with the most senior employees making a proportionately greater contribution on a 'sliding scale' of contributions.

14. Re-engagement of Chief Officers

No Chief Officer who was previously made redundant or granted early retirement from the Council will be later re-employed or re-engaged either as an employee (Contract of Service), as a Consultant (Contract for Service) or through an external contractor commission to work in behalf of the Council.

This is aligned to the principles applied within the Voluntary Redundancy Policy which provides that employees who voluntarily leave the Council's employment under the Scheme should not be re-engaged in any capacity within a period of 24 months from the end of their employment, save for exceptional circumstances and only if approved by the Chief Executive as Head of Paid Service.

15. Publication

Upon approval by full Council, this statement will be published on the Council's website.

16. Partnership with Trade Unions

The Council will endeavor to maintain the constructive partnership approach it has developed with the recognised Trade Unions and will continue to work closely with them on pay issues.

Appendix 1

Salary Scales

Chief Executive Pay Scale

Scale	SCP	Salary 01/04/2017 and continuing
CEO Point 01	1	£121,945.00
CEO Point 02	2	£125,477.00
CEO Point 03	3	£129,012.00
CEO Point 04	4	£132,546.00

Chief Officer's Pay Scale

Grade	SCP	Salary range 01/04/2017 and continuing
Chief Officer	1	£82,200
Chief Officer	2	£85,321
Chief Officer	3	£88,443
Chief Officer	4	£92,605

Young People's/Community Service Managers (Soulbury)

Assistant Educational Psychologists

SCP	01/04/17 continuing	and	SCP	01/04/17 and continuing
Point 01	£28,218.00		Point 03	£30,523.00
Point 02	£29,371.00		Point 04	£31,669.00

Educational Psychologists

SCP	01/04/17 continuing	and	SCP	01/04/17 continuing	and
Point 01	£35,731.00		Point 07	£46,504.00	
Point 02	£37,545.00		Point 08	£48,211.00	
Point 03	£39,359.00		Point 09	£49,810.00	
Point 04	£41,171.00		Point 10	£51,411.00	
Point 05	£42,984.00		Point 11	£52,903.00	
Point 06	£44,797.00		Point 07	£46,504.00	

Senior Educational Psychologists

SCP	New Salary 1st April 2017	SCP	New Salary 1st April 2017
Point 01	£44,797.00	Point 09	£55,795.00
Point 02	£46,504.00	Point 10	£56,950.00
Point 03	£48,211.00	Point 11	£58,081.00
Point 04	£49,810.00	Point 12	£59,235.00
Point 05	£51,411.00	Point 13	£60,409.00
Point 06	£52,903.00	Point 14	£61,543.00
Point 07	£53,516.00	Point 15	£62,731.00
Point 08	£54,661.00	Point 10	£56,950.00

Youth Workers (Pink Book)

Scale Point	01/04/17 continuing	and	Scale Point	01/04/17 continuing	and
Point 02	£15,807.00		Point 17	£26,929.00	
Point 03	£16,417.00		Point 18	£27,670.00	

Point 04	£16,931.00	Point 19	£28,404.00
Point 05	£17,491.00	Point 20	£29,141.00
Point 06	£18,006.00	Point 21	£29,969.00
Point 07	£18,636.00	Point 22	£30,907.00
Point 08	£19,260.00	Point 23	£31,820.00
Point 09	£20,055.00	Point 24	£32,737.00
Point 10	£20,677.00	Point 25	£33,662.00
Point 11	£21,682.00	Point 26	£35,511.00
Point 12	£22,665.00	Point 27	£36,446.00
Point 13	£23,679.00	Point 28	£37,375.00
Point 14	£24,730.00	Point 29	£38,304.00
Point 15	£25,446.00	Point 30	£38,930.00
Point 16	£26,194.00	Point 31	£39,961.00
		Point 32	£35,511.00

JNC Craft Pay Scales (Red Book)

SCP	01/04/17 and continuing
Building Labourer	£15,246.00
Heating and Ventilation Mate	£15,613.00
Building Craft Operative	£15,807.00
Plumber	£16,491.00
Engineer & Electrician	£17,072.00
Band 1 - Electrician	£22,778.11
Band 1 - Joiners & Builders	£20,410.08
Band 1 - Labourer	£18,605.89
Band 1 - Plumber	£21,650.49

Band 2 - Diag/Electrician	£24,807.86
Band 2 - Joiners & Builders	£22,552.59
Band 2 - Joiners & Builders + 7%	£24,131.27
Band 2 - Labourer	£20,861.15
Band 2 - Plumber	£23,680.22
Band 2 - Plumber (Gas Qual)	£24,807.86
Band 3 - Diag/Electrician	£26,499.29
Band 3 - Joiners & Builders	£24,018.52
Band 3 - Plumber	£25,371.67
Band 3 - Plumber (Gas Qual)	£26,499.29
Trades Supervisor	£2,8529.03

Occupational Health Nurses Pay Scales

Point	Salary 01/04/16 and continuing	Point	Salary 01/04/16 and continuing
Point 16	£21,692.00	Point 28	£33,227
Point 17	£22,236.00	Point 29	£3,876.00
Point 18	£23,132.00	Point 30	£35,891.00
Point 19	£24,063.00	Point 31	£37,032.00
Point 20	£25,047.00	Point 32	£38,300.00
Point 21	£26,041.00	Point 33	£39,632.00
Point 22	£27,090.00	Point 34	£40,964.00
Point 23	£28,180.00	Point 35	£42,612.00
Point 24	£29,043.00	Point 36	£44,261.00
Point 25	£30,057.00	Point 37	£46,164.00
Point 26	£31,072.00	Point 38	£47,559.00
Point 27	£32,086.00		

Post Single Status Pay Scales (Green Book)

Grade	SCP	Salary April 2017
A	08	£15,246.00
	09	£15,375.00
	10	£15,613.00
	11	£15,701.00
B	12	£15,807.00
	13	£16,123.00
	14	£16,491.00
C	14	£16,491.00
	15	£17,072.00
	16	£17,419.00
D	16	£17,419.00
	17	£17,772.00
	18	£18,292.00
	19	£18,859.00
E	19	£18,859.00
	20	£19,432.00
	21	£20,140.00
	22	£20,661.00
F	23	£21,269.00
	24	£21,964.00
	25	£22,660.00
	26	£23,399.00
	27	£24,175.00
G	30	£26,725.00
	31	£27,669.00
	32	£28,487.00
	33	£29,325.00
H	34	£30,153.00
	35	£30,785.00
	36	£31,601.00
	37	£32,487.00
I	39	£34,538.00
	40	£35,445.00
	41	£36,286.00
J	42	£37,307.00
	43	£38,237.00
	44	£39,178.00

K	45	£40,057.00
	46	£41,027.00
	47	£41,968.00
	48	£42,899.00
L	51	£45,903.00
	52	£47,122.00
	53	£48,373.00
M	53	£48,373.00
	54	£49,659.00
	55	£50,976.00
N	56	£52,328.00
	57	£53,718.00
	58	£55,143.00
	59	£56,605.00

Theatre Pay Scales (NJC)

SCP	01/04/17 and continuing	SCP	01/04/17 and continuing
Point 06	£15,014.00	Point 31	£30,153.00
Point 07	£15,115.00	Point 32	£31,601.00
Point 09	£15,375.00	Point 33	£32,486.00
Point 10	£15,613.00	Point 34	£33,437.00
Point 11	£15,807.00	Point 35	£34,538.00
Point 13	£16,491.00	Point 36	£35,444.00
Point 15	£17,072.00	Point 37	£32,486.00
Point 16	£17,419.00	Point 38	£33,437.00
Point 17	£17,772.00	Point 39	£34,538.00
Point 18	£18,070.00	Point 40	£35,444.00
Point 19	£18,746.00	Point 41	£36,379.00
Point 20	£19,430.00	Point 42	£37,306.00
Point 21	£20,138.00	Point 43	£38,237.00
Point 22	£20,661.00	Point 44	£39,177.00
Point 23	£21,268.00		
Point 24	£21,962.00		
Point 25	£22,658.00		
Point 26	£23,398.00		
Point 27	£24,174.00		
Point 29	£25,951.00		
Point 30	£26,822.00		

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FLINTSHIRE COUNTY COUNCIL

Date of Meeting	1 March 2017
Report Subject	Annual Review of the Code of Corporate Governance
Portfolio Holder	Leader of the Council
Report Author	Chief Executive

EXECUTIVE SUMMARY

The Code of Corporate Governance forms part of the Constitution. It is reviewed and updated annually to ensure it is up to date and complies with all relevant legislation and other requirements.

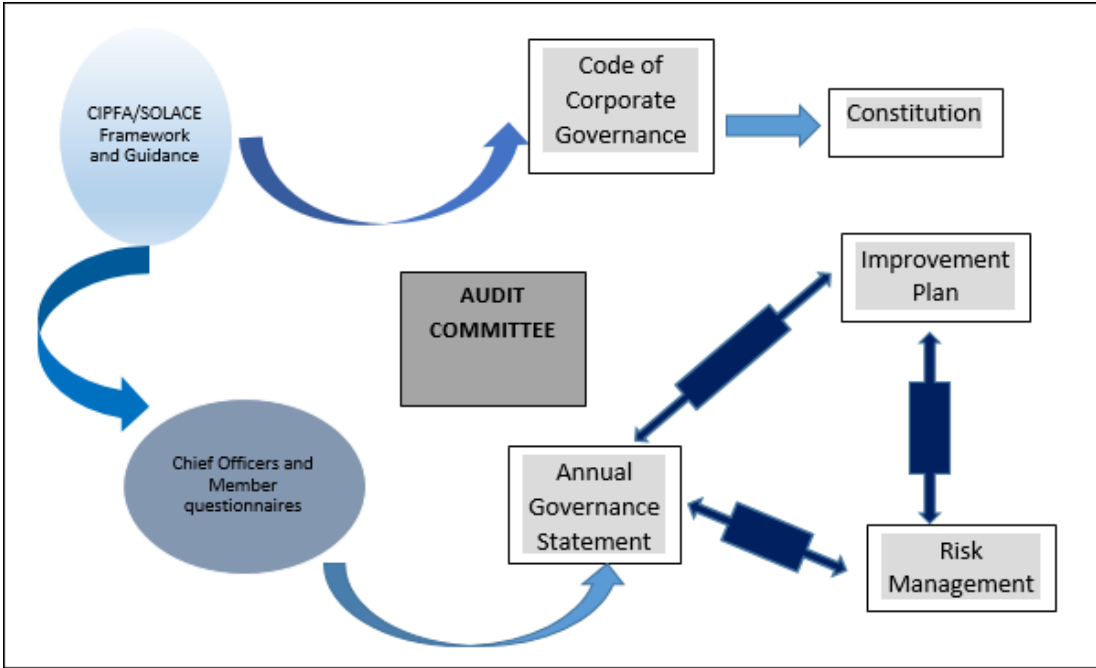
The revised Code has been endorsed by the Audit Committee on 25 January and Constitution Committee on 1 February 2017.

The Code of Corporate Governance forms part of the Council's Constitution and is presented for endorsement and inclusion within the Constitution.

RECOMMENDATIONS

1.	The Council to endorse the updated Code of Corporate Governance for adoption as part of the Council's Constitution.
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REPORT DETAILS

<p>1.00</p>	<p>EXPLAINING THE REVIEW OF THE CODE OF CORPORATE GOVERNANCE</p>
<p>1.01</p>	<p>The Corporate Governance Working Group (CGWG) has two main roles:- the annual review of the Code of Corporate Governance; and the preparation of the Annual Governance Statement (AGS).</p> <p>Under both roles the Group prepares the draft documentation for consideration by the Chief Executive, Monitoring Officer and Section 151 Officer prior to consideration by the Audit Committee. The membership of this officer working group is shown in Appendix 1.</p>
<p>1.02</p>	<p>The Council’s Code of Corporate Governance forms part of the Constitution and applies to all parts of the Council’s business. Members and employees of the Council in carrying out its business must conduct themselves in accordance with the high standards expected.</p> <p>The Code draws from work and guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) and their joint document entitled ‘Delivering Good Governance in Local Government: Guidance Notes for Welsh Authorities 2016’.</p>
<p>1.03</p>	<p>The relationship between the CIPFA /SOLACE guidance, the Code of Corporate Governance, the Annual Governance Statement, Improvement Plan and the Audit Committee’s responsibilities for these and risk management, is shown in the diagram below.</p>  <pre> graph TD A((CIPFA/SOLACE Framework and Guidance)) --> B[Code of Corporate Governance] B --> C[Constitution] C --> D[Annual Governance Statement] E((Chief Officers and Member questionnaires)) --> D D --> F[Improvement Plan] D --> G[Risk Management] F --> G H[AUDIT COMMITTEE] --- D </pre>
<p>1.04</p>	<p>The CIPFA/SOLACE Guidance note for Welsh Authorities was received in December having been revised to take account of Welsh legislation and Wales only policies in particular the Well-being of Future Generations (Wales) Act 2015.</p>

	<p>The CIPFA/SOLACE Framework is intended to assist authorities in ensuring that:</p> <ul style="list-style-type: none"> • resources are directed in accordance with agreed policy and according to priorities; • there is sound and inclusive decision making; and • there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. <p>The newly outlined principles and sub-principles of the Framework are significantly different from the previous ones. As a result the Code of Corporate Governance this year looks different to previous versions. The format has been simplified and modernised with an increased use of hyperlinks.</p> <p>The updating and formatting review of the code was initially carried out by the Corporate Governance Working Group followed by consultation with the Chief Executive, Monitoring Officer and Section 151 Officer.</p> <p>The revised code can be seen at Appendix 2.</p>
1.05	<p>The principles for this year's code (taken from the Framework) are as follows:</p> <p>A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law</p> <p>B - Ensuring openness and comprehensive stakeholder engagement</p> <p>C – Defining outcomes in terms of sustainable economic, social and environmental benefits</p> <p>D – Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>E – Developing the entity's capacity, including the capability of its leadership and the individuals within it</p> <p>F - Managing risks and performance through robust internal control and strong public financial management</p> <p>G - Implementing good practices in transparency, reporting and audit to deliver effective accountability.</p> <p>The main changes for this year are in relation to principles C, D and G which have been expanded upon and made more explicit taking into account national legislation.</p>
1.06	<p>The revised Code has been considered and fully endorsed by the Audit Committee at their recent meeting on 25 January. A couple of slight additions to the sections concerning consultation (Section B) and assurance (Section G) were recommended to be included by the Constitution Committee.</p>

1.07	The revised principles of the Code have been used in questionnaires to Chief Officers and Overview and Scrutiny Committee chairs to help inform the preparation of the Annual Governance Statement.
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2.0	RESOURCE IMPLICATIONS
2.01	None specifically.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>With the Corporate Governance Working Group, Chief Executive, Monitoring Officer, section 151 Officer and senior officers where appropriate.</p> <p>The Audit and Constitution Committees were involved in endorsing the Code at their recent meetings.</p>

4.00	RISK MANAGEMENT
4.01	<p>The main risk is in not updating the Code, meaning it does not reflect the systems in place or meet the requirements.</p> <p>Similarly, in order to comply with requirements, the AGS needs to be prepared each year with input from members and officers, including an annual review of the effectiveness of governance.</p> <p>Both these risks are addressed through the adopted processes and approach each year, which reflect new or additional best practice and guidance.</p>

5.00	APPENDICES
5.01	<p>Appendix 1: Compilation of Officer Working Group</p> <p>Appendix 2: Code of Corporate Governance</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Karen Armstrong, Corporate Business and Communications Executive Officer</p> <p>Telephone: 01352 702740</p> <p>E-mail: karen.armstrong@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	(1) Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

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Corporate Governance Working Group Membership

Karen Armstrong (Chair)	Corporate Business and Communications Executive Officer
Chris Phillips	Performance Team Leader
Lisa Brownbill	Interim Internal Audit Manager
Sue Ridings	Accountant
Robert Robins	Democratic Services Manager

November 2016

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CIPFA/SOLACE Delivering Good Governance in Local Government Framework

Flintshire County Council – Code of Corporate Governance 2016

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A. Core principle: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaving with integrity

1. Ensuring members and employees behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Organisation.
2. Ensuring members take the lead in establishing specific values for the organisation and its employees and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
3. Leading by example and using these standard operating principles or values as a framework for decision making and other actions.
4. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies/processes such as which are reviewed on a regular basis to ensure that they are operating effectively.

- The Council's Constitution contains the general principles for the Council's governance arrangements and the Monitoring Officer monitors and reviews its operation to ensure that the aims and principles are given full effect and kept relevant. Sections 19-23 of the Constitution have the Codes of Conduct and Protocols which Members and Officers (employees) have agreed to comply with. The Council requires members, whether they are elected or co-opted, to sign and to be bound by our Code of Conduct. Collectively, these codes and protocols set standards of behaviour as follows. This information can be found in the [Constitution](#):
 - *Code of Conduct for Members* (1,2,3,& 4)
 - *The Flintshire Standard which contains a Local Resolution Procedure for complaints about member behaviour* (1,2,3 & 4)
 - *Protocol for members in their dealings with contractors, developers and other third parties.* (1,3 & 4)
 - *Protocol on Member/ Officer relations* (1,2,3 & 4)
 - *Officers' Code of Conduct* (1,3 & 4)
- The Council operates an effective elections protocol, ensuring high standards are upheld during election periods. (1)
- Employees are also bound by a policy of 'politically restricted posts'. This policy ensures that all qualifying employees comply with any statutory restrictions on their political activities. (1)
- The Council has an appraisal system for employees which is based on the Council's [Behavioural Competency Framework](#) (3) and links to the Council's objectives set out in the annual [Improvement Plan](#). There are also [Diversity and Equality](#) and [Dignity at Work](#) policies. (1,2,3 & 4)
- The Council has an [Anti-fraud and Corruption Strategy](#), [Fraud Response Plan](#) and a [Whistleblowing Policy](#) which are reviewed and updated periodically. (1,2, 3, & 4)

Demonstrating strong commitment to ethical values

5. Seeking to establish, monitor and maintain the organisation's ethical standards and performance
6. Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's operation
7. Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
8. Ensuring the external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation

- The Council's reputation and standing are important, and the Council's commitment to the rule of law and ethical values is expressed in: 'Gorau Tarian Cyfiawnder' (The Best Shield is Justice) which is the motto on the Council's coat of arms. The Council observes the seven principles of public life (Nolan principles) which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership [Striking the Balance - Upholding the Seven Principles of Public Life in Regulation](#)
- The Council's commitment to these principles is shown in the codes and policies below which is found in the [constitution](#):
 - *Code of Conduct for Members* (5,6)
 - *The Flintshire Standard* which contains a *Local Resolution Procedure for complaints about member behaviour* (5,6)
 - *Protocol for members in their dealings with contractors, developers and other third parties.* (5,6)
 - *Protocol on Member/ Officer relations* (5,6)
 - *Officers' Code of Conduct* (5,6)
- The Constitution contains comprehensive Contract and Financial Procedure Rules governing the procurement process to be adopted in conducting the Council's business, they are available on the website. [The Contract Procedure Rules](#) were reviewed in 2016 and [Financial Procedure Rules](#) are reviewed every two years. (7)
- The Council's [Procurement Strategy](#) enables the delivery of cost effective goods and services and ensures that the contribution of the Council's procurement activity on the local economy, especially social enterprise is improved. (7)
- The Contract Procedure Rules ensure that obligations under the [Wellbeing of Future Generations \(Wales\) Act 2015](#) as well as the Public Sector Equality Duty under the [Equality Act 2010](#) are complied with. (8)

Respecting the rule of law

9. Ensuring members and employees demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
10. Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
11. Striving to optimise the use the Council's full powers available for the benefit of its citizens, its communities and other stakeholders.
12. Dealing with breaches of legal and regulatory provisions effectively.
13. Ensuring corruption and misuse of power are dealt with effectively.

- The Council's Chief Officer (Governance) is the Monitoring Officer and Senior Information Risk Officer (SIRO) (9,10,11,12,13)
- The Internal Audit function within the Governance Portfolio reports regularly to the Audit Committee. Membership of the Audit committee includes an independent lay member. (9,11,12,13)
- The Council has a Standards Committee comprising nine members, five of whom are independent of the Council, three are county councillors and the other represents community councils. The committee promotes and maintains high standards of conduct by councillors and co-opted members. (9,10,11,12,13)
- The Council's relationship with the Wales Audit Office and other regulatory bodies remains strong. (11)
- The Council has a robust Overview & Scrutiny function which consists of six committees which each have 15 elected members and dedicated officer support. (9,10,11) The committees are:
 - Community & Enterprise;
 - Corporate Resources;
 - Education & Youth, which has five statutory co-optees;
 - Environment;
 - Organisational Change; and
 - Social & Healthcare
- If the Council fail to address or resolve customer complaints to the complainant's satisfaction, they have recourse to the Public Services Ombudsman for Wales, whose contact details are published on the Council's website. (9,10,12,13)
- The Council is answerable to other regulatory/statutory bodies, examples include Information Commissioner's Office and the Equality and Human Rights Commission, plus the four Welsh Commissioners for Welsh Language, Future Generations, Children and Older People. (9, 11,12)

B. Core principle: Ensuring openness and comprehensive stakeholder engagement

Ensuring openness and comprehensive stakeholder engagement

Openness

14. Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.
15. Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping decisions confidential should be provided.
16. Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
17. Using formal and informal consultation and engagement to determine the most appropriate and effective interventions / courses of action.

- The Council uses the website, its intranet and its partner and partnership networks to continually demonstrate its commitment to openness. (14)
- Most reports are considered in public and in the cases where this is not the case, the Committee has resolved to exclude the press and public after the Monitoring Officer or Deputy Monitoring Officer have decided there is a proper legal basis for doing so. The Council's Overview and Scrutiny Committees produce an [annual report](#) on their work which is considered by the Council. (15)
- The report author provides a summary of the main features of the report, which identifies how the recommendations have been arrived at. The executive summary assists in terms of presenting the report. Meetings of the full Council and the Planning & Development Control Committee are now web-cast and minutes of other meetings are drafted to provide the reader with the 'sense' of the meeting, leading to the decisions made which are reflected in the resolutions recorded. (16)
- Consultation and engagement with customers and communities takes place on a number of different levels: representative democracy through elected members, structured engagement through for example the County Forum meetings (with Town and Community Councils), formal needs assessments through strategic partnerships, surveys and feedback mechanisms such as workshops and roadshows. The methods used are selected according to requirements, audience and coverage. The feedback received helps to shape and develop how the Council does things and assists decision makers in understanding the impacts on communities. (17)
- The Council has [Core Principles for Public Engagement and Consultation](#), a [Compliments, Concerns and Complaints](#) feedback arrangement and a [Customer Services Strategy](#) (17)
- The Council's consultation and engagement practices are varied in both scale and method depending upon the nature of the subject area.

They can range from a voluntary household survey on a variety of council issues to a detailed statutory engagement process such as those undertaken for school reviews and social service changes. (17)

Engaging comprehensively with institutional stakeholders

18. Effectively engaging with stakeholders to ensure that the purpose, objective and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
19. Developing formal and informal partnerships to allow for resources to be used more effectively and outcomes achieved more effectively.
20. Ensuring that partnerships are based on trust, a shared commitments to change, a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit.

- The Council has channels of communication with all sections of the community and other stakeholders and puts in place proper monitoring arrangements to ensure they operate effectively (18)
The Council has many ways of communicating with its citizens and stakeholders, including: -
 - The e-magazine 'Your Council'
 - Website
 - Social Media
 - Publications and leaflets
 - Events
 - Established links and regular meetings with local interest groups/forums
 - Invitations to members of the public to submit issues they consider should be considered by Overview and Scrutiny Committees
 - Consultation on the budget process with local stakeholders (residents and businesses) to help shape its budget proposals and encourage community involvement.
- The Council has formal and informal collaborative arrangements with other institutional stakeholders to allow for resources to be used more effectively and outcomes achieved more effectively. The statutorily based [Public Services Board](#) is one of many collaboration partnerships across agencies; other collaborations revolve around regional services e.g. education (GwE) and Social Services Commissioning Hub. Other strategic partnerships include the Voluntary Sector Compact, People are Safe Board, Youth Justice Executive Board, Health, Wellbeing and Independence Board, the Part 9 Board, Regional Safeguarding Board and the North Wales Economic Ambition Board. The Council also holds quarterly meetings with the Town and Community Councils as the County Forum for common issues to be discussed and to raise awareness of council developments. (19)
- Whenever a new partnership is created, care is taken to ensure that its legal status is clear, that it has appropriate terms of reference and that representatives are aware of the extent to which they can bind the Council. The Cabinet has set and agreed a protocol for the governance of partnership working including the full involvement of appropriate Overview and Scrutiny Committees and the Audit Committee. [Partnership self-assessments](#) include assessing the behaviour, performance, value for money and procedures of partnership arrangements. (20)

Engaging Stakeholder effectively, including individual citizens and service users

21. Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
22. Ensuring communication methods are effective and that members and employees are clear about their roles with regard to community engagement.
23. Encouraging, collecting and evaluating the views and experiences of citizens, service users and organisations of different backgrounds including reference to future needs.
24. Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.
25. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
26. Taking account of the interests of future generations of tax payers and services users.

- The Council has a consultation and engagement framework and guidelines/policy document plus adoption of a set of core consultation and engagement principles based on nationally identified best practice. (21,23,24)
- Communication methods are continually being reviewed to adapt to changing technologies and their impact. Members and employees have clear roles of accountability; members through their representative democracy and employees through more structured assessments, surveys and other ongoing impact and evidence gathering conversations such as those in Social Services. (22)
- The Council takes into account the impact and consequences of decisions on all members of the community through integrated assessment planning; especially with regard to budget planning and alternative delivery models. (25)
- The Council makes prudent judgements about the use of resources in line with the Wellbeing of Future Generations Act. (26)

C. Core principle: Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes

27. Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.
28. Specifying the intended impact on, or changes for, stakeholders including individual citizens and service users. It could be immediately or over the course of a year or longer.
29. Delivering defined outcomes on a sustainable basis within the resources that will be available.
30. Identifying and managing risks to the achievement of outcomes.
31. Managing expectations effectively with regard to determining priorities and making the best use of the resources available.

- The County Council's [Improvement Plan 2012 – 2017](#) is available on the Council's website. (27, 28)
- The Council sets a number of priorities for itself as an individual partner. Priorities for the 2016/17 Improvement Plan are: Housing, Environment, Living Well, Poverty, Modern and Efficient Council, Economy & Enterprise, Skills and Learning and Safe Communities. These priorities are reviewed in terms of impact of particular changes. (28)
- The Council has a resilient approach to Business Planning for sustainable services including efficiency planning to meet reductions in national funding and increases in local demands and pressures. The Council's [Medium Term Financial Strategy](#) – summary 2016/17 describes the Council's approach to maintaining valued services within the financial constraints. (29)
- Risk management is integral to the Council's delivery of objectives, statutory duties, project and change programmes and partnership delivery. It is considered during development and monitoring of all the Council's priorities, projects and Portfolio Business Plans. Strategic risks within the Council's Improvement Plan are monitored quarterly and reported to Cabinet, Overview and Scrutiny Committees. The Audit Committee receives a half yearly report on these risks. Programme Boards monitor all Business Plan risks. ([Risk Management Policy and Strategy](#)) (30)
- The Council's [Medium Term Financial Strategy](#) and [Capital Strategy and Asset Management Plan 2016 – 2020](#) outline the resources that are available to deliver outcomes. (29)
- The Council's Portfolio Business Plan Programme measures efficiencies, reviews impact (acceptability and deliverability) with more in-depth impact assessments being undertaken where appropriate. (31)

- In addition the Council is supported by a number of corporate strategies which provide a clear framework for the management of Council resources and support council change and transition. These strategies are: the Medium Term Financial Strategy, the Capital Strategy and Asset Management Plan, the Digital Strategy, the Customer Strategy and People Strategy. (31)

Sustainable economic, social and environmental benefits

32. Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.
33. Taking a longer-term view with regard to decision making, taking account of risk and acting transparently whether there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints.
34. Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.
35. Ensuring fair access to services.

- The Council is working towards the Well-being of Future Generations (WBF) principles of sustainability which include economic, social, environmental and cultural impacts within all of its objectives and obligations. (32,33)
- The Council's budget setting policy and approach is one which seeks to protect and sustain for the longer term valuable public services.(32,33)
- The Council has an updated, standard report format and supporting guidance. Report authors are expected to complete any risks and impacts when a section of the report "Key Risks and Mitigation", which they have identified during the preparation process and the mitigation measures which they have proposed or have put in place to address these. This must include a paragraph in the main body of the report to confirm that an Equality and Welsh Language Impact Assessment (EWLIA) to comply with the Equality Act 2010 Public Sector Equality Duties and Welsh Language Standards has been carried out. If a EWLIA has not been completed, authors are required to state the reasons why one was not needed. (32)
Reports must also consider any implications under the [Wellbeing of Future Generations \(Wales\) Act 2015](#). This places a sustainable development and wellbeing duty on public bodies, together with the need to measure performance towards those wellbeing goals and objectives. (32,33 and 34)
- The annual Capital programme is linked to the [Capital Strategy and Asset Management Plan 2016 – 2020](#) and is available on the website. (32,33)
- The Council's Capital and Asset Management Strategy is in three parts, Statutory/Regulatory, Retained Assets and Investments. The Investment section is for new schemes arising from Portfolio Business Plans and the Improvement Plan based on sound business cases. (32)
- Equality and Welsh Language Impact Assessments are undertaken and published in relation to policy and business decisions as well as setting

the budget. These are being reviewed to integrate all requirements of the WBFG (34,35)

D. Core principle: Determining the interventions necessary to optimise the achievements of the intended outcomes

Determining the interventions necessary to optimise the achievement of the intended outcomes

Determining interventions

36. Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.
 37. Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
- Discussions between Members and employees on the information needs of members to support decision making can take place in a number of ways: formally at a committee meeting, Task & Finish group or workshop, or informally at a briefing. (36) Examples can be found within the [Committee System](#)- particularly when considering Business Plan efficiency proposals and quarterly performance reports.
 - During discussions at committees, additional information can be requested. This is with agreement of the timescales. (36) Examples can be found in [committee minutes](#).
 - Report authors are required to indicate what consultation was required, undertaken and the results. Section B provides further details. Report guidance is within the template and the report guidance. (37) [Guidance Notes](#).

Planning interventions

38. Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
 39. Engaging with internal and external stakeholders in determining how services and other interventions can best be delivered.
 40. Considering and monitoring risks facing each partner when working collaboratively including shared risks.
 41. Ensuring arrangements are flexible/agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.
 42. Establishing appropriate local performance indicators (as well as statutory or other national performance indicators) as part of the planning process in order to assess how the performance of services is to be measured.
 43. Ensuring capacity exists to generate the information required to review service quality regularly.
 44. Preparing budgets in accordance with organisational objectives, strategies and the medium term financial strategy.
 45. Informing medium and long term resources planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
- The Council's Schedule of Meetings for the ensuing municipal year is considered at the Annual Meeting of Council which is held each May.

The Forward Work Programme for Council, Cabinet and Committees is considered at each meeting of the Cabinet. Each of the six Overview & Scrutiny committees reconsiders its forward work programme at each ordinary meeting. This ensures that it stays relevant to committee needs. (38,39)

- Business planning and objective planning and monitoring are contained within quarterly and Improvement Plan reporting. (39)
- The Council's consultation and [engagement framework and guidelines/policy document policy](#) provides guidance regarding internal and external stakeholder involvement. In addition co-production is being used as a methodology (especially in Social Services) to involve users in the commissioning of services. (39)
- The Council has a range of partnerships working at different levels. [Risk management](#) is an important and essential consideration for all partnerships that the Council lead on. This can be demonstrated by the partnership self-assessment that the Strategic Partnerships undertake on a bi-annual basis to determine risks/challenges for each of the partners and the partnership itself. (40)
- Reviews of shared risks are undertaken at the various partnership boards. (40)
- A regular reviews of plans is undertaken at strategic levels during quarterly monitoring. The Council's Programme Boards also review efficiency plans on a monthly basis. (41)
- In setting direction and prioritising resources the Council sets performance targets against each priority and monitors them through the use of National Key Performance Indicators (KPI's) set by the Welsh Government, and local indicators set by the Council. Performance indicators are the 'success measures' for the Council and viewed publicly by Government and regulators. (42)
- The CAMMS system (performance, risk and project management system) assists with the capacity requirements both at portfolio level and corporately to review service quality. The Council also engages with a range of benchmarking groups such as the Association for Public Service Excellence (APSE), CLAW etc. to review service quality and productivity. (42)
- An integral part of business planning is understanding and taking action against risks related to the business. The Council's risk management processes are embedded and include, operational, project, strategic, and collaborative partnerships risks. A corporate risk management model as described in the [Risk Management Strategy and Policy](#) supports these arrangements. The Council's strategic risks are included within the [Improvement Plan](#) which is embedded within the portfolio business planning processes. This is supplemented by external review and inspection. (43)
- Reports include detailed performance results and highlight areas where corrective action is necessary (43)
- Budgets are prepared in accordance with organisational objectives, strategies and the Medium Term Financial Strategy ([MTFS](#)) (44)

- The [MTFS](#) and annual budget setting process aims to ensure that planning decisions are informed by realistic estimates of expenditure and revenue (45)

Optimising achievement of intended outcomes

46. Ensuring the medium term financial strategy integrates and balances off service priorities, affordability and other resource constraints.
47. Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
48. Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
49. Ensuring the achievement of 'social value' or 'community benefits' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community... over and above the direct purchasing of goods, services and outcomes"

- [The Medium Term Financial Strategy](#) and annual budget setting process integrates priorities with resource constraints. The Medium Term Financial Strategy (MTFS) is in two parts. The first forecasts the resources the Council is likely to have over the next three years. The second part [Meeting the Financial Challenge](#) sets out plans and solutions for managing with reducing resources over this three year period. (46,47)
- The annual budgeting process and Portfolio business plans take into account the medium and long term priorities from the MTFS aligned with the resources made available to the Council. (46,47,48)
- [The Procurement Strategy](#) and [Contract Procedure Rules](#) ensure that adequate emphasis is placed on 'community benefit'. (49)

E. Core principle: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing the entity's capacity

50. Reviewing operations, performance and, use of assets on a regular basis to ensure their continuing effectiveness.
51. Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently.
52. Recognising the benefits of partnerships and collaborative working where added value can be achieved.
53. Developing and maintaining an effective workforce plan to enhance strategic allocation of resources.

- The annual Improvement Plan provides detailed information of the Council's plans and their desired impacts. (50,51)
- The Annual Performance Report provides a general performance and progress profile as to how the Council is improving the level of efficiency and effectiveness of its services in line with its Improvement Plan. (50,51)
- The Council's Capital Strategy and Asset Management Plan as agreed by County Council in January 2016 also provides a longer term (10 year) view which is to be reviewed on a periodic basis. (50,51)
- The Council engages with a range of benchmarking groups such as the Association of Public Service Excellence; Consortium of Local Authorities in Wales; CIPFA etc. to review service quality and productivity. (51)
- The Wales Audit Office review the Council's performance and value for money arrangements through their Improvement Assessment work and report their findings in various letters and their Annual Improvement Report. (51,52)
- The Council has developed employee capacity and assurance methodologies to support change management using such techniques as transition plan management and service resilience and efficiency statements. (51,52)
- The benefits of collaborative working with partners can be seen through the work of the Flintshire Public Services Board and its predecessor the Local Service Board. Flintshire is the lead on the North Wales Residual Waste Treatment Project, having recognised that the scale and cost was beyond the capacity of a single local authority acting alone. The value of partnership and collaborative working is recognised by the Council as something that helps sustain services and provides added value to programmes such as intervention and prevention, where one partner acting alone cannot effect the change that is needed. (53)
- The Council's [People Strategy](#) has been considered and endorsed by the Cabinet and the Corporate Resources Overview & Scrutiny

Developing the capability of the entity's leadership and other individuals

54. Developing protocols to ensure that elected and appointed leaders negotiate their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
55. Publishing a statement that specifies the types of decisions delegated to the executive and those reserved for the collective decision making of the Council.
56. Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
57. Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the Council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.
58. Ensuring employees have access to appropriate induction tailored to their role with ongoing training and development matching individual and organisational requirements is available and encouraged.
59. Ensuring members and employee have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to continuously update their knowledge.
60. Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses.
61. Ensuring that there are structures in place to encourage public participation
62. Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
63. Holding employees to account through regular performance reviews which take account of training and development needs.
64. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

- The Council has adopted a Constitution, last reviewed May 2016, which includes a Delegation Scheme which identifies those decisions reserved to the County Council for decision, those local choice issues which are decided by the County Council, those decisions which will be taken by the Cabinet or its individual members, and those which are delegated to Chief Officers and senior officers. Local choice issues are reviewed at the Council's Annual Meeting. In this respect, the basic principle on which these rules are established is that the full Council sets the strategic direction through the adoption of policies and the budget, the Cabinet takes major decisions within the overall policy and budget framework and helps to develop new policies and officers take the day to day decisions within the policy and budget framework. The Delegation Scheme is subject to frequent review. (54,55)
- The Constitution sets out clearly the role of the Leader and Cabinet and in particular makes it clear that they are responsible for providing

effective strategic leadership to the Council and for ensuring that the Council successfully discharges its overall responsibilities for the activities of the organisation as a whole. It also ensures through Financial Procedure Rules and the Scheme of Delegated Powers that there is effective control over the day to day conduct of the Council's business by requiring Member approval for decisions outside defined parameters. (56)

- The Council's Constitution includes the names and a description of the portfolios held by the Leader and other Members of the Cabinet. Their respective roles have been agreed and documented. Role descriptions are in place for all chairs and vice-chairs of Overview and Scrutiny Committees, regulatory committees and Members of Overview and Scrutiny Committees are similarly documented.(57)
- Following the implementation of the new senior management structure in 2012, the Council is in a better position to respond successfully to changes in legal and policy demands. (57)
- Managers are responsible for ensuring all new employees have an induction. There is a generic induction checklist which is completed in addition to a service specific induction. The generic induction session is provided to groups of new employees and includes modules on customer care and governance. (58)
- Following County Council elections a Member induction programme is devised and delivered. The Council ensures that Members have the skills required to undertake their roles and that those skills are developed on a continuing basis to improve performance through: (58)
 - Development and training programmes, including those provided by professional organisations.
 - Member induction training.
 - A mentoring system for Members.
 - An annual Member Development Programme.
 - The Council's Member Development Strategy.
 - Training on the Members' Code of Conduct.
 - Specific training for Members on planning, licensing, audit and risk management.
- Section 11 and Appendix 1 of the Council's Constitution details the roles of the Head of Paid Services, Monitoring Officer and Chief Finance Officer (S151 Officer). Job descriptions are also in place for all senior officers of the Council and the senior management structure is kept under review to ensure its continued appropriateness. (59)
- The development of action plans as a response to issues raised by the Council's regulators, the emphasis which is placed on keeping Members informed and involved with new developments through workshops and the use of officer appraisals are all indicative of the Council's commitment to being a 'learning organisation' (60)
- The Council holds annual public consultation meetings on budget proposals, in addition to having a compliments and complaints scheme and statutory protocols for public engagement in Overview & Scrutiny (61)

- The Council welcomes peer reviews of both governance arrangements and service delivery to improve the effectiveness of leadership. (62)
- The Council ensures that career structures are in place for all employees and encourages participation and development through: (62,63)
 - development of a Corporate Performance Management framework
 - development of a People Strategy
 - periodic restructuring of the Council's senior management
 - annual competency based appraisals and continuous professional development
- The Council ensures that employees have the skills required to undertake their roles and that those skills are developed on a continuing basis to improve performance through: (63)
 - Employee appraisal as part of a performance management system which also identifies training and development needs and how these will be met.
 - Induction training.
 - The development of leadership and management behavioural competencies.
 - Development and training programmes, including those provided by professional organisations.
 - Management Development Programme
 - Senior Management Academi
- All HR policies and Health and Wellbeing Policies are available on the internal Infonet. These include Manager support toolkits; Occupational Health support; development/revision of policies e.g. Drug and Alcohol abuse / Domestic abuse. (64)

F. Core principle: Managing risks and performance through robust internal control and strong financial management

Managing risks through performance through robust internal control and strong public financial management

Managing risk

65. Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
66. Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
67. Ensuring that responsibilities for managing individual risks are clearly allocated.

- A refreshed approach to risk management, approved by the Audit Committee in June 2015, incorporates: (65)
 - Enhanced descriptions of risk including an explanation of the impact if the ‘risk’ were to be realised and become the ‘issue’ to be dealt with.
 - A more sophisticated risk matrix, moving from a 3 x 3 matrix to a 6 x 4 matrix for likelihood and impact; allowing more options to show how the risk is increasing or decreasing dependent on the success of mitigating actions and influence of external conditions.
 - Clearer guidance for escalating and reviewing/reporting risk; the more the significant the risk, the more frequently it is reviewed.
 - An improved format to capture both new and emerging risks and also allow for a risk to be ‘closed’ once it has been mitigated or realised as an issue being dealt with.
 - The reporting of ‘risk’ more prominently within Council reports
- Operational risks are captured and monitored through supporting plans and strategies within their operational areas and through project/programme boards as appropriate. Partnership and project risks are captured by and reported to the appropriate boards. (65,66)
- The Council identifies and evaluates its strategic risks in relation to the priorities within the Improvement Plan. These form the basis of the Council’s strategic risk register. Accountability for risk ownership is clearly recorded within the CAMMS system for all strategic risks. Portfolio Business Plan risk owners are also clearly identified on the risk trackers. Strategic risks are reported on a quarterly basis to Cabinet and the relevant Overview and Scrutiny Committees as part of the Improvement Plan Monitoring Reports. Additionally, Audit Committee receives a report twice yearly which includes a strategic risk summary/overview and seeks assurance on actions taken to reduce risks. (66,67)

Managing performance

68. Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
69. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
70. Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible.
71. Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
72. Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

- Portfolio business efficiency plans focus on service reform through reduced operating costs, modernisation and improvement. Portfolio business plans and the associated efficiency tracking is being scheduled to be automated via the CAMMS Performance Management system. Post implementation review and learning is undertaken at project level and also on a more collective basis by the Chief Officer team. (68)
- Integrated impact assessments to review financial, social and environmental implications, risks and mitigations are being developed by the Council to bring a co-ordinated and considered model of transparency to aid decision-making. (69)
- The Council has six Overview & Scrutiny committees (Community & Enterprise; Corporate Resources; Education & Youth; Environment; Organisational Change and Social & Healthcare), which are politically balanced and comprise 15 elected members each. Each acts as a critical friend, providing constructive challenge in order to contribute to continuous service improvement. The terms of the committees were redrawn with effect from the 2015 Annual meeting of Council, following an extensive review of the committee structure. The role of Overview & Scrutiny is to:
 - hold the Cabinet to account,
 - assist in improving and developing Council policies,
 - monitor service delivery; and
 - contribute to improving the local community.

This role is discharged both through consultation by the Cabinet and Chief Officers and also through the 'calling in' of Cabinet decisions by the six functional Overview & Scrutiny Committees. Each of those Committees engages in performance monitoring and management through the consideration of appropriate items such as performance objectives and indicator outturns, risk identification and mitigation. The work programmes of Overview & Scrutiny are updated and published on a regular basis. The involvement of the Overview & Scrutiny committees in Improvement and Performance is a key function, with reports being made to each of the committees on at least a quarterly basis. (70,71)

The six Overview & Scrutiny committees are:

- Community & Enterprise;
 - Corporate Resources;
 - Education & Youth, which has five statutory co-optees;
 - Environment;
 - Organisational Change; and
 - Social & Healthcare
- The agendas and minutes of meetings are published on the Council's website and the Overview & Scrutiny Annual Report is published each autumn. (70,71)
 - The Councils budget monitoring process and reports ensure that there is consistency between specification stages and budgets and post implementation reporting in financial statements, formal budget monitoring reports are reported to Members monthly at both Cabinet and the Corporate Resources Overview & Scrutiny Committee.(72)

Robust internal control

73. Aligning the risk management strategy and policies on internal control with achieving the Council's objectives.
 74. Evaluating and monitoring the Council's risk management and internal control on a regular basis.
 75. Ensuring effective counter-fraud and anti-corruption arrangements are in place.
 76. Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
 77. Ensuring an audit committee or equivalent group or function which is independent of the executive provides a further source of effective assurance arrangements for managing risk and maintain an effective control environment and that its recommendations are listened to and acted upon.
- The Council's Risk Management Strategy and Policy plus other internal controls (financial, legal, workforce) align to the efficient and effective delivery of the Council's objectives in the Improvement Plan and those of the portfolio Business Plans and other portfolio strategic plans.(73)
 - The Risk Management Strategy and Policy is reviewed and endorsed by the Audit Committee; its outcomes and effectiveness being reviewed at least half yearly through the strategic risk reports. In addition Internal Audit undertakes regular specific reviews of the effectiveness of the Risk Management Strategy (74)
 - Compliance with the Code of Practice on Managing Risk of Fraud and Corruption (CIPFA 2014) is assessed at each revision, non-compliance is identified and actions are taken to ensure compliance in line with [Corporate Anti-Fraud and Corruption Strategy](#). (75)

- The Internal Audit service is provided in accordance with the Public Sector Internal Audit Standards (PSIAS) and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. Internal Audit 'generally conforms' with the PSIAS requirements according to a self-assessment in 2015/16, which means that the relevant structures, policies and procedures of the department, as well as the processes by which they are applied, comply with the requirements of the Standards and of the Code of Ethics in all material respects. (76)
- The Council has an Audit Committee consisting of seven politically balanced Members and a lay member. The Chair and Vice Chair are chosen by the Committee itself from amongst the opposition group(s), non-aligned Councillors, or lay member. It meets on a regular basis and is advised by the Council's Internal Audit Manager, and is normally attended by representatives of the Council's external auditors. All Members receive training and it is a requirement that only trained substitutes are allowed. The Audit Committee is further supported in the discharge of its functions by:-
 - Having appropriate arrangements in place for delivery of an adequate and effective Internal Audit function and ensuring adequate reporting arrangements to safeguard its independence.
 - An up to date risk based Internal Audit Plan.
 - Systematic risk assessments in all areas of the Council's activities; both at a strategic level supporting the Council's improvement priorities and at an operational Chief Officer level. (77)

Managing Data

78. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to ensure the security of personal data used.
79. Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
80. Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

- The Data Management Framework and procedures are available to all employees via the Council's internal Infonet. (78)
- Data Protection is within the remit of the Information Governance Manager. Under the revised General Data Protection Regulation, there is a statutory Data Protection Officer position that must be independent and report directly to the Chief Executive. The implications of this are being looked into. (78)
- Data protection policies and procedures are available on the website: (78)
<http://www.flintshire.gov.uk/en/Resident/Data-Protection-and-Freedom-of-Information/Data-Protection.aspx>
<http://www.flintshire.gov.uk/en/Resident/Contact-Us/Privacy-Notice.aspx>

- There is a template for Data Processing Agreements and all Managers are required to send completed versions to the Information Governance Team to be held centrally. (78)
- The Council is signed up to the Wales Accord for Sharing Personal Information (WASPI). All Information Sharing Protocols (ISP's) must be approved in line with the WASPI requirements. A log of all ISP's is held internally but is also available on the WASPI website <http://www.waspi.org/> (79)
- To comply with Data validation procedures all new IT systems must be assessed against the IT Technical Specification, this includes Data Validation. Suppliers will respond as compliant, partial compliant or non-compliant. Individual Service Managers will then decide whether to proceed based on the Supplier's response. (78,79,80)
- The quality and accuracy of data is checked in a number of ways: performance data is produced through the CAMMS system (internal controls and rules are prescribed by the Council) and also quality checked to ensure 'sense' and readability. Additionally, external checks are made by other bodies such as Wales Audit Office and Local Government Data Unit to ensure compliance with guidance. (80)

Strong public financial management

81. Ensuring the Council's financial management supports both long term achievement of outcomes and short-term financial and operational performance.
82. Ensuring well-developed financial management is integrated at all organisational levels of planning and control, including management of financial risks and controls.

- The Council has a [Medium Term Financial Strategy](#) which is published on the web site. (81)
- The strategy is in two parts, the first part forecasts the resources the Council is likely to have over the next three years and part two sets out the plans and solutions to managing with reducing resources.(81)
- Business efficiency plans are one of three parts of the Council's Medium Term Financial Strategy focusing on service reform through reduced operating costs, modernisation and improvement. (82)
- The Council's process for setting its annual revenue budget and capital programme is set out in the Budget and Policy Framework Procedure Rules in Part 4 of the Constitution. When the Council sets its budget, elected members take account of the level of risk and uncertainty regarding its budgetary estimates in the context of the prevailing economy, public services' climate and the demand for services. (82)

- The Council operates a scheme of delegated budgets supported by the Corporate Finance team which consists of central and service based finance teams supporting budget managers. Revenue budget monitoring reports, including full year forecasts, are reported to the Cabinet and the Corporate Resources Overview and Scrutiny Committee on a monthly basis. Capital Programme monitoring reports are reported to the Cabinet and the Corporate Resources Overview and Scrutiny Committee on a quarterly basis. In both instances, these reports identify reasons for variances and set out any corrective action that is proposed. (82)
- The Council has adopted the Chartered Institute of Public Finance Accountants (CIPFA) Treasury Management in the Public Services: Code of Practice. Treasury Management is conducted in accordance with the Council's Treasury Management Policy and Strategy Statement and Treasury Management Practices which are both reviewed annually. All borrowing and long term financing is made in accordance with CIPFA's Prudential Code. Treasury Management update reports are made to the Audit Committee, Cabinet and Council on a quarterly basis. (82)
- Wales Audit Office have issued the Council's [Financial Resilience Report](#) (published end Nov. 2016) (82)

G. Core principle: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Implementing good practice in transparency

83. Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
84. Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny whilst not being too onerous for the Council to provide and for users to understand.

- The Council puts as much information as possible on the Council's website, in both English and Welsh. The report format has been revised to make reports simpler and shorter, with a glossary of technical terms now included. Report guidance for report authors has also been refreshed. The [Council's publication scheme](#) under the Freedom of Information Act 2000 is available on the website, so that public and stakeholders can see what information is readily accessible. (83,84)
- Easy read versions of strategies and public documents are made where possible for publication on the website. (83,84)

Implementing good practices in reporting

85. Reporting at least annually on performance, value for money and the stewardship of its resources.
86. Ensuring members and senior management own the results.
87. Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement).
88. Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.
89. Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.

- The Council publishes its [Annual Performance Report](#) and [Statement of Accounts](#) on the website. (85)
- The Statement of the Authority's Responsibilities for the Statement of Accounts is signed by the Chair of the County Council and the Chief Finance Officer. (86)

- The Council produces this annual Code of Corporate Governance and a Governance Statement which are produced in accordance with CIPFA/Solace principles. (87)
- An Annual Governance Statement is presented to Audit Committee and Council for approval every year. Once approved the Statement is signed by the Leader of the Council and the Chief Executive. The statement explains how the Council has complied with the Code of Corporate Governance, and met the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2014. The Code of Corporate Governance and the Annual Governance Statement are published on the Council's website. (87)
- If applicable, an appropriate accounting framework would be applied to jointly managed or shared services. (88)
- An audited and signed Statement of Accounts is published on an annual basis to reflect a true and fair view of the Council's financial position, as judged by the Council's external auditor (currently Wales Audit Office). Contained within the Statement of Accounts is a statement of responsibilities which confirms: - (89)
 - Compliance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain.
 - The Council manages its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
 - Suitable accounting policies have been selected and consistently applied.
 - Judgements and estimates made are reasonable and prudent.
 - Reasonable steps have been taken to prevent and detect fraud and other irregularities.
 - Proper accounting records have been kept and are up to date.

Assurance and effective accountability

90. Ensuring that recommendations for corrective action made by external audit are acted upon.
91. Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to the Council's governance arrangements and recommendations are acted upon.
92. Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
93. Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement
94. Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

- External arrangements for regulation and assurance are provided by a number of statutorily appointed bodies principally the Wales Audit Office (WAO), Estyn and the Care and Social Services Inspectorate Wales (CSSIW). The Council has a well-established practice of dealing with findings from the external regulatory bodies through referral to committees, formal responses and tracking, and open publication of regulatory reports in committee papers (with availability on the website). An annual summary report is presented to the Audit Committee showing all regulatory reports, their findings, the Council's response and where they were reported to. (90) In addition to external regulation by statutorily

appointed bodies the Council welcomes peer challenge from local government and the public services family e.g. Welsh Local Government peer review of Finance. (92)

- The Council also undertakes regular self assessments of its services through service review approaches and business efficiency planning. External validation of these assessments is also welcomed via benchmarking and commissioned assessments. (92)
- The Internal Audit service is provided in accordance with the Public Sector Internal Audit Standards (PSIAS) and in accordance with the CIPFA Statement on the Role of the Head of Internal Audit. Internal Audit 'generally conforms' with the PSIAS requirements according to a self-assessment in 2016/17 which means that the relevant structures, policies and procedures of the department, as well as the processes by which they are applied, comply with the requirements of the Standards and of the Code of Ethics in all material respects. (91)
- Following the review of the Overview & Scrutiny committee structure in 2014/15, an Organisational Change Overview & Scrutiny Committee is now in place. With a move towards alternative delivery models (ADM) for service provision, together with Community Asset Transfers (CAT) of major facilities such as Connah's Quay Swimming Pool or Holywell Leisure Centre, the Committee provides the supportive capacity and capability to deal with such new approaches. The committee is involved in the developmental stage of major work areas - something which has not been done previously. Members were reminded of the new approach to working style in the report to the Organisational Change Overview & Scrutiny Committee in November 2015 – [The role of the committee in supporting Organisational change](#). (93/94)

Assurance Statements

I am satisfied that there are effective governance arrangements in place, including a sound system of internal control, throughout the year ended 31st March 2016 and that this is ongoing.

Signed	Position	Date
	Chief Executive	
	Section 151 Officer	
	Chief Officer - Governance	

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FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday, 1 st March 2017
Report Subject	Amendments to the Constitution
Report Author	Chief Officer (Governance)

EXECUTIVE SUMMARY

The Council is going through a period of structural change with posts being deleted or changed. As a consequence post titles often change and there is a need to correct references within the Constitution. Whilst there is a process for making minor amendments to the Constitution with the consent of group leaders it was not designed for this sort of administrative amendment. This report was considered and approved by the Constitution Committee at its meeting on 1st February 2017.

RECOMMENDATIONS

1	Where any future changes are solely to officer designations arising out of restructuring, that the Chief Officer (Governance) and the Democratic Services Manager be authorised to have those changes made to the Constitution.
2	That Members be kept informed and updated about any future changes to officer designations arising out of restructuring.

REPORT DETAILS

1.00	MAINTAINING THE CONSTITUTION
1.01	Members will be aware that our Constitution is, by its very nature, a large document. It is also a document which needs to be properly maintained to ensure that it is still both current and correct.
1.02	Given the extent of organisational changes which the Council has undergone within the last few years, and anticipating that further changes may be made in the future, it is useful to consider how we currently maintain the Constitution.
1.03	When there are changes to the Constitution, the established practice is that a report is made to the Constitution Committee. Any changes are then dealt with through Group Leaders. If they are satisfied that proposed changes are acceptable, the former Democracy & Governance Manager was able to make the changes. On occasion, recommendations from the committee were made to Council before changes were incorporated.
1.04	To streamline future changes to the Constitution, in cases of restructuring, it is suggested that where the changes relate solely to changes in job title, rather than matters of procedural detail, that the Democratic Services Manager and the Chief Officer (Governance) be authorised to make such changes. The streamlined approach would mean that such changes will not be reported to Constitution Committee or to Council, but Members would be informed of the changes.
1.05	This report has previously been considered by the Constitution Committee, which supported the recommendation, and also requested that Members be kept informed and updated about any future changes to officer designations arising out of restructuring.

2.00	RESOURCE IMPLICATIONS
2.01	The recommendations within the report, if supported such provide for better use of resources through greater operational efficiency.

3.00	CONSULTATIONS REQUIRED/CARRIED OUT
3.01	None: this is a recommendation from the Constitution Committee.

4.00	RISK MANAGEMENT
4.01	The recommendations within the report, if supported such provide for better use of resources and reduced risk management through greater operational efficiency.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Robert Robins, Democratic Services Manager Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
	There are no technical terms used within this report.

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FLINTSHIRE COUNTY COUNCIL

Date of Meeting	Wednesday, 1 March 2017
Report Subject	Pooling of Pensions Investments in Wales
Report Author	Chief Executive and Pensions Fund Manager

EXECUTIVE SUMMARY

The Local Government Pensions Funds in Wales are in the process of combined or 'pooling' their investments. Flintshire County Council is the administering authority to the Clwyd Pension Fund as one of the funds involved in this major exercise. The Council's decision-making functions for pensions are, in the main, delegated to the Clwyd Pension Fund Committee.

To satisfy the requirements of new Investment Regulations for the Local Government Pension Scheme (LGPS) in England and Wales, the Clwyd Pension Fund has agreement from the UK Government to 'pool' investments with the other seven Wales LGPS Funds. To enable this there needs to be a legally binding Inter Authority Agreement (IAA) between the eight funds.

The Council's Constitution will need to make provision for the IAA which delegates certain investment implementation decisions to a (Wales) Joint Governance Committee, on which the Clwyd Pension Fund will be represented along with an elected member from the other seven Welsh funds.

Within the IAA, there are a number of functions that remain the responsibility of the Council. The Council also needs to make revisions to its Constitution to delegate some of these responsibilities to the Clwyd Pension Fund Committee.

RECOMMENDATIONS

1	<p>Notes the content of the draft Inter Authority Agreement attached at Appendix B and delegates authority to the Chief Executive in consultation with the Chair of the Clwyd Pensions Committee and the Monitoring Officer to:</p> <ul style="list-style-type: none"> • agree any further minor amendments to the IAA; and • approve and sign the final version of the IAA.
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2	Establishes a joint committee (hereinafter referred to as the Joint Governance Committee) on the basis of the terms of reference attached within the proposed Constitution amendments.
3	Delegates the exercise of certain functions to the Joint Governance Committee as detailed within the proposed Constitution amendments.
4	Notes the functions reserved to Council, and delegates all matters to the Clwyd Pension Fund Committee apart from the termination or significant amendment of the Inter Authority Agreement.
5	Approves the appointment of the Chair of the Clwyd Pension Fund Committee to the Joint Governance Committee as the Flintshire County Council Representative and the Vice-Chair of the Clwyd Pension Fund Committee as his/her nominated Deputy.
6	Provides delegation to the nominated representative and his/her Deputy to act within the terms of reference of the Joint Governance Committee to enable the exercise of any delegated function.
7	Approves that Carmarthenshire County Council (Dyfed Pension Fund) acts as the host authority with the responsibilities set out in the Inter Authority Agreement.
8	Approves the amendments to the Constitution as set out in Appendix A.

REPORT DETAILS

1.00	Pension Investment Pooling
	Background
1.01	Flintshire County Council is the administering authority for the Clwyd Pension Fund ('the Fund') which is part of the Local Government Pension Scheme (LGPS) for England and Wales. The Clwyd Pension Fund provides pensions for employees of Wrexham County Borough Council, Denbighshire County Council, Flintshire County Council and a number of other smaller employers within those areas. The Council's decision making functions for pensions are, in the main, delegated to the Clwyd Pension Fund Committee. The Fund currently provides pension services to over 40,000 employees, pensioners, dependants and deferred beneficiaries. The Fund manages assets of approximately £1.6bn. The main responsibility of the Fund is to meet current and future pension liabilities of its members i.e. to pay members accrued pension benefits when they fall due in accordance with LGPS Regulations.
1.02	There are eight LGPS funds in Wales: <ul style="list-style-type: none"> • Cardiff & the Vale

	<ul style="list-style-type: none"> • City & County of Swansea • Clwyd • Dyfed • Greater Gwent • Gwynedd • Powys • Rhondda Cynon Taff <p>In total, the value of the assets of the above funds is approximately £15bn. The eight LGPS funds in Wales have a long tradition of working in a collaborative manner overseen by the Pensions Sub Group of The Society of Welsh Treasurers (SWT).</p>
1.03	In the mid-year budget of 2015, the Chancellor announced the Government's intention to work with LGPS administering authorities to ensure that they pool investments to significantly reduce costs while maintaining overall investment performance. The requirement to pool investments has since been incorporated into LGPS Investment Regulations. The proposal to pool all eight LGPS Funds in Wales has received agreement from the UK Government.
1.04	Currently, each administering authority determines its own investment strategy and then appoints fund managers with whom to invest its assets. In simple terms, pooling of investments will mean that the fund manager appointments will be delegated to a joint working arrangement (the "Pool"), An advantage of this is that it will result in consolidation - with a smaller number of fund managers being required to meet the total requirements of all the individual strategies, therefore reducing investment management costs.
	The Inter Authority Agreement and Governance
1.05	It should be emphasised that the proposals to pool investments do not remove the statutory responsibility of each administering authority to set its own asset allocation, funding and investment strategy. A key part of the arrangement will be the appointment of an Authorised Contractual Scheme (ACS) Operator (the Operator) to invest the assets of the LGPS Pension Funds in Wales in accordance with each of their agreed asset allocations, funding and investment strategies.
1.06	In developing the proposals and taking the work forward to date, the eight LGPS Pension funds in Wales have operated under a Memorandum of Understanding which is not legally binding. As part of this, there has been a Joint Chairs Group. As the project moves into the next stage of engagement with an appointed Operator, there is a necessity to formalise the joint governance and decision-making framework. To enable this there will be a legally binding Inter Authority Agreement (IAA) between the eight Funds.
1.07	The IAA sets out the governance arrangements for the Pool, the rights and obligations of the eight participating authorities and the powers and responsibilities delegated to the Joint Governance Committee (JGC) which the Council is being asked to endorse. The responsibilities of the JGC are listed in Schedule 4 of the IAA and include:

	<ul style="list-style-type: none"> • Monitoring the performance of the Operator • Making decisions on asset class sub-funds to be made available by the Operator to implement the individual investment strategies of the eight Funds • Providing accountability to the participating Funds on the management of the Pool • Having responsibility for reporting on the Pool to the UK Government and other stakeholders • Having oversight of an Officer Working Group
1.08	The JGC will operate on a 'One Fund, One Vote' basis and accordingly each administering authority will nominate a representative member and a deputy. These roles have some importance given they will be involved in national LGPS matters. The Council is being asked to agree that these should be the Clwyd Pension Fund Committee Chair and Vice-Chair respectively.
1.09	The IAA also has a number of matters which are reserved to the Welsh administering authorities. Given the pensions related nature of the majority of these, the Council is being asked to delegate these functions to the Clwyd Pension Fund Committee, other than the termination of the IAA or any significant changes to the IAA, which will remain the responsibility of Council.
1.10	The IAA provides for one of the eight authorities to act as host authority for the JGC. The host authority will provide administrative and secretarial support to the JGC and will implement decisions made by the JGC. The host authority will also liaise with the Operator on behalf of the administering authorities and will also be responsible for arranging training for members of the JGC. It is proposed that Carmarthenshire County Council (administering authority of the Dyfed Pension Fund) act as host authority for the Wales Investment Pool.
1.11	<p>The proposed amendments to the Constitution shown in Appendix A include:</p> <ul style="list-style-type: none"> • The terms of reference for the Joint Governance Committee • How elected member and officer representatives for the Clwyd Pension Fund will be appointed • The delegation of responsibilities to the elected member representatives • Matters to be delegated to the Clwyd Pensions Fund Committee, including delegating officer and host authority responsibilities • Some further minor changes to the existing Pension Fund delegations not associated with Investment Pooling.
	Timetable
1.12	It is planned to appoint the Operator in the Summer of 2017 with initial assets being held within the ACS from April 2018.

2.00	RESOURCE IMPLICATIONS
2.01	The establishing of the investment pooling arrangements will result in some additional costs which will be agreed on an annual basis by the Clwyd Pension Fund Committee and the other seven administering authorities in Wales. All associated costs in relation to the Clwyd Pension Fund will be met from the Fund. The pooling arrangements may have some staffing implications but they are not known at this point. One of the objectives of pooling is to create longer-term efficiencies.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The Clwyd Pension Fund Committee has received a number of previous reports in relation to the investment pooling arrangements. The Clwyd Pension Fund Board, which consists of scheme member and employer representatives, has also been party to those reports and meetings, and has had opportunities to discuss these matters at the Board meetings.
3.02	<p>The councils of all eight administering authorities in Wales are being asked to approve the IAA.</p> <p>Clwyd Pension Fund Committee considered it at their meeting on 16th February. The scheme member representative raised concerns on the following matters:</p> <ul style="list-style-type: none"> • the absence of a scheme member representative on the JGC • the rotation of the Chair and location at each meeting of the JGC • the full delegation of matters to the representative member and his/her deputy without a mechanism for formal consultation with the Clwyd Pension Fund Committee. <p>These matters have been previously considered by the Joint Chairs Group which resulted in the Clwyd Pension Fund Committee resolving that these matters remain as in the draft IAA.</p> <p>The Committee supported:</p> <ul style="list-style-type: none"> • the recommendations of the IAA to Council • the proposed delegations and • that the representative member and his/her deputy be the Chair and Vice-Chair of the Clwyd Pension Fund Committee.

4.00	RISK MANAGEMENT
4.01	How the Wales Investment Pool operates will be key in enabling the Clwyd Pension Fund to implement its investment strategy in the future, and hence may contribute to the cost of the LGPS to employers in future Actuarial Valuations. This risk has been identified as significant in the Clwyd Pension Fund's risk register.

5.00	APPENDICES
5.01	Appendix A – Recommended changes to Constitution Appendix B – Inter Authority Agreement

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Colin Everett, Chief Executive Telephone: (01352) 702201 E-mail: Chief.Executive@flintshire.gov.uk</p> <p>Contact Officer: Phillip Latham, Clwyd Pension Fund Manager Telephone: (01352) 702264 E-mail: philip.latham@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>CPF – Clwyd Pension Fund – The Pension Fund managed by Flintshire County Council for local authority employees in the region and employees of other employers with links to local government in the region</p> <p>Administering authority or scheme manager – Flintshire County Council is the administering authority and scheme manager for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.</p> <p>PFC – Clwyd Pension Fund Committee - the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund</p> <p>LPB or PB – Local Pension Board or Pension Board – each LGPS Fund has an LPB. Their purpose is to assist the administering authority in ensuring compliance with the scheme regulations, TPR requirements and efficient and effective governance and administration of the Fund.</p> <p>LGPS – Local Government Pension Scheme – the national scheme, which Clwyd Pension Fund is part of.</p> <p>Actuarial Valuation - The formal valuation assessment of the Fund detailing the solvency position and determine the contribution rates payable by the employers to fund the cost of benefits and make good any existing shortfalls as set out in the separate Funding Strategy Statement.</p> <p>The Inter- Authority Agreement Section 1 provides a list of agreed terms.</p>

Recommended Changes to Constitution

Key to recommended changes:

New text

~~Removed text~~

SECTION 9 – OTHER COMMITTEES

9.14 Clwyd Pension Fund Committee

The Council will establish a Clwyd Pension Fund Committee.

9.14.2 **Composition**

(a) *Membership*

The Clwyd Pension Fund Committee will be composed of 9 members. Its membership will include:

- i) 5 Councillors of Flintshire County Council, determined by the Council.

Four co-opted members comprising:-

- ii) One Councillor of Wrexham County Borough Council, determined by that Council.
- iii) One Councillor of Denbighshire County Council, determined by that Council.
- iv) One representative of the other Scheme Employers (not admission bodies) in the Clwyd Pension Fund as defined by Schedule 2 of the Local Government Pension Scheme 2013, as amended from time to time, appointed in accordance with procedures agreed by the Chief Officer, People & Resources in consultation with the members of the Pension Fund Advisory Panel*.
- v) One representative of the scheme members of the Clwyd Pension Fund, appointed in accordance with procedures agreed by the Chief Officer, People and Resources.
- vi) Named substitutes are permitted for Flintshire County Council members only, providing they satisfy the knowledge and skills policy of the pension fund.

*The Pension Fund Advisory Panel is a group of officers and advisers to the

Clwyd Pension Fund, currently consisting of:

- The Chief Officer, People & Resources of Flintshire County Council
- The Chief Finance Officer of Flintshire County Council
- The Clwyd Pension Fund Manager
- Investment Consultant
- Fund Actuary
- Independent Adviser

(b) *Term of office*

- i) The representative members (for other scheme employers and scheme members) are appointed for a period of no more than six years and may be reappointed for further terms.
- ii) Councillors of Flintshire County Council will be appointed annually and may be reappointed for further terms.
- iii) Councillors of other local authorities who are members of the Pension Fund Committee will have a term of office to the next ordinary local government election following their appointment. They may be reappointed for further terms.

(c) *Quorum.*

A meeting of the Pension Fund Committee shall only be quorate when:

- i) At least five members are present, and
- ii) At least three of the members present are councillors of Flintshire County Council

(d) *Voting*

The Councillors from Wrexham County Borough Council and Denbighshire County Council and the representative members will be entitled to vote at meetings as well as Councillors of Flintshire County Council;

(e) *Chairing the Committee.*

- i) Only Councillors of Flintshire County Council may be the Chair and Vice-Chair.
- ii) The Chair ~~and Vice-Chair~~ will be elected annually by members of Flintshire County Council.
- iii) The Vice-Chair will be elected annually by members of the Pension Fund Committee.

- (f) The Council Procedure Rules should apply to this Committee in the same way as they apply to other Committees unless different provision is made in this article.
- (g) Location. The Pension Fund Committee may occasionally meet outside of the Flintshire County Council area.

9.14.3 **Role and Function**

The Pension Fund Committee's principal aim is to carry out the functions of Flintshire County Council as the Scheme Manager and Administering Authority for the Clwyd Pension Fund in accordance with Local Government Pension Scheme legislation.

The Pension Fund Committee will have the following specific roles and functions, taking account of advice from the Chief Officer, People & Resources and the Fund's professional advisers:

- a) Ensuring the Clwyd Pension Fund is managed and pension payments are made in compliance with the extant Local Government Pension Scheme Regulations, Her Majesty's Revenue & Customs requirements for UK registered pension schemes and all other relevant statutory provisions.
- b) Ensuring robust risk management arrangements are in place.
- c) Ensuring the Council operates with due regard and in the spirit of all relevant statutory and non statutory best practice guidance in relation to its management of the Clwyd Pension Fund.
- d) Determining the Pension Fund's aims and objectives, strategies, statutory compliance statements, policies and procedures for the overall management of the Fund, including in relation to the following areas:
 - i) Governance – approving the Fund's Governance Policy and Compliance Statement for the Fund within the framework as determined by Flintshire County Council and making recommendations to Flintshire County Council about any changes to that framework.
 - ii) Funding Strategy – approving the Fund's Funding Strategy Statement including ongoing monitoring and management of the liabilities, ensuring appropriate funding plans are in place for all employers in the Fund, overseeing the triennial valuation and interim valuations, and working with the actuary in determining the appropriate level of employer contributions for each employer.
 - iii) Investment strategy - approving the Fund's investment strategy, Statement of Investment Principles and Myners Compliance Statement including setting investment targets and ensuring

these are aligned with the Fund's specific liability profile and risk appetite.

- iv) Administration Strategy – approving the Fund's Administration Strategy determining how the Council will the administer the Fund including collecting payments due, calculating and paying benefits, gathering information from and providing information to scheme members and employers.
 - v) Communications Strategy – approving the Fund's Communication Strategy, determining the methods of communications with the various stakeholders including scheme members and employers.
 - vi) Discretions – determining how the various administering authority discretions are operated for the Fund.
- e) Monitoring the implementation of these policies and strategies on an ongoing basis.
- f) In relation to the Wales Pooling Collaboration arrangements:
- i) Undertaking the following matters reserved to Flintshire County Council as outlined in the Inter-Authority Agreement:
 - Appointment, termination or replacement of the Operator following the making of a recommendation by the Joint Governance Committee.
 - Approval of additional expenditure not included within the Business Plan which exceeds 30 % of the approved budget in the Business Plan in any one Financial Year.
 - Formulation, approval or revisions of each respective Constituent Authority's investment strategy for the purposes of regulation 7 of the Investment Regulations.
 - Admitting a new administering authority within the LGPS to the Investment Pool as a Constituent Authority.
 - Amendment of the Agreement which is not significant to the operation of the arrangements.
 - Material change to the nature of the Operator Contract.
 - Approval of the initial strategic objectives to allow preparation of the first Business Plan (which objectives shall reflect the objectives set out in the procurement of the Operator).
 - Approval of any evaluation or scoring criteria for any procurement of a replacement Operator.

- Approval of the Business Plan which shall include approval of the ongoing strategic objectives of the Investment Pool.
- Determination of the timing of the transition of the assets held by Clwyd Pension Fund into the Pooling Collaboration and the funds or sub-funds operated by the Operator.

Note the Council shall retain the power to terminate the Inter-Authority Agreement or make amendments to the Inter-Authority Agreement that may be significant to the operation of the arrangements.

- ii) Delegating powers to Flintshire County Council's own officers and the Host Council where required.
 - iii) Nominating Flintshire County Council's officers to the Officer Working Group.
 - iv) Monitoring of the performance of the Wales Pooling Collaboration and its Operator and recommending actions to the Joint Governance Committee, Officer Working Group or Host Council, as appropriate.
- g) Considering the Fund's financial statements prior to approval by the Council and agreeing the Fund's annual report.
 - h) Selection, appointment, ~~and~~ dismissal and monitoring of the Fund's advisers, including actuary, benefits consultants, investment consultants, global custodian, fund managers, lawyers, pension funds administrator, and independent professional advisers.
 - i) Making decisions relating to employers joining and leaving the Fund. This includes which employers are entitled to join the Fund, any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund.
 - j) Agreeing the terms and payment of bulk transfers into and out of the Fund.
 - k) Agreeing Pension Fund business plans and monitoring progress against them.
 - l) Agreeing the Fund's Knowledge and Skills Policy for all Pension Fund Committee members and for all officers of the Fund, including determining the Fund's knowledge and skills framework, identifying training requirements, developing training plans and monitoring compliance with the policy.
 - m) Agreeing the Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or

its stakeholders.

- n) Receiving ongoing reports from the Chief Officer, People & Resources and Pensions Advisory Panel in relation to delegated functions.

No matters relating to Flintshire County Council's responsibilities as an employer participating within the Clwyd Pension Fund are delegated to the Pension Fund Committee.

9.14.4 **Officers**

The Committee may delegate a limited range of its functions to one or more officers of the Authority.

The Pension Fund Committee will be responsible for outlining expectations in relation to reporting progress of delegated functions back to the Pension Fund Committee.

9.15 Wales Pooling Collaboration Joint Governance Committee

9.15.1 The Council will establish the Joint Governance Committee.

9.15.2 The Chairman and Vice Chairman of Flintshire County Council's Pension Fund Committee shall be the Member and Deputy Member on the Joint Governance Committee.

9.15.4 The Joint Governance Committee Matters, Terms of Reference and Procedures are as included within the Inter-Authority Agreement as shown below.

(a) Joint Governance Committee Matters

Subject to the terms of the Agreement, the Joint Governance Committee shall undertake those matters which are not Matters Reserved to the Constituent Authorities which shall include (without prejudice to the generality of the foregoing):

- i) Making a recommendation on the appointment, replacement or termination of the Operator to the Constituent Authorities.
- ii) Appointing and replacing service providers, advisers to the Joint Governance Committee (other than the Operator).
- iii) Approving the creation of new pooled vehicles for the Operator.
- iv) Approving the creation of new sub-funds provided by the Operator.
- v) Approving the termination of sub-funds provided by the Operator.

- vi) Preparing a plan relating to the overall transition of assets in accordance with each Constituent Authority's asset transition plan.
- vii) Approving changes to the Operator Contract which are not material changes to the nature of the Operator Contract.
- viii) Dealing with the necessary general ongoing management of the Pooling Collaboration.
- ix) Delegation of tasks to the Officer Working Group, including the preparation of reports and draft documents and the undertaking of consultations.
- x) Liaison with Pension Boards as appropriate in line with CIPFA Guidance, guidance issued by the Pensions Regulator and other applicable legislation or regulatory guidance.
- xi) Determining the best means of alternative investment structures for assets where a sub-fund is not being provided by the Operator.

Notwithstanding the above, for the avoidance of doubt, the Joint Governance Committee may not delegate its responsibilities.

(b) Joint Governance Committee - Terms of Reference

The Joint Governance Committee responsibilities are:

- i) Making recommendations to the Constituent Authorities on the termination of the Operator Contract before the conclusion of the fixed term contract, where the performance of the Operator is considered unacceptable;
- ii) Ensuring that there are an appropriate range of sub-funds available in order to allow the Constituent Authorities to meet their strategic investment aims. Following representation from any, some or all of the Constituent Authorities, the Joint Governance Committee may direct the Operator to set up a sub-fund in a particular asset class. The Joint Governance Committee must be mindful at all times of the need to balance the requirement to provide a particular sub-fund with the benefits of holding aggregated assets;
- iii) Monitoring the performance of the Operator against the agreed set of key performance indicators;
- iv) Reporting on the performance of the Investment Pool, its costs and other activities, but not limited to, the Constituent Authorities, government, the Scheme Advisory Board and the general public;

- v) From time to time, to review the appropriateness of the existing structures, including the number and make-up of sub-funds and to make recommendations to the Constituent Authorities as to the respective merits of procuring Operator services by means of a third party or through ownership by the Constituent Authorities of the Operator;
- vi) Liaising with the Operator, in such areas as the Operator seeks the preferences and views of the Joint Governance Committee, on the appointment of suppliers, for example manager preferences or the appointment of depositories;
- vii) Liaising with the Constituent Authorities on the appropriate range of sub-funds to be provided in the Investment Pool;
- viii) From time to time reviewing policies in respect of ethical, social and governance matters and voting rights and where appropriate make recommendations to the Constituent Authorities as to any changes deemed necessary;
- ix) Applying any processes or policies that are assigned to it within the Agreement;
- x) Recommend a high level plan for initial transition of assets to the pool and further asset transitions in the event, for example, of new sub-funds being created or manager changes within sub-funds;
- xi) Ensuring that the Officer Working Group acts within its remit as set out in clause 4 and Schedule 8 of the Agreement;
- xii) Providing any analysis or commentary on annual accounts to the Constituent Authorities;
- xiii) Monitoring the implementation and effectiveness of the policies listed in Schedule 5 of the Agreement and initiating reviews of these where required;
- xiv) Delivery and ongoing monitoring against the Pooling Collaboration objectives, Business Plan and budgets;
- xv) Approving responses from the Pooling Collaboration in relation to consultations or other matters considered appropriate;

- xvi) Seeking advice from professional and authorised and regulated advisers where necessary;
- xvii) Agreeing the Business Plan to be put forward to the Constituent Authorities for approval;
- xviii) Report to the Constituent Authorities quarterly (and at any other time when the Joint Governance Committee considers it to be necessary) on the matters within their remit including but not limited to the performance of the Operator, the structure of the funds and the ongoing monitoring of the Business Plan;
- xix) Agreeing criteria for the evaluation of bids or tenders for any procurement (other than the first appointment of the Operator) to be put forward for the approval of the Constituent Authorities.

(c) Joint Governance Committee Schedule of Procedure

i) MEMBERSHIP

- i.1 The membership of the Joint Governance Committee shall consist of one elected member (or their appointed deputy) per Constituent Authority.
- i.2 No substitutes other than deputies shall be allowed.
- i.3 The Joint Governance Committee shall not include any non-voting or co-opted members.

ii) MEETINGS

- ii.1 Meetings shall be held a minimum of four times per municipal year (being May to May). The anticipated schedule of meetings and the locations in which they will be held will be agreed in advance of the commencement of the next Financial Year no later than the final meeting of the current Financial Year.
- ii.2 A meeting may be held at such time and place as the Chair of the Joint Governance Committee thinks fit provided that at least two meetings per annum shall be held in rotating locations between the Constituent Authorities to facilitate public access. The Constituent Authorities shall make available suitable accommodation for the holding of such meetings in public including the provision of Welsh Language translation, video-conferencing and webcasting services as appropriate.

- ii.3 All agendas, reports and minutes in relation to the Joint Governance Committee shall be in both Welsh and English, and simultaneous translation of proceedings will be available throughout all meetings of the Joint Governance Committee.
- ii.4 The Joint Governance Committee may decide to allow remote participation in meetings via video-conference or any similar medium. Any Member attending by video-conference shall be held to be in attendance at the meeting for the purposes of this Schedule of Procedure.
- ii.5 A meeting of the Joint Governance Committee may be called by a proper officer of the Host Council on the request of the Chair. Members must declare any conflict of interest in respect of any business being conducted at the meeting which would likely to be regarded to prejudice the exercise of a person's function as a participant in the meeting.
- ii.6 The Chair is responsible for the running of meetings. The Chair shall invite Members expressing a desire to speak in turn. All discussion and debate shall be held through the Chair and the Chair may draw a discussion to a vote at any time where they consider that every Member has been given a fair opportunity to speak.
- ii.7 Minutes will be kept of all meetings. The Chair will sign the minutes of the proceedings at the next suitable meeting.
- ii.8 Notice of meetings
- (a) A notice of meeting specifying the place, date and time of the meeting and containing a statement of the matters to be discussed at the meeting, shall be served on all of the Members of the Joint Governance Committee by the appropriate governance officer of the Host Council;
- (b) Subject to the next clause ((c)), notice of each meeting, copies of the agenda and any reports to be presented at the meeting, shall be given to all Constituent Authorities by the Host Council no later than seven clear days before the date of the meeting. The Constituent Authorities shall ensure that a minimum of five clear days' notice of all meetings is given in accordance with their normal procedures for notification of Council meetings and all papers made available at all of the Constituent Authorities head offices for

inspection for those five days unless certified as confidential in which case agendas and any non-certified items are made available only.

- (c) If a meeting is required to be held with less than five days' notice, the Chair must agree it is required urgently, approve the shortened notice period and allow as much notice as possible to be given. Notice should be given in the same manner, and the documents should be made available to all of the Constituent Authorities for as many days as practicable before the meeting.

ii.9 Exclusion of the public and press

- (a) Where any item to be discussed forms exempt information the Chair shall move that the public and press are excluded from the meeting for the duration of the discussion and voting on that item. Motions to exclude the press and public do not require to be seconded and shall be determined by simple majority vote of the Members present.

- (b) Where the press and public are excluded under (a) above the Chair may invite any person to remain in the meeting where they consider it to be necessary or appropriate to do so and any members of the Officer Working Group present shall be presumed to be invited to remain unless the Chair specifies otherwise.

- (c) Any person may be excluded from a meeting or required to leave a meeting where in the opinion of the Chair they are causing a disturbance to the running of the meeting and have not desisted from doing following a request; or where any person is so disruptive that their conduct if allowed to remain would prevent the meeting from proceeding in a fair and acceptable manner.

ii.10 The Joint Governance Committee may, through the Chair, invite any person to speak at a meeting.

ii.11 Officers of the Officer Working Group presenting reports to the Joint Governance Committee may be asked questions following such presentation.

ii.12 Section 151 Officers and Monitoring Officers (and in their absence their deputies) of any Constituent Authority are entitled to attend all meetings including any part of any meeting which is closed to the public and press.

iii) **QUORUM**

iii.1 The quorum shall be five Members.

iii.2 Where a quorum is not present within 15 minutes of the start of the meeting and the Chair has not been notified that one or more Members have been delayed but will be attending, the meeting shall not be held and the Host Council will be ask to schedule and give notice of a replacement meeting.

iii.3 Where, during any meeting there is no quorum present, then the meeting will adjourn immediately. If the Chair has been unable to ascertain within 15 minutes that the quorum can be restored the remaining business will be considered at another time and date fixed by the Chair.

iv) **CHAIR AND VICE CHAIR.**

iv.1 The Chair and Vice-Chair shall be Members and shall be appointed by vote for a term of 12 calendar months.

iv.2 In the absence of the Chair, the Vice-chair shall be entitled to exercise all of the functions of the Chair.

iv.3 The decision of the Chair of the meeting on all points of procedure and order and the Chair's interpretation of any rule in this Schedule of Procedure shall be final and no debate may ensue thereon. The Chair shall be entitled to take the advice of a governance officer in interpreting any rule or objection on procedure.

iv.4 The Chair may be assisted during meetings by a governance officer on procedural matters and such administrative officers as the Chair considers appropriate. Such governance and secretarial officers shall be entitled to remain in the meeting where the public and press are excluded.

v) **AGENDA**

v.1 An agenda shall be produced in advance for each meeting by the Host Council following consultation with the Chair.

v.2 The agenda for each meeting shall contain as the first substantive item the approval of the minutes of the previous meeting. The Chair will move that the minutes of the

previous meeting be signed as a correct record. The only part of the previous minutes that can be discussed is their accuracy and any matters arising from those previous minutes shall be regarded as new items on the agenda of the current meeting

v.3 The Officer Working Group and the Constituent Authorities may ask the Chair to include any matter on the agenda which they consider should be discussed by the Joint Governance Committee.

v.4 The decision on whether to allow discussion on any other matter not on the agenda of a meeting at that meeting shall be made by the Chair.

vi) MOTIONS

vi.1 Any Member may propose a motion. All motions must be seconded. Motions which are opposed shall be put to a vote in accordance with the voting provisions of this Schedule of Procedure.

vi.2 A Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of the provisions of this Schedule of Procedure, or the law or other competent authority. The Member must indicate the provision or law or regulation and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final. The Chair may take advice on the point of order from the appropriate officer.

vii) VOTING

vii.1 The Chair shall seek consensus wherever possible however where a vote is required the provisions of this section shall apply.

vii.2 Each Member present will have one vote and voting will be by means of a show of hands. In the event of a tied vote, the Chair shall have a second or casting vote.

vii.3 All decisions will be determined by simple majority.

vii.4 In the event that a vote is taken, the voting positions and any abstentions of members will be recorded in the minutes.

viii) SUB-COMMITTEES AND WORKING GROUPS

- viii.1 The Joint Governance Committee shall form such sub-committees and working groups as it considers expedient to performing its function. The Joint Governance Committee shall at the time of forming sub-committees or working groups set out the remit of the sub-committees or working groups, what the sub-committees or working groups are required to deliver and the timescale for that delivery.
- viii.2 Sub-committees and working groups shall be entailed to request the input and support of the Officer Working Group in the same manner as the Joint Governance Committee.
- viii.3 Each sub-committee and working group shall appoint a chair for that sub-committee or working group, who is to be one of the Members of the sub-committee or working group.
- viii.4 Working groups may invite any person who is not a Member to join the group in order to assist in carrying out its function.
- viii.5 The Chairs of sub-committees and working groups shall report to Joint Governance Committee at each meeting of that committee on the process of the matters within their remit.
- viii.6 Sub-committees and working groups may be disbanded at any time on the vote of the Joint Governance Committee.
- viii.7 The provisions of the paragraphs in this Schedule of Procedure relating to Agendas, Motions and Voting shall apply to any sub-committee and working group meetings.

**SECTION 11 -OFFICERS
SUB-SECTION E – SPECIFIC DELEGATIONS TO STATUTORY , LEGAL,
FINANCIAL, HUMAN RESOURCES AND TECHNICAL SERVICES OFFICERS**

Chief Officer People & Resources	
PR11	The day to day management of Clwyd Pension Fund matters including ensuring arrangements for investments of assets and administration of contributions and benefits, excluding matters delegated to the Clwyd Pension Fund Committee.
PR12	Establish and Chair a Clwyd Pension Fund Advisory Panel consisting of officers of the Council and an advisors to the Clwyd Pension Fund to provide advice and propose recommendations to the Clwyd Pension Fund Committee and carry out such matters as delegated to it from time to time by the Clwyd Pension Fund Committee.

SECTION 30
30. SCHEDULE OF MEMBER REMUNERATION

APPENDIX 2

Entitlement as Statutory Co-optees

Chairperson of the Standards Committee (Edward Michael Hughes)	£256 per day £128 per half day
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All other co-opted members are entitled to a daily fee of -	£198 per day £ 99 per half day
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Co-opted members:-

Standards Committee:-

Mr Robert Dewey
Mrs Phillipa Ann Earlam
Mr Jonathan Duggan-Keen
Mr Kenneth Harry Molyneux

Education & Youth:-

Mrs Rebecca Stark
Mrs Rita Price
Mr David Hytch
The Venerable John Thelwell
Mrs Janine Beggan

Audit Committee:-

Mr Paul Williams

Pensions Committee:-

Mr Steve Hibbert
Councillor Steve Wilson
Councillor Huw Llewelyn Jones
Councillor Andrew Rutherford

Clwyd Pension Board

Mrs Gaynor Brooks
[Mr James Duffy](#)

Dated _____ 2017

DRAFT

Inter-Authority Agreement between

Carmarthenshire County Council	(1)
City & County of Swansea Council	(2)
City of Cardiff Council	(3)
Flintshire County Council	(4)
Gwynedd Council	(5)
Powys County Council	(6)
Rhondda Cynon Taff County Borough Council	(7)
Torfaen County Borough Council	(8)

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THIS DEED is made on

2017

BY

- (1) **CARMARTHENSHIRE COUNTY COUNCIL** of County Hall, Carmarthen, Carmarthenshire, SA31 1JP ("**Carmarthenshire Council**")
- (2) **CITY & COUNTY OF SWANSEA COUNCIL** of [ADDRESS] ("**Swansea Council**").
- (3) **CITY OF CARDIFF COUNCIL** of [ADDRESS] ("**Cardiff Council**").
- (4) **FLINTSHIRE COUNTY COUNCIL** of [ADDRESS] ("**Flintshire Council**").
- (5) **GWYNEDD COUNCIL** of Shirehall Street, Caernarfon, Gwynedd LL55 1SH ("**Gwynedd Council**")
- (6) **POWYS COUNTY COUNCIL** of [ADDRESS] ("**Powys Council**")
- (7) **RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL** of Rhondda Cynon Taf County Borough Council, The Pavilions, Clydach Vale, Tonypany, CF40 2XX ("**Rhondda Council**")
- (8) **TORFAEN COUNTY BOROUGH COUNCIL** of Civic Centre Pontypool Torfaen NP46YB ("**Torfaen Council**")

(together referred to as the "**Constituent Authorities**" and individually as a "**Constituent Authority**")

BACKGROUND

- (A) The Constituent Authorities are committed to the development of a formal joint committee pursuant to section 101 and section 102 of the Local Government Act 1972 to ensure the effective operation of the arrangements for asset pooling within the LGPS under a framework of strong internal governance to achieve economies of scale and improved investment infrastructure.
- (B) The Constituent Authorities are all councils responsible for the administration of local government within their areas as set out in the Local Government Act 1972. The Department for Communities and Local Government in its letter dated 23 November 2016 has confirmed that the Constituent Authorities have been granted permission for each Constituent Authority to continue to collaborate with every other Constituent Authority to form a pool of assets in respect of each of their respective funds under the LGPS.
- (C) The Constituent Authorities shall carry on the Pooling Collaboration (as defined below) under the terms of this Agreement to oversee its governance.

AGREED TERMS

1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in this Agreement.

Business Day means a day other than a Saturday, a Sunday or a public holiday in England when banks in London are open for business.

Business Plan has the meaning given by clause 6.

CIPFA Guidance means the guidance published in October 2016 by the Chartered Institute of Public Finance and Accountancy entitled *investment pooling governance principles for LGPS Administering Authorities*.

Commencement Date means [] 2017.

Constituent Authorities means the parties to this Agreement, and all other administering authorities within the LGPS who are or become parties to this Agreement at any time.

Financial Year means in the case of the first Financial Year, the period from the Commencement Date to (and including) the following 31 March. For subsequent Financial Years the period between 1 April and 31 March (inclusive) and for the last Financial Year any lesser period necessary.

Host Council means the Constituent Authority appointed in accordance with clause 7 and whose duties are described within that clause.

Investment Pool means the pooled investments (whether held in single funds, multiple sub-funds or held in alternative structures outside of a collective investment vehicle) derived from assets held by the Constituent Authorities in their capacity as administering authorities within the LGPS for the purpose of the Pooling Collaboration described by this Agreement.

Investment Regulations means the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946).

Joint Governance Committee means the joint committee formed by this Agreement.

LGPS the Local Government Pension Scheme established pursuant to regulations made by the Secretary of State in exercise of powers under section 7 and 12 of the Superannuation Act 1972 and the provisions of the PSPA 2013.

Member in this Agreement means a member of the Joint Governance Committee appointed in accordance with clause 3.3 or their deputy appointed in accordance with clause 3.4.

Monitoring Officer means the person designated by each Constituent Authority for the purposes of section 5 of the Local Government and Housing Act 1989.

Operator means the operator of the pooled investment vehicle being an Authorised Contractual Scheme (as defined by the Operator Contract) pursuant to the Operator Contract.

Operator Contract means the agreement between the Constituent Authorities and the Operator.

OWG means the Officers Working Group described in clause 4.

Pension Board means a local pension board or a joint local pension board within the meaning given to each phrase by regulation 106 of the Local Government Pension Scheme Regulations 2013 (SI 2013/2356) and section 5 of the PSPA 2013.

Pooling Collaboration means the arrangements for asset pooling under the Investment Pool within a framework of strong internal governance to achieve economies of scale and improved investment in infrastructure carried on by the Constituent Authorities as described by this Agreement.

Pooling Contribution means as defined in clause 10.1.

PSPA 2013 means the Public Service Pensions Act 2013.

S151 officer means the person appointed by each Constituent Authority for the purposes of section 151 of the Local Government Act 1972.

Secretary of State means the Department for Communities and Local Government or such replacement department which has responsibility for the LGPS.

Submission means the document created by the Constituent Authorities dated 15 July 2016 entitled "*Submission by the Wales Pool to the Department for Communities and Local Government (DCLG) In response to the publication in November 2015: LGPS: Investment Reform Criteria and Guidance*".

Terms of Reference means the governing framework document concerning the functions and operations of the Joint Governance Committee as set out in Schedule 4.

TUPE means the Transfer of Undertakings (Protection of Employment) Regulations 2006.

- 1.2 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 A **person** includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality).
- 1.4 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the schedules.
- 1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.6 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and includes any subordinate legislation made from time to time under it.
- 1.9 A reference to **writing** or **written** includes faxes and email.
- 1.10 Documents in **agreed form** are documents in the form agreed by the parties and initialled by them or on their behalf for identification.
- 1.11 References to clauses and schedules are to the clauses and schedules of this Agreement; references to paragraphs are to paragraphs of the relevant schedule.
- 1.12 Any words following the terms **include, including, in particular** or **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding them.
- 1.13 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.14 Any reference to the title of an officer or any of the Constituent Authorities shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Constituent Authority as that Constituent Authority may from time to time appoint to carry out the duties of the officer referred to.

2 COMMENCEMENT AND CESSATION OF THE MEMORANDUM OF UNDERSTANDING

2.1 The Agreement shall commence on the Commencement Date. For the avoidance of doubt, this Agreement is only effective when each Constituent Authority has executed it and each Constituent Authority shall be of equal status with equal rights except where expressly stated otherwise and shall continue on the terms of this Agreement until the earlier of the following:

- (a) all Constituent Authorities agree in writing to its termination; or
- (b) there is only one remaining Constituent Authority who has not exited this Agreement in accordance with clauses 21 or 22.

2.2 The Constituent Authorities confirm that the memorandum of understanding between them relating to *The procurement of services by the administering authorities of the local government pension scheme in Wales* shall cease to have effect from the Commencement Date.

3 FORMATION OF THE JOINT GOVERNANCE COMMITTEE

3.1 The Constituent Authorities by this Agreement hereby form the Joint Governance Committee pursuant to section 101(5) and 102(1) of the Local Government Act 1972 for the purposes of overseeing and reporting on the performance of the Investment Pool. The Joint Governance Committee shall not be responsible for formulating or revising the investment strategy described by regulation 7 of the Investment Regulations in respect of each or any of the Constituent Authorities.

3.2 Meetings of the Joint Governance Committee are subject to the provisions of the Local Government Act 1972 including the provisions on access to information and meetings held in public.

3.3 The membership of the Joint Governance Committee shall be one elected member nominated by each of the Constituent Authorities provided that the elected member is a member of that [Constituent Authority and that] Constituent Authority's pensions committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013.

3.4 For the purposes of clause 3.3, each Constituent Authority may appoint a named deputy who must be an elected member of the same [Constituent Authority and the same] Constituent Authority's pension committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013 as the Member for whom they are acting as deputy

- 3.5 The Joint Governance Committee shall undertake its role and act in accordance with the Terms of Reference set out in Schedule 4 and undertake the matters set out in Schedule 3 and shall seek and have regard to the advice of the OWG and any professional advisors appointed in carrying out its functions under this Agreement.
- 3.6 Every meeting shall be governed by the procedure and requirements set out in Schedule 6.
- 3.7 A programme of training will be provided to Members and their deputies having regard to CIPFA Guidance and the training provided to Members in their roles on their respective Constituent Authority pension committees. In order to be eligible to participate in the Joint Governance Committee Members are required to attend and complete this training within 9 months of being appointed to the Joint Governance Committee and must thereafter attend update and refresher sessions provided at intervals deemed appropriate by the Joint Governance Committee. Any failure to undertake the required training shall be a matter for consideration of the relevant Member's Constituent Authority's Standards Committee who thereafter make a recommendation to the Constituent Authority as to whether or not the Member should remain appointed to the Joint Governance Committee.

4 OFFICERS WORKING GROUP

- 4.1 The Joint Governance Committee shall appoint the OWG on the following terms:
- (a) **Purpose:** the OWG shall support and advise the Joint Governance Committee on such matters as the Joint Governance Committee may reasonably request or any matters relating to the Pooling Collaboration which are raised by any Constituent Authority's Section 151 Officer or Monitoring Officer;
 - (b) **Membership:** each Constituent Authority shall nominate up to two officers employed by that Constituent Authority as its representatives on the OWG;
 - (c) **Remit:** the remit of the OWG shall be as set out in Schedule 8;
- 4.2 The OWG shall undertake its role and have regard to the Joint Governance Committee Terms of Reference .
- 4.3 Each Constituent Authority's Section 151 Officer and Monitoring Officer (or in their absence their deputies) shall, where they are not members of the OWG, have the right to attend meetings of the OWG and receive copies of any papers.

5 DECISION MAKING

- 5.1 The Constituent Authorities have identified the following two categories of decisions together with the means by which they will be taken:

- (a) **"Joint Governance Committee Matter"**: means a matter, identified in Schedule 3 which is to be decided upon at a quorate meeting of the Joint Governance Committee by those present and entitled to vote and any such decision will be binding on all of the Constituent Authorities;
- (b) **"Matters Reserved to the Constituent Authorities"**: means a matter identified in Schedule 2, which will have to be referred to each Constituent Authority for decision (having regard to any recommendation to be made thereon by the Joint Governance Committee). Such matter requiring a decision shall not be dealt with by the Joint Governance Committee until the matter has been determined by all of the Constituent Authorities. If the Constituent Authorities fail to reach a unanimous decision in respect of such matter then the matter shall be referred under clause 36 (Alternative Dispute Resolution) as a dispute for resolution.

6 BUSINESS PLAN

6.1 The Joint Governance Committee shall, with the support of the OWG, produce a draft Business Plan to cover the medium term (being up to five years) having regard to the electoral cycle and the operational requirements of the Constituent Authorities for consultation with the Constituent Authorities. The draft Business Plan shall have regard to:

- (a) the strategic objectives of the Pooling Collaboration over the relevant Business Plan period;
- (b) the financial budget for the relevant Business Plan period and/or any annual budget set;
- (c) the delivery plan produced by the Operator in connection with the Investment Pool including any costs or fees proposed by the Operator or any other supplier;
- (d) the requirements on each of the Constituent Authorities in their individual capacity as an administering authority pursuant to the Investment Regulations;
- (e) the requirements of each Constituent Authority's investment strategy;
- (f) the advice of appropriately qualified and authorised and regulated professional advisors;
- (g) the guidance issued from time to time by the Secretary of State as referred to in regulation 7(1) of the Investment Regulations;
- (h) such other matters that the Constituent Authorities may consider necessary to the furtherance of the Pooling Collaboration including (subject to clause 10.2), the proposal and development of ad hoc projects.

- 6.2 Consultation on the draft Business Plan shall be carried out by the OWG (with the the Operator (where appropriate) and the Constituent Authorities and such other parties as it may deem necessary) who shall report on the outcome of that consultation. The Joint Governance Committee shall hold a meeting to discuss and, having had due regard to the consultation response report and the advice of the appropriately qualified and regulated professional advisors, agree a final Business Plan which may include such revisions to the draft as the Joint Governance Committee considers appropriate.
- 6.3 Following approval by the Joint Governance Committee the Business Plan shall be sent to all Constituent Authorities for their written approval.
- 6.4 The Business Plan will be reviewed by the Joint Governance Committee and the Constituent Authorities annually. Where any revisions are agreed by the Joint Governance Committee the revised Business Plan shall be sent to all Constituent Authorities for their written approval.
- 6.5 For the avoidance of doubt, final approval of the Business Plan shall be treated as a Matter Reserved to the Constituent Authorities (as defined in clause 5).

7 HOST COUNCIL

- 7.1 The Constituent Authorities (acting severally) have agreed, with effect from the Commencement Date, that Carmarthenshire County Council will be the Host Council for the Pooling Collaboration which shall be carried out for and on behalf of itself and the Constituent Authorities and Carmarthenshire County Council agrees to act in that capacity subject to and in accordance with and to the extent provided for by the terms of this Agreement. For the avoidance of doubt the role of Host Council includes:-
- (a) to act as the employing authority for any staff engaged in the discharge of the Pooling Collaboration's functions (appointing, employing or accepting the secondment of staff) in accordance with this Agreement;
 - (b) being the point of contact for the purposes of managing the Pooling Collaboration;
 - (c) providing such administrative resources and facilities that may be necessary for the purpose of discharging the Pooling Collaboration and hold all Pooling Contributions;
 - (d) providing such governance and administrative services that may be necessary for the purpose of supporting the Pooling Collaboration including arranging and clerking of meetings;
 - (e) providing training for Members to support their role on the Joint Governance Committee in line with the training plan and in accordance with clause 3.7.

- (f) provide appropriately qualified and experienced officers who will act as the primary legal and financial advisers to the Pooling Collaboration;
 - (g) for the purposes of the Pooling Collaboration require their Section 151 Officer and Monitoring Officer (or in their absence their deputies) to undertake oversight and review of the operation of the Pooling Collaboration and decisions of the Joint Governance Committee on behalf of all of the Constituent Authorities;
 - (h) power to enter into contracts for supplies and services as required for the purposes of the Pooling Collaboration;
 - (i) liaise with the Operator on behalf of the Constituent Authorities pursuant to the terms of the Operator Contract and in the manner and to the extent set out in the Contract Management, Co-ordination and Liaison with the Operator policy and procedure to be approved in accordance with Schedule 5 and to provide any contract management and co-ordination services for the purposes of the Pooling Collaboration set out in that policy and procedure.
- 7.2 For the avoidance of doubt the duties and responsibilities of the Host Council pursuant to this Agreement shall only bind the Host Council to the extent that they have been resourced by the Constituent Authorities through this Agreement.
- 7.3 Save and except where otherwise required by law all staff employed by the Host Council pursuant to this Agreement shall be employed on the Host Council's relevant terms and conditions of employment and related staff policies including salary structures.
- 7.4 A replacement Host Council may be appointed by a majority decision of the Constituent Authorities provided that the replacement Host Council agrees.
- 7.5 If the Host Council withdraws from the Pooling Collaboration pursuant to clause 21 (Voluntary Exit) or clause 22 (Compulsory Exit) then a replacement Host Council will be appointed by a majority decision of the Constituent Authorities provided that the replacement Host Council agrees. The withdrawing Host Council will not have the right to vote in regard to any such appointment.
- 7.6 Where a replacement Host Council is appointed pursuant to Clause 7.4 or 7.5 above, any reference to Carmarthenshire County Council (in its capacity as the initial Host Council) shall be read with reference to the replacement Host Council from the effective date of the replacement.
- 7.7 Where TUPE applies in connection with the appointment of any replacement Host Council, then the Constituent Authorities shall comply with the provisions of Schedule 7.
- 7.8 For the duration of this Agreement, the Host Council shall act diligently and in good faith in all its dealings with the other Constituent Authorities.

7.9 For the duration of this Agreement, the Constituent Authorities shall act diligently and in good faith in all their dealings with the Host Council and shall use their reasonable endeavours to assist the Host Council to support the Pooling Collaboration.

8 OPERATOR CONTRACT

8.1 Each Constituent Authority shall promptly execute the Operator Contract in counterpart and return the executed counterpart to the Host Council as soon as reasonably practicable following execution. The Host Council shall as soon as reasonably practicable confirm that the Operator Contract has been duly executed by all Constituent Authorities and is in force and effect.

8.2 The Constituent Authorities authorise the Host Council to exercise their rights, duties and obligations pursuant to clause 7.1(i).

8.3 For the avoidance of doubt, any allocation of liability arising under the Operator Contract shall be apportioned between the Constituent Authorities pursuant to the terms of the Operator Contract and/or clause 10 (as appropriate).

9 LIABILITIES AND INDEMNITIES FOR THE HOST COUNCIL

9.1 Nothing in this Agreement will make the Host Council liable in respect of anything done or omitted to be done by a Constituent Authority up to the Commencement Date.

9.2 .The Host Council shall be indemnified from and against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential loss, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable costs and expenses) arising from the performance of its functions authorised pursuant to clause 7 save in the case of its wilful default or fraud.

10 COMMITMENT OF THE CONSTITUENT AUTHORITIES AND CONTRIBUTIONS

10.1 Subject to clause 10.2, the Constituent Authorities agree to pay the contributions, which shall be calculated equally, of the estimated governance, procurement and administration costs included within the Business Plan or additional expenditure later required as part of any revised estimated governance, procurement and administration costs contemplated by the Business Plan (the "**Pooling Contributions**") except where the Business Plan provides otherwise.

10.2 The Constituent Authorities shall meet the costs of ad hoc projects to which they are a party equally between the Constituent Authorities who are parties only and any non-participating Constituent Authorities shall not be liable for any proportion of such costs.

- 10.3 The Constituent Authorities agree to pay the Pooling Contributions to the Host Council on such dates, and at such frequency, as is determined by the Business Plan. Any costs incurred prior to the approval of the Business Plan shall be payable on being invoiced by the Host Council.
- 10.4 All Pooling Contributions shall be made by way of payment to the bank account notified to the Constituent Authorities by the Host Council for the purposes of the Pooling Collaboration. The Host Council shall maintain a separate account or accounts as appropriate for all monies received or expended in connection with the Pooling Collaboration in a manner which complies with their accounting arrangements.
- 10.5 Following the termination of this Agreement, once the costs of the Host Council have been met, the sum standing to the credit of the account or accounts in which Pooling Collaboration funds are held shall be returned to the then remaining Constituent Authorities in the proportions in which they were originally contributed.
- 10.6 Following the termination of this Agreement, where any further contribution is required, or repayments are to be made, the Constituent Authorities shall decide the following:
- (a) the total amount;
 - (b) the apportionment of such contribution or repayment between the Constituent Authorities; and
 - (c) the form of such contribution or repayment.

In the absence of any agreement to the contrary, such contributions or repayments shall be by or to all of the Constituent Authorities equally.

- 10.7 For the avoidance of doubt, any charges incurred in respect of investment management of the Investment Pool shall be attributed to each Constituent Authority by reference to the assets under management for that Constituent Authority and the investment management charges applicable to each sub-fund (or assets held in any alternative investment structure), are not determined by this Agreement. The liability of each Constituent Authority to meet the fees of the Operator shall be determined by the Operator Contract and not this Agreement.

11 ACCOUNTS

- 11.1 The Host Council shall keep proper books of account (which expression shall include any computerised accounting system for the time being used by the Pooling Collaboration) and shall be responsible for ensuring that full and proper entries of all receipts and payments are promptly recorded in them. The books of account shall be kept at the premises of the Host Council and be made available for inspection by all of the Constituent Authorities (who may also take copies). The Host Council shall make

available on reasonable request such information as is required by any Constituent Authority to prepare their own accounts or respond to any internal or external audit.

- 11.2 The Host Council shall ensure that the contributions and payments made by each Constituent Authority shall be held in an account in the name of the Host Council which does not breach regulation 6 of the Investment Regulations.
- 11.3 The Host Council shall prepare annual accounts in relation to each Financial Year for the Pooling Collaboration in accordance with the appropriate code of practice on accounting and the regulations which relate to accounting and audit as applicable to local authorities by no later than 31 May in the following Financial Year.
- 11.4 . The Host Council shall be responsible for ensuring that the accounts relating to the Pooling Collaboration are audited where and when required by law or other competent authority and shall make copies of the audited accounts available to all of the Constituent Authorities
- 11.5 The Joint Governance Committee may hold a reserve of funds for the purposes of meeting the costs of the Pooling Collaboration. Where the reserve exceeds 40% of the budget for the forthcoming year then the amount by which the reserve exceeds that sum may be repaid to the Constituent Authorities and such repayment shall be in proportion to the total amount contributed by each unless the Joint Governance Committee decides to the contrary.

12 INVESTMENT MANAGEMENT COSTS

- 12.1 In accordance with clause 10.7, each Constituent Authority shall bear its own costs in respect of investment management they incur or expect to incur in the Pooling Collaboration which shall include all transition costs for the investment and disinvestment of assets.

13 INTELLECTUAL PROPERTY

- 13.1 Any intellectual property developed by any Constituent Authority for the purposes of the Pooling Collaboration shall be retained by the Constituent Authorities and each Constituent Authority will grant all of the other Constituent Authorities a non-exclusive, perpetual, non-transferable and royalty free licence to use, modify amend and develop it for the purpose of the Pooling Collaboration whether or not the Constituent Authority granting the licence remains a party to this Agreement. All costs and expenses relating to such intellectual property shall be borne by the Constituent Authorities and the other Constituent Authorities shall indemnify the Constituent Authority or Constituent Authorities in whom such property is vested against all liabilities that may arise directly or indirectly in respect of the use of it.

14 REPORTS

- 14.1 The Joint Governance Committee shall oversee the Pooling Collaboration and ensure that it is provided in accordance with the Business Plan.
- 14.2 To ensure that the Constituent Authorities are kept up-to-date with the performance of the Pooling Collaboration, the Joint Governance Committee shall report quarterly and annually to the Constituent Authorities with progress measured against the Business Plan and the objectives of the Investment Pool.

15 INSURANCE

- 15.1 Where the operation of the Pooling Collaboration is not covered by any existing insurance of the Constituent Authorities, the Host Council shall effect and at all times keep in force (for the benefit of the Members of the Joint Governance Committee and the officers appointed to the OWG) such policies of insurance for such amounts as it shall decide. Such policies shall be maintained at the expense of the Constituent Authorities and shall be an administration cost of this Pooling Collaboration for the purposes of clause 10.1.

16 DUTIES AND POWER

Each Constituent Authority shall at all times:

- (a) use its reasonable skills and endeavours to promote and carry on the Pooling Collaboration for the benefit of the Constituent Authorities, and conduct itself in a proper and responsible manner;
- (b) devote such time and attention as the Constituent Authorities may decide in writing to be necessary and appropriate to the Pooling Collaboration;
- (c) comply with all legislation, regulations, professional standards and other provisions as may govern the conduct of the Pooling Collaboration, or be determined by the Constituent Authorities as standards to be voluntarily applied to the Pooling Collaboration;
- (d) show the utmost good faith to the other Constituent Authorities in all transactions relating to the Pooling Collaboration and give them a true account of, and full information about, all things affecting the Pooling Collaboration;
- (e) inform the Constituent Authorities without delay on becoming party to any legal proceedings in connection with the Pooling Collaboration;
- (f) punctually pay and discharge its present and future debts and financial obligations;

- (g) shall not do or fail to do anything which shall bring any of the other Constituent Authorities, or itself, into disrepute;
 - (h) obtain all necessary consents sufficient to carry on their duties to the Pooling Collaboration.
- 16.2 No action which would otherwise be a breach of this clause shall constitute a breach where the Constituent Authority was required to carry out that action in compliance with a statutory duty or order of any court, tribunal or ombudsman.

17 DELEGATION

- 17.1 Prior to the commencement of the Pooling Collaboration the Constituent Authorities shall put in place such authorisations as are required within their internal governance arrangements to:
- (a) delegate the making of the decisions set out in Schedule 3 (Joint Governance Committee Matters) to the Joint Governance Committee;
 - (b) delegate any other matter which is required to comply with the obligations of this Pooling Collaboration, including delegations to its own officers and to the Host Council where required.
- 17.2 The Constituent Authorities shall review and where necessary amend their delegations throughout the duration of the Pooling Collaboration to ensure that they can comply with the provisions of this Agreement.
- 17.3 The Joint Governance Committee may appoint contractors or agents to undertake tasks, advise on or support the implementation of its functions.

18 OBLIGATIONS ON CONSTITUENT AUTHORITIES

- 18.1 Without prejudice to the terms of this Agreement, the Constituent Authorities, on an individual basis, commit to the implementation of the Pooling Collaboration consistently with the Submission (subject to any variation agreed by the Constituent Authorities) and to use their reasonable endeavours to ensure the success of the Pooling Collaboration.
- 18.2 Nothing in this Agreement shall fetter the discretion of each Constituent Authority to formulate and revise an investment strategy appropriate for their fund within the LGPS pursuant to regulation 7 of the Investment Regulations.
- 18.3 It is acknowledged and agreed that the obligations and liabilities of each Constituent Authority shall bind any successor authority in the event of any local government re-organisation.

19 INDEMNITY

- 19.1 Subject to clause 8.3, any Constituent Authority who is in material breach of any of the provisions of this Agreement shall indemnify the other Constituent Authorities from and against all liabilities, costs, expenses, damages and losses, (including but not limited to any direct, indirect or consequential loss, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable costs and expenses) resulting from that breach, without prejudice to any other right or remedy of the other Constituent Authorities howsoever arising.

20 POLICIES AND PROCEDURES

- 20.1 The Joint Governance Committee shall prepare, maintain and adhere to the policies and procedures which are listed in Schedule 5 and any further policies and procedures which the Joint Governance Committee decides are appropriate, in accordance with applicable law and regulation, competent authority, and CIPFA Guidance, and having had regard to applicable guidance specific to local government management of funds or accounting and auditing requirements. The Joint Governance Committee shall provide them to the Constituent Authorities and OWG and provide them to sub-delegates and other necessary parties with the aim of achieving uniformity and efficiency in operating practices.
- 20.2 Where any policy or procedure provided for under this Agreement requires the Constituent Authorities to address or copy any communication or similar to any contract management or co-ordination function the Joint Governance Committee will advise the Constituent Authorities of that requirement in writing. As of the date of receipt of an advisory under this clause the Constituent Authorities shall address or copy any communication as advised.

21 VOLUNTARY EXIT

- 21.1 Any Constituent Authority (the "**VE Authority**") may exit from the Pooling Collaboration by giving not less than 18 (eighteen) months' written notice to the Host Council of its intention to exit the Pooling Collaboration and the date of expiration of that notice is the 31 March which next falls after or is coincident with the end of the 18 (eighteen) month notice period provided that the Constituent Authorities may agree with the VE Authority that a different notice period applies (the "**Exit Date**").
- 21.2 A VE Authority may exit the Pooling Collaboration and be released from its obligations under this Agreement (other than clause 23) provided that:
- (a) it has satisfied all of its obligations up to the Exit Date;

- (b) it has satisfied its share of the costs and expenses up to the Exit Date, as well as any necessary costs and expenses to facilitate the exit whether or not incurred after the Exit Date;
 - (c) subject to clause 21.5 below, it redeems all of its investments from the Investment Pool;
 - (d) its representatives on the Joint Governance Committee and the OWG resign on or before the Exit Date.
- 21.3 With effect from the date of the notice given by the VE Authority pursuant to clause 21.1 the Member (and any nominated deputy for the purposes of clause 3.4) nominated by the VE Authority for the purposes of clause 3.3 shall cease to have any voting rights for the purposes of the Joint Governance Committee and the VE Authority shall cease to be a Constituent Authority.
- 21.4 For the avoidance of doubt, the VE Authority shall remain liable to make the Pooling Contributions which are due prior to the Exit Date.
- 21.5 The Constituent Authorities recognise that there may be circumstances where the VE Authority may not be able to redeem all of its assets from the Investment Pool due to the nature of a particular investment (for example where an investment is illiquid or redeeming the asset would be in breach of contract) (the "**Retained Asset(s)**") provided that the Constituent Authorities and the VE Authority shall work together in good faith to redeem the Retained Asset(s) as soon as reasonably practicable. In such circumstances the VE Authority shall continue to make Pooling Contributions after the Exit Date until all of the Retained Asset(s) are redeemed from the Investment Pool. The Pooling Contributions shall be determined by the Business Plan which shall have regard to the relative value of the Retained Assets when compared to the assets applicable to the Constituent Authorities in the Investment Pool.

22 **COMPULSORY EXIT**

- 22.1 The Constituent Authorities (other than the CE Authority) may by majority decision compulsorily require any Constituent Authority (the "**CE Authority**") to leave the Pooling Collaboration, by the Host Council (or in the case of the Host Council being the CE Authority, any other Constituent Authority) giving the CE Authority written notice if the CE Authority:
- (a) commits any serious breach or persistent breaches of this Agreement;
 - (b) fails to pay any money owing by it to the Host Council within 28 (twenty-eight) days of a written request for payment from the Host Council;

- (c) fails to account for, or pay over or refund any money received and belonging to the Constituent Authorities within 28 (twenty-eight) days after being so required by notice from the Host Council;
- (d) wilfully neglects, refuses or omits to perform its duties, obligations and responsibilities under this Agreement; or
- (e) is guilty of conduct which, in the reasonable opinion of the other Constituent Authorities, is likely to have a serious adverse effect on the Pooling Collaboration;

provided that in each case the CE Authority is first given 28 days following receipt of the written notice to remedy the breach or issue described in paragraphs (a) to (e) and the CE Authority has failed to remedy such breach or issue or to take reasonable steps to do so.

22.2 The effective date of the CE Authority being required to leave the Pooling Collaboration is the 31 March which next falls after or is coincident with the period of 18 (eighteen) month after the notice given in clause 22.1 above provided that the other Constituent Authorities may notify the CE Authority that a different notice period applies (the "**Compulsory Exit Date**").

22.3 The CE Authority shall exit the Pooling Collaboration from the Compulsory Exit Date and must prior to the Compulsory Exit Date:

- (a) have satisfied all of its obligations up to the Compulsory Exit Date;
- (b) have satisfied its share of the costs and expenses up to the Compulsory Exit Date, as well as any necessary costs and expenses to facilitate the exit whether or not incurred after the Compulsory Exit Date.
- (c) subject to the same circumstances in clause 21.5, it redeems all of its investments from the Investment Pool;
- (d) its representatives on the Joint Governance Committee and the OWG resign on or before the Compulsory Exit Date.

22.4 With effect from the date of the notice given by the Host Council to the CE Authority pursuant to clause 22.1 the Member (and any nominated deputy for the purposes of clause 3.4) nominated by the CE Authority for the purposes of clause 3.3 shall cease to have any voting rights for the purposes of the Joint Governance Committee and shall cease to be a Constituent Authority.

22.5 For the avoidance of doubt, the CE Authority shall remain liable to make the Pooling Contributions which are due prior to the Compulsory Exit Date and liable to the continuing liability provisions of clause 23.

- 22.6 The Constituent Authorities recognise that there may be circumstances where the CE Authority may not be able to redeem the Retained Asset(s) provided that the Constituent Authorities and the CE Authority shall work together in good faith to redeem the Retained Asset(s) as soon as reasonably practicable. In such circumstances the CE Authority shall continue to make Pooling Contributions after the Compulsory Exit Date until all of the Retained Asset(s) are redeemed from the Investment Pool. The Pooling Contributions shall be determined by the Business Plan which shall have regard to the relative value of the Retained Asset(s) when compared to the assets applicable to the Constituent Authorities in the Investment Pool.

23 FURTHER PROVISIONS RELATING TO A VE AUTHORITY OR A CE AUTHORITY

- 23.1 When any Constituent Authority ceases to be a Constituent Authority by virtue of being a VE Authority or a CE Authority, the continuing Constituent Authorities shall publish notice of the change in the Pooling Collaboration and shall give notice in writing of the change in the Pooling Collaboration to all third parties who have in the last 12 (twelve) months had any dealings with the Pooling Collaboration (as advised by the Host Council and whether as suppliers to the Host Council or as clients or customers of it).
- 23.2 The VE Authority or CE Authority (as applicable) irrevocably agree and undertake to execute and deliver within 5 working days of request all deeds and documents and to do all acts and things necessary to give effect to the terms of this Agreement and for vesting in the continuing Constituent Authorities the full benefit of the assets, rights and benefits to be transferred to the continuing Constituent Authorities under this Agreement.

Continuing liability

- 23.3 Where any Constituent Authority exits from this Agreement in accordance with Clause 21 or 22 they shall remain liable to the extent they would have been were they still party to this Agreement for any acts, omissions, costs and expenses arising from acts taken or decisions made during the period in which that Constituent Authority was a party to this Agreement.
- 23.4 Any Constituent Authority who enters this Agreement after the Commencement Date shall have liability for any acts, omissions, costs and expenses arising from acts taken or decisions made from the date of their entry only.

24 NEW CONSTITUENT AUTHORITY

- 24.1 The Constituent Authorities shall consider applications from other administering authorities of funds within the LGPS to join the Pooling Collaboration (a "**New Member Application**").

24.2 A New Member Application will be considered on the merits of its business case and the conditions which the Constituent Authorities consider appropriate from time to time.

24.3 A New Member Application will only be approved by the Constituent Authorities at their absolute discretion and, subject to regulation 8 of the Investment Regulations, there shall be no obligation under the terms of this Agreement for a New Member Application to be accepted.

25 CONFIDENTIALITY

25.1 For the purposes of this Agreement, **Confidential Information** means, any information which has been certified as exempt information in accordance with Section 100I of the Local Government Act 1972 and all confidential information (however recorded or preserved) disclosed by a Constituent Authority or its representatives or advisers to another Constituent Authority and his representatives or advisers (except where by law the information cannot be retained as confidential) concerning:

- (a) any information relating to the prospective business, technical processes, computer software or intellectual property rights of the Pooling Collaboration;
- (b) all documents, papers and property that may have been made or prepared by, or at the request of, any Constituent Authority and which are marked as being exempt information or confidential and which come into any Constituent Authority's possession or under its control in the course of the Pooling Collaboration; and
- (c) compilations of two or more items of such information and all information that has been, or may be, derived or obtained from any such information which, at any time, comes into any Constituent Authority's possession or under its control in the course of the Pooling Collaboration and which the Pooling Collaboration regards or could reasonably be expected to regard as confidential, whether or not such information is, in itself, confidential, marked as "confidential" or reduced to tangible form.

25.2 Save as provided otherwise in this agreement either expressly or by implication, each Constituent Authority undertakes that it shall not, at any time, disclose to any person any Confidential Information of the other Constituent Authorities and shall use its reasonable endeavours to keep all Confidential Information of the other Constituent Authorities confidential (whether it is marked as such or not) except as permitted by clause 25.3.

25.3 Each Constituent Authority may disclose the other Constituent Authority's Confidential Information:

- (a) to its representatives or advisers who need to know such information for the purposes of carrying out the Constituent Authority's obligations under or in connection with this Agreement. Each Constituent Authority shall ensure that its representatives or advisers to whom it discloses the other Constituent Authority's Confidential Information comply with this clause.
- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority including an ombudsman.

26 PENSIONS

26.1 The Constituent Authorities are scheduled employers in the LGPS. The employees employed by the Host Council in the Pooling Collaboration will be active members of the LGPS from and including the Commencement Date or later date of commencement of employment subject to the Local Government Pension Scheme Regulations 2013.

27 FREEDOM OF INFORMATION

27.1 Each Constituent Authority acknowledges that the other Constituent Authorities and the Joint Governance Committee are subject to the requirements of the Freedom of Information Act 2000 ("**FoIA**") and each Constituent Authority shall where reasonable assist and co-operate with the other Constituent Authorities (at their own expense) to enable the other Constituent Authorities to comply with these information disclosure obligations.

27.2 Where a Constituent Authority receives a request for information under the FoIA in relation to information which it is holding on behalf of any of the other Constituent Authorities in relation to the Pooling Collaboration, it shall:

- (a) transfer the request for information to the other Constituent Authorities as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;
- (b) provide the other Constituent Authorities with a copy of all information in its possession or power in the form that the Constituent Authorities reasonably require within 10 (ten) Business Days (or such longer period as the Constituent Authorities may specify) of the Constituent Authority requesting that information; and
- (c) provide all necessary assistance as reasonably requested by the other Constituent Authorities to enable the Constituent Authority to respond to a request for information within the time for compliance set out in the FoIA.

27.3 Where a Constituent Authority receives a request for information under the FoIA which relates to this Agreement or the Pooling Collaboration it shall;

- (a) advise the person making the request that the information is held by another public authority being the Joint Governance Committee and that the request has been passed to that public authority to respond;
- (b) transfer the request for information to the Host Council on behalf of the Joint Governance Committee as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;
- (c) provide the Host Council with a copy of all information in its possession or power in the form that the Host Council reasonably require within 10 (ten) Business Days (or such longer period as the Constituent Authorities may specify) of the Constituent Authority requesting that information; and
- (d) provide all necessary assistance as reasonably requested by the Host Council to enable the Host Council to respond to a request for information on behalf of the Joint Governance Committee within the time for compliance set out in the FoIA.

27.4 The Constituent Authorities or the Host Council shall be responsible for determining in their absolute discretion whether any information requested under the FoIA:

- (a) is exempt from disclosure under the FoIA;
- (b) is to be disclosed in response to a request for information.

27.5 Each Constituent Authority acknowledges that the other Constituent Authorities and the Joint Governance Committee may be obliged under the FoIA to disclose information:

- (a) without consulting with the other Constituent Authorities where it has not been practicable to achieve such consultation; or
- (b) following consultation with the other Constituent Authorities and having taken their views into account.

28 DATA PROTECTION

28.1 The Constituent Authorities shall comply with the Data Protection Act 1998.

29 DISSOLUTION

29.1 No Constituent Authority shall be capable of dissolving the Pooling Collaboration unilaterally by means of a notice.

29.2 The Pooling Collaboration and this Agreement shall be terminated upon the unanimous agreement of all of the Constituent Authorities.

29.3 Each Constituent Authority shall act in good faith in the wind up of the Pooling Collaboration following the unanimous decision to dissolve as soon as reasonably

practicable thereafter, and all costs and expenses shall be borne equally by the Constituent Authorities.

30 ENTIRE AGREEMENT

- 30.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 30.2 Each Constituent Authority acknowledges that, in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement.
- 30.3 Each Constituent Authority agrees that it shall have no claim for innocent or negligent misrepresentation (or negligent misstatement) based on any statement in this agreement.
- 30.4 Nothing in this clause shall limit or exclude any liability for fraud.

31 NOTICES

- 31.1 Any notice, demand or communication in connection with this Agreement will be in writing and may be delivered by hand, post, facsimile or email addressed to the recipient as set out in Schedule 1 or any other address notified to the other party in writing in accordance with this clause as an address to which notices, invoices and other documents may be sent. The notice, demand or communication will be deemed to have been duly served:
- (a) if delivered by hand during business hours, at the time of delivery;
 - (b) if delivered by post, 48 hours after being posted (excluding Saturdays, Sundays and public holidays);
 - (c) if delivered by facsimile during business hours, at the time of transmission, provided that a confirming copy is sent by first class post to the other party within 24 hours after transmission; or
 - (d) if delivered by email or other electronic form of communication during business hours, at the time of transmission provided that a confirming copy is sent by first class post to the other party within 24 hours after transmission.
- 31.2 Where notice is served by hand, facsimile or email outside business hours, it will be deemed to have been served on the next business day.

32 CONTRACTS (THIRD PARTY RIGHTS)

- 32.1 The Constituent Authorities as parties to this Agreement do not wish that any of its terms to be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person not a party to this Agreement.

33 SEVERANCE

- 33.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision of part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.
- 33.2 If one Constituent Authority gives notice to the other Constituent Authorities of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the Constituent Authorities shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended result of the original provision.

34 AMENDMENTS

- 34.1 No amendment to this Agreement shall be binding unless it is in writing and signed by a duly authorised representative of each of the Constituent Authorities and expressed to be for the purpose of such amendment.

35 GOVERNING LAW AND JURISDICTION

- 35.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales as it applies in Wales.
- 35.2 Each party irrevocably agrees that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement, its subject matter or formation.

36 ALTERNATIVE DISPUTE RESOLUTION

- 36.1 The Constituent Authorities agree:
- (a) to pursue a positive approach towards dispute resolution with an objective of reaching a consensus without formal dispute resolution and/or legal proceedings and maintaining a strong working relationship between the Constituent Authorities;

- (b) that any dispute between the Constituent Authorities in relation to matters covered by this Agreement will be referred to in the first instance to the Chief Executives of the Constituent Authorities who may, at their sole discretion, delegate the dispute to the appropriate senior officer within 10 Business Days of written notice of the dispute;
- (c) that if the Chief Executives or their delegates are not able to resolve the dispute within 5 Business Days of meeting or there is disagreement over a Member matter, then any Member may refer the matter to a mediation facilitated by the Welsh Local Government Association or to a suitably qualified and independent person, as recommended by the Chief Executives and the Constituent Authorities agree;
- (d) that where any dispute is agreed to be of a legal or technical nature the parties to the dispute may (but not must) jointly take the opinion of an appropriate expert including opinion of senior legal counsel where appropriate. Such expert opinion must be instructed through the OWG and be instructed within 10 days of referral to Chief Executives under sub-clause (b) following which the opinion should be delivered within a further 10 days unless the nature and/or details of the dispute or opinion dictate that an alternative timeframe needs to be followed.
- (e) that, if after exhausting other methods of dispute resolution, one of the Constituent Authorities commences legal proceedings then this will be subject to the exclusive jurisdiction of the Courts of England and Wales.

All costs are borne equally between the Constituent Authorities which are party to the dispute unless agreed otherwise by the Joint Governance Committee or ordered by the Courts.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1

Contact Details

Carmarthenshire County Council
Chris Moore
s. 151 Officer (tel. 01267 224160 and e-mail CMoore@carmarthenshire.gov.uk); and

Linda Rees-Jones
Monitoring Officer (tel. 01267 224010 / e-mail LRJones@carmarthenshire.gov.uk)

County Hall, Carmarthen, Carmarthenshire, SA31 1JP

City & County of Swansea Council
[Contact Name and Details]

City of Cardiff Council
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Powys County Council
[Contact Name and Details]

Rhondda Cynon Taff County Borough
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Torfaen County Borough Council

Nigel Aurelius, Assistant Chief Executive Officer and Section 151 Officer,
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Graeme Russell, Head of Human Resources and Pensions
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Delyth Harries, Interim Monitoring Officer
Tel number 01495 742652 and email- Delyth.Harries@torfaen.gov.uk

Schedule 2

Matters Reserved to the Constituent Authorities

- 1 Appointment, termination or replacement of the Operator following the making of a recommendation by the Joint Governance Committee.
- 2 Approval of additional expenditure not included within the Business Plan which exceeds 30 % of the approved budget in the Business Plan in any one Financial Year.
- 3 Formulation, approval or revisions of each respective Constituent Authority's investment strategy for the purposes of regulation 7 of the Investment Regulations.
- 4 Admitting a new administering authority within the LGPS to the Investment Pool as a Constituent Authority (pursuant to clause 24).
- 5 Amendment of this Agreement (pursuant to clause 34).
- 6 Termination of this Agreement (pursuant to clause 29).
- 7 Material change to the nature of the Operator Contract.
8. Approval of the initial strategic objectives to allow preparation of the first Business Plan (which objectives shall reflect the objectives set out in the procurement of the Operator).
- 9 Approval of any evaluation or scoring criteria for any procurement of a replacement Operator.
- 10 Approval of the Business Plan which shall include approval of the ongoing strategic objectives of the Investment Pool.
11. Determination of the timing of the transition of the assets held by the LGPS fund for which they are an administering authority into the Pooling Collaboration and the funds or sub-funds operated by the Operator.

Schedule 3

Joint Governance Committee Matters

Subject to the terms of the Agreement, the Joint Governance Committee shall undertake those matters which are not Matters Reserved to the Constituent Authorities which shall include (without prejudice to the generality of the foregoing):

- 1 Making a recommendation on the appointment, replacement or termination of the Operator to the Constituent Authorities.
- 2 Appointing and replacing service providers, advisers to the Joint Governance Committee (other than the Operator).
- 3 Approving the creation of new pooled vehicles for the Operator.
- 4 Approving the creation of new sub-funds provided by the Operator.
- 5 Approving the termination of sub-funds provided by the Operator.
- 6 Preparing a plan relating to the overall transition of assets in accordance with each Constituent Authority's asset transition plan.
- 7 Approving changes to the Operator Contract which are not material changes to the nature of the Operator Contract.
- 8 Dealing with the necessary general ongoing management of the Pooling Collaboration.
- 9 Delegation of tasks to the OWG, including the preparation of reports and draft documents and the undertaking of consultations.
- 10 Liaison with Pension Boards as appropriate in line with CIPFA Guidance, guidance issued by the Pensions Regulator and other applicable legislation or regulatory guidance.
11. Determining the best means of alternative investment structures for assets where a sub-fund is not being provided by the Operator.

Notwithstanding the above, for the avoidance of doubt, the Joint Governance Committee may not delegate its responsibilities.

Schedule 4

Joint Governance Committee - Terms of Reference

The Joint Governance Committee responsibilities are:

- Making recommendations to the Constituent Authorities on the termination of the Operator Contract before the conclusion of the fixed term contract, where the performance of the Operator is considered unacceptable;
- Ensuring that there are an appropriate range of sub-funds available in order to allow the Constituent Authorities to meet their strategic investment aims. Following representation from any, some or all of the Constituent Authorities, the Joint Governance Committee may direct the Operator to set up a sub-fund in a particular asset class. The Joint Governance Committee must be mindful at all times of the need to balance the requirement to provide a particular sub-fund with the benefits of holding aggregated assets;
- Monitoring the performance of the Operator against the agreed set of key performance indicators;
- Reporting on the performance of the Investment Pool, its costs and other activities, but not limited to, the Constituent Authorities, government, the Scheme Advisory Board and the general public;
- From time to time, to review the appropriateness of the existing structures, including the number and make-up of sub-funds and to make recommendations to the Constituent Authorities as to the respective merits of procuring Operator services by means of a third party or through ownership by the Constituent Authorities of the Operator;
- Liaising with the Operator, in such areas as the Operator seeks the preferences and views of the Joint Governance Committee, on the appointment of suppliers, for example manager preferences or the appointment of depositories;
- Liaising with the Constituent Authorities on the appropriate range of sub-funds to be provided in the Investment Pool;
- From time to time reviewing policies in respect of ethical, social and governance matters and voting rights and where appropriate make recommendations to the Constituent Authorities as to any changes deemed necessary;
- Applying any processes or policies that are assigned to it within this Agreement;

- Recommend a high level plan for initial transition of assets to the pool and further asset transitions in the event, for example, of new sub-funds being created or manager changes within sub-funds;
- Ensuring that the OWG acts within its remit as set out in clause 4 and Schedule 8 of this Agreement;
- Providing any analysis or commentary on annual accounts to the Constituent Authorities;
- Monitoring the implementation and effectiveness of the policies listed in Schedule 5 and initiating reviews of these where required;
- Delivery and ongoing monitoring against the Pooling Collaboration objectives, Business Plan and budgets;
- Approving responses from the Pooling Collaboration in relation to consultations or other matters considered appropriate;
- Seeking advice from professional and authorised and regulated advisers where necessary;
- Agreeing the Business Plan to be put forward to the Constituent Authorities for approval;
- Report to the Constituent Authorities quarterly (and at any other time when the Joint Governance Committee considers it to be necessary) on the matters within their remit including but not limited to the performance of the Operator, the structure of the funds and the ongoing monitoring of the Business Plan;
- Agreeing criteria for the evaluation of bids or tenders for any procurement (other than the first appointment of the Operator) to be put forward for the approval of the Constituent Authorities.

Schedule 5

Policies and Procedures

- Training and Competence
- Complaints
- Breaches and Errors
- Conflicts of Interests
- Business Continuity Planning
- DSAR/FOI
- Contract Management, Co-ordination and Liaison with the Operator

Schedule 6

Joint Governance Committee Procedure

1 MEMBERSHIP

- 1.1 The membership of the Joint Governance Committee shall consist of one elected member (or their appointed deputy) per Constituent Authority.
- 1.2 No substitutes other than deputies shall be allowed.
- 1.3 The Joint Governance Committee shall not include any non-voting or co-opted members.

2 MEETINGS

- 2.1 Meetings shall be held a minimum of four times per municipal year (being May to May). The anticipated schedule of meetings and the locations in which they will be held will be agreed in advance of the commencement of the next Financial Year no later than the final meeting of the current Financial Year.
- 2.2 A meeting may be held at such time and place as the Chair of the Joint Governance Committee thinks fit provided that at least two meetings per annum shall be held in rotating locations between the Constituent Authorities to facilitate public access. The Constituent Authorities shall make available suitable accommodation for the holding of such meetings in public including the provision of Welsh Language translation, video-conferencing and webcasting services as appropriate.
- 2.3 All agendas, reports and minutes in relation to the Joint Governance Committee shall be in both Welsh and English, and simultaneous translation of proceedings will be available throughout all meetings of the Joint Governance Committee.
- 2.4 The Joint Governance Committee may decide to allow remote participation in meetings via video-conference or any similar medium. Any Member attending by video-conference shall be held to be in attendance at the meeting for the purposes of this Schedule.
- 2.5 A meeting of the Joint Governance Committee may be called by a proper officer of the Host Council on the request of the Chair. Members must declare any conflict of interest in respect of any business being conducted at the meeting which would likely to be regarded to prejudice the exercise of a person's function as a participant in the meeting.
- 2.6 The Chair is responsible for the running of meetings. The Chair shall invite Members expressing a desire to speak in turn. All discussion and debate shall be held through the Chair and the Chair may draw a discussion to a vote at any time where they consider that every Member has been given a fair opportunity to speak.

2.7 Minutes will be kept of all meetings. The Chair will sign the minutes of the proceedings at the next suitable meeting.

2.8 Notice of meetings

- (a) A notice of meeting specifying the place, date and time of the meeting and containing a statement of the matters to be discussed at the meeting, shall be served on all of the Members of the Joint Governance Committee by the appropriate governance officer of the Host Council;
- (b) Subject to clause 2.8(c), notice of each meeting, copies of the agenda and any reports to be presented at the meeting, shall be given to all Constituent Authorities by the Host Council no later than 7 clear days before the date of the meeting. The Constituent Authorities shall ensure that a minimum of five clear days' notice of all meetings is given in accordance with their normal procedures for notification of Council meetings and all papers made available at all of the Constituent Authorities head offices for inspection for those five days unless certified as confidential in which case agendas and any non-certified items are made available only.
- (c) If a meeting is required to be held with less than 5 days' notice, the Chair must agree it is required urgently, approve the shortened notice period and allow as much notice as possible to be given. Notice should be given in the same manner, and the documents should be made available to all of the Constituent Authorities for as many days as practicable before the meeting.

2.9 Exclusion of the public and press

- (a) Where any item to be discussed forms exempt information the Chair shall move that the public and press are excluded from the meeting for the duration of the discussion and voting on that item. Motions to exclude the press and public do not require to be seconded and shall be determined by simple majority vote of the Members present.
- (b) Where the press and public are excluded under (a) above the Chair may invite any person to remain in the meeting where they consider it to be necessary or appropriate to do so and any members of the OWG present shall be presumed to be invited to remain unless the Chair specifies otherwise.
- (c) Any person may be excluded from a meeting or required to leave a meeting where in the opinion of the Chair they are causing a disturbance to the running of the meeting and have not desisted from doing following a request; or where any person is so disruptive that their conduct if allowed to remain would prevent the meeting from proceeding in a fair and acceptable manner.

- 2.10 The Joint Governance Committee may, through the Chair, invite any person to speak at a meeting.
- 2.11 Officers of the OWG presenting reports to the Joint Governance Committee may be asked questions following such presentation.
- 2.12 Section 151 Officers and Monitoring Officers (and in their absence their deputies) of any Constituent Authority are entitled to attend all meetings including any part of any meeting which is closed to the public and press.

3 QUORUM

- 3.1 The quorum shall be five Members.
- 3.2 Where a quorum is not present within 15 minutes of the start of the meeting and the Chair has not been notified that one or more Members have been delayed but will be attending, the meeting shall not be held and the Host Council will be ask to schedule and give notice of a replacement meeting.
- 3.3 Where, during any meeting there is no quorum present, then the meeting will adjourn immediately. If the Chair has been unable to ascertain within 15 minutes that the quorum can be restored the remaining business will be considered at another time and date fixed by the Chair.

4 CHAIR AND VICE CHAIR.

- 4.1 The Chair and Vice-Chair shall be Members and shall be appointed by vote for a term of 12 calendar months.
- 4.2 In the absence of the Chair, the Vice-chair shall be entitled to exercise all of the functions of the Chair.
- 4.3 The decision of the Chair of the meeting on all points of procedure and order and the Chair's interpretation of any rule in this schedule shall be final and no debate may ensue thereon. The Chair shall be entitled to take the advice of a governance officer in interpreting any rule or objection on procedure.
- 4.4 The Chair may be assisted during meetings by a governance officer on procedural matters and such administrative officers as the Chair considers appropriate. Such governance and secretarial officers shall be entitled to remain in the meeting where the public and press are excluded.

5 AGENDA

- 5.1 An agenda shall be produced in advance for each meeting by the Host Council following consultation with the Chair.

5.2 The agenda for each meeting shall contain as the first substantive item the approval of the minutes of the previous meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. The only part of the previous minutes that can be discussed is their accuracy and any matters arising from those previous minutes shall be regarded as new items on the agenda of the current meeting.

5.3 The OWG and the Constituent Authorities may ask the Chair to include any matter on the agenda which they consider should be discussed by the Joint Governance Committee.

5.4 The decision on whether to allow discussion on any other matter not on the agenda of a meeting at that meeting shall be made by the Chair.

6 MOTIONS

6.1 Any Member may propose a motion. All motions must be seconded. Motions which are opposed shall be put to a vote in accordance with the voting provisions of this schedule.

6.2 A Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of the provisions of this Schedule, or the law or other competent authority. The Member must indicate the provision or law or regulation and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final. The Chair may take advice on the point of order from the appropriate officer.

7 VOTING

7.1 The Chair shall seek consensus wherever possible however where a vote is required the provisions of this section shall apply.

7.2 Each Member present will have one vote and voting will be by means of a show of hands. In the event of a tied vote, the Chair shall have a second or casting vote.

7.3 All decisions will be determined by simple majority.

7.4 In the event that a vote is taken, the voting positions and any abstentions of members will be recorded in the minutes.

8 SUB-COMMITTEES AND WORKING GROUPS

8.1 The Joint Governance Committee shall form such sub-committees and working groups as it considers expedient to performing its function. The Joint Governance Committee shall at the time of forming sub-committees or working groups set out the remit of the sub-committees or working groups, what the sub-committees or working groups are required to deliver and the timescale for that delivery.

- 8.2 Sub-committees and working groups shall be entailed to request the input and support of the OWG in the same manner as the Joint Governance Committee.
- 8.3 Each sub-committee and working group shall appoint a chair for that sub-committee or working group, who is to be one of the Members of the sub-committee or working group.
- 8.4 Working groups may invite any person who is not a Member to join the group in order to assist in carrying out its function.
- 8.5 The Chairs of sub-committees and working groups shall report to Joint Governance Committee at each meeting of that committee on the process of the matters within their remit.
- 8.6 Sub-committees and working groups may be disbanded at any time on the vote of the Joint Governance Committee.
- 8.7 The provisions of paragraphs 5-7 (Agenda, Motions and Voting) of this Schedule shall apply to any sub-committee and working group meetings.

Schedule 7

TUPE

1 DEFINITIONS

1.1 The following definitions shall apply in this Schedule:

Data Protection Legislation means the Data Protection Act 1998, the Data Protection Directive (95/46/EC), the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000, the Electronic Communications Data Protection Directive (2002/58/EC), the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to the processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

Expected Transferring Employees means those Host Council Personnel who are reasonably expected by the Host Council to be a Transferring Employee.

Future Host Council means any relevant Constituent Authority who provides services which are identical or substantially similar to any of the Host Council Services (directly or indirectly) following the termination or expiry of this Agreement or the termination of the provision of any of the Host Council Services by the Host Council.

Host Council Personnel means the individuals employed or engaged by the Host Council or any other person in the provision of the Host Council Services under this Agreement from time to time.

Host Council Services means the services to be provided by the Host Council under this Agreement as more particularly described at clause 7.

Redundancy Costs means any notice pay (including payment in lieu of notice), holiday pay and statutory and/or contractual redundancy payments.

Sub-Contractor means any person to whom the provision of any of the Host Council Services may be sub-contracted by the Host Council.

Subsequent Transfer Date means the date on which responsibility for the provision of the Host Council Services, or any part of the Host Council Services, transfers from the Host Council to the Future Host Council.

Transferring Employee means an individual whose contract of employment has effect from and after the Subsequent Transfer Date, by virtue of the operation of TUPE, as if originally made between such person and the Future Host Council.

2 NO TRANSFER ON COMMENCEMENT

- 2.1 The Constituent Authorities agree that the neither the commencement of this Agreement nor the implementation of any of the arrangements contemplated within it shall give rise to a "relevant transfer" within the meaning of TUPE on or around the Commencement Date.

3 EMPLOYEE INFORMATION ON TERMINATION

- 3.1 Subject to the Data Protection Legislation, during the period of twelve months preceding the expiry of this Agreement, or at any time after the Host Council has given notice to withdraw from the Pooling Collaboration or at any time after the Host Council has actually ceased to provide any of the Host Council Services:

- (a) the Host Council shall within 28 days of the reasonable request by any Future Host Council disclose to that Future Host Council details of the number, age and terms and conditions of employment, in relation to any Host Council Personnel assigned to the provision of the Host Council Services or any relevant part of the Host Council Services;
- (b) the Host Council shall not and, if relevant, shall procure that any Sub-Contractor shall not, save in the ordinary course of business, materially vary the terms and conditions of employment or engagement of any Host Council Personnel or redeploy, replace or dismiss any Host Council Personnel, or employ or engage any additional individual in the provision of the Host Council Services, without the prior written consent of the Future Host Council (such consent not to be unreasonably withheld or delayed).

4 EMOLUMENTS

All wages, salaries, bonus and commission payments, contributions to pension schemes, entitlement to holiday pay and any other emoluments (whether monetary or otherwise), tax and national insurance contributions relating to the Transferring Employees shall be paid or borne by the Host Council (or Sub-Contractor) in relation to the period before the Subsequent Transfer Date (and the Host Council shall procure such payment by any Sub-Contractor) and by the relevant Future Host Council thereafter (and the Constituent Authorities shall procure such payment by any Future Host Council), and all necessary apportionments shall be made.

5 COMPLIANCE AND INDEMNITIES

- 5.1 The Host Council shall and/or, if relevant, shall procure that any Sub-Contractor shall:
- (a) comply with its or their obligations to inform and consult the Expected Transferring Employees pursuant to Regulation 13 of TUPE;

- (b) use reasonable endeavours to agree with the Future Service Provider, and deliver to the Expected Transferring Employees prior to the Subsequent Transfer Date, a suitable joint statement regarding the proposed transfer of their employment to the Future Host Council on the Subsequent Transfer Date; and
 - (c) give employees of the Future Host Council such access to the Expected Transferring Employees prior to the Subsequent Transfer Date as the Future Host Council may reasonably require for the purposes of consultation or of effecting an efficient transfer of the Host Council Services and Transferring Employees with effect from the Subsequent Transfer Date.
- 5.2 The Host Council shall indemnify and keep indemnified the Future Host Council against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought against the Future Host Council in relation to:
- (a) the employment or termination of employment of any Transferring Employee during the period before the Subsequent Transfer Date; or
 - (b) the Host Council's failure or alleged failure to comply with its obligations under Regulation 13 of TUPE, save to the extent that any such failure or alleged failure is as a result of or in consequence of a failure by the Future Host Council to comply with its obligations under Regulation 13(4) of TUPE.
- 5.3 If a claim or allegation is made by any person who is not a Transferring Employee (a **"Non-Disclosed Transferring Employee"**) that his contract of employment has or should have effect as if originally made between himself and the Future Host Council by virtue of the operation or alleged operation of TUPE:
- (a) the Future Host Council shall notify the Host Council in writing as soon as reasonably practicable of any such claim or allegation and the Future Host Council shall then allow the Host Council (or any relevant Sub-Contractor) a period of 10 working days to consult with any such Non-Disclosed Transferring Employee concerning his claim or allegation;
 - (b) the Future Host Council shall give to the Host Council (or any relevant Sub-Contractor) such co-operation or assistance as the Host Council (or relevant Sub-Contractor) may reasonably require;
 - (c) if, following the period of 10 working days referred to in paragraph 4.3(a) above, any Non-Disclosed Transferring Employee continues to assert that his contract of employment has or should have effect as if originally made between himself and Future Host Council, the Future Host Council may, within a further period of 20 working days (or such other period as may be agreed in writing between the

Host Council and Future Host Council), serve notice to terminate the employment or alleged employment of such Non-Disclosed Transferring Employee with immediate effect; and

- (d) subject to the Future Host Council's compliance with this paragraph 5.3, the Host Council shall indemnify and keep indemnified the Future Host Council against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought by any such Non-Disclosed Transferring Employee in relation to any sums paid or payable to such Non-Disclosed Transferring Employee up to the date of the termination of such Non-Disclosed Transferring Employee's employment or alleged employment, and in relation to such termination.

5.4 The Future Host Council shall indemnify and keep indemnified the Host Council (for itself and any Sub-Contractor) against all and any costs, expenses, liabilities, damages and losses arising out of or in connection with any claim, demand, action or proceeding which is made or brought:

- (a) by any Transferring Employee in relation to any act or omission of the Future Host Council on or after the Subsequent Transfer Date and/or in relation to any events or circumstances relating to the employment or termination of employment of any Transferring Employee occurring or arising on or after the Subsequent Transfer Date;
- (b) in relation to any failure or alleged failure of the Future Host Council to comply with their obligations under Regulation 13 of TUPE; or
- (c) in relation to any substantial change made or proposed by the Future Host Council in the working conditions of any of the Transferring Employees, or any individual who would have been a Transferring Employee but whose employment terminated prior to the Subsequent Transfer Date, where that change is to the detriment of such Transferring Employee(s) or such individual(s).

6 REDUNDANCY COSTS

6.1 The Constituent Authorities shall indemnify and keep indemnified on a joint and several basis the Host Council (for itself and any Sub-Contractor) against all and any Redundancy Costs arising out of or in connection with any claim, demand, action or proceeding which is made or brought against the Host Council (or Sub-Contractor) arising out of or in connection with the termination or alleged termination of employment of any Host Council Personnel by reason of redundancy within 6 months of the Subsequent Transfer Date, where the employment such Host Council Personnel does not transfer to a Future Host Council (under TUPE or otherwise) on the cessation of the provision of any or all of the

Host Council Services, provided that the Host Council shall, or shall procure that any Sub-Contractor shall, use reasonable endeavours to:

- (a) mitigate the amount of any such Redundancy Costs;
- (b) search for and, if available, offer alternative employment within the Host Council's or the Constituent Authorities' (or, as the case may be, the Sub-Contractor's) organisation to any Host Council Personnel at risk of redundancy and shall give that Host Council Personnel a reasonable opportunity to accept any such offer of alternative employment before terminating that Host Council Personnel's employment; and
- (c) comply with any applicable statutory obligations.

Schedule 8 - Officers Working Group Remit

The remit of the OWG shall include:

- (a) proposing to the Joint Governance Committee and procuring external support requirements (including legal, governance, tax and other financial support) relevant to the Pooling Collaboration;
- (b) proposals to the Joint Governance Committee on governance arrangements including how the Operator should be held to account by reference to the Operator Contract;
- (c) proposals to the Joint Governance Committee on the most appropriate means of accessing different asset types, the structure of the Investment Pool including the number and make-up of sub-funds and where appropriate use of any external or national investment vehicles;
- (d) proposing high level transition plans for the transfer of assets to the Investment Pool;
- (e) challenging and contributing to the development of the Pooling Collaboration to enable the Pooling Collaboration and the Joint Governance Committee to achieve its objectives;
- (f) making recommendations to the Joint Governance Committee on the appointment, replacement or termination of the Operator including recommendations on whether to use a third party supplier or an owned entity;
- (g) monitoring and reviewing the performance of the Operator in meeting its objectives, service levels and key performance indicators and reporting to the Joint Governance Committee within the quarterly reports and on other occasions as required;
- (h) receiving reports on performance of the assets and reporting to the Joint Governance Committee;
- (i) external reporting on the Pooling Collaboration and its performance no less than quarterly to professional advisors or competent authorities if required;
- (j) liaison with other pools as required;
- (k) considering and making recommendations to the Joint Governance Committee in relation to the Business Plan, prepare a draft Business Plan for consideration by the Joint Governance Committee, consulting upon the approved draft Business Plan and reporting on the outcomes of such consultation including

proposing any revisions to the draft Business Plan to the Joint Governance Committee;

- (l) developing and keeping under review the programme of training to be delivered to Members ensuring that it complies with all relevant regulations and applicable guidance, which programme of training shall have regard to the training undertaken in Members' roles on their respective Constituent Authority pension committees and shall seek to avoid duplication of training;
- (m) seeking advice from professional advisors that are authorised and regulated by competent authorities;
- (n) managing the procurement process for the procurement of any replacement Operator including proposing criteria for the evaluation of bids or tenders
- (o) such other matters as the Joint Governance Committee shall request or delegate to the OWG.

[Execution clauses to be inserted]

[The Common Seal of Gwynedd Council was hereunto affixed in the presence of an Authorised Officer]

[The Common Seal of Rhondda Cynon Taf County Borough Council was hereunto affixed in the presence of an Authorised Officer]

[The Common Seal of Torfaen County Borough Council was hereunto affixed in the presence of Authorised Officer]

[The Common Seal of Flintshire County Council was hereunto affixed in the presence of Chair / Legal Services Manager/Chief Officer Governance]

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