



Llywodraeth Cymru
Welsh Government

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Devolution,
Democracy and
Delivery

Improving public services
for people in Wales

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Foreword by the First Minister of Wales, Rt Hon Carwyn Jones AM



In the last fifteen years we have established devolution in Wales and proved it works. Devolution has enabled us to develop distinctive services and solutions for Wales. We were the first country in the UK to abolish prescription fees and to legislate to support a soft opt-out system of organ donation. We have introduced the Foundation Phase in education which is the envy of many other countries. Low-income Welsh students in higher education receive the highest grants and incur the lowest debts in the UK. Our recycling rates are the highest in the UK. We have reduced deaths and injuries from fires more quickly than the UK as a whole. Since devolution, we have outperformed the UK as

a whole on increasing our employment rate, exports and household income, and a range of measures shows Wales outpacing much of the rest of the UK in recovering from the tough economic climate of recent years.

However, we have been limited by a cautious and complex devolution settlement, an unfair funding framework, and a set of outdated public sector structures designed pre-devolution. These deficiencies are not technical points. They constrain our ability to improve services, and to support the economy and well-being of people in Wales.

The recent reports from the Commission on Devolution in Wales, set up by the UK Government, and the Commission on Public Service Governance and Delivery, which the Welsh Government established, highlight the imperative for urgent action to address these issues. They also provide an opportunity, which I am determined to take drawing on the legislative powers we now have. The status quo is not sustainable given the rising demand for public services set against deep cuts to our budget made by the UK Government.

Seizing this opportunity means pressing the case for a stronger and more stable devolution settlement, as outlined in our recent statement on the future of Welsh devolution. It also means strengthening democratic governance and accountability for the delivery of local services. The reform agenda set out in this document for our devolved public services describes how we will work with others to achieve these aims. In particular, it sets out our plans to implement a programme of local authority mergers to ensure the future sustainability of their services, and wider reforms to improve the performance of public services across Wales. A key part of this will be developing a new relationship between those who deliver public services and those who use them, recognising responsibilities and focusing on outcomes.

These are not easy choices, but they are the right choices. They are right because they will help to sustain and improve our public services, which every day help to change people's lives for the better.

A handwritten signature in black ink, which appears to read 'Carwyn Jones'. The signature is fluid and cursive, written in a professional style.

Devolution: Setting the Context

1. Devolution enables decisions on issues primarily affecting Wales to be made in a democratically accountable way in Wales to meet the needs of people in Wales. Since the creation of the National Assembly in 1999, we have used the powers available to us to develop distinctive approaches designed for Wales, including:

- the Foundation Phase and Flying Start to give children the best start in life;
- free prescriptions, to ensure access to medicines is not limited by income;
- achieving the highest rates of waste recycling in the UK, including being the first country in the UK to introduce a charge on single use carrier bags;
- supporting the fire and rescue services and partners to cut deaths and injuries from fires by around a third since responsibility was devolved;
- Communities First Partnerships, to tackle poverty in disadvantaged areas;
- Invest-to-Save, which supports efficiency and innovation in public services;
- free bus travel to support older and disabled people to live active lives; and
- Jobs Growth Wales to support young people to find work, as well as ReAct and ProAct to help people at risk of redundancy to retrain and stay in work.

2. The Welsh Government has also introduced important reforms to modernise public service delivery structures and accountabilities, particularly those designed pre-devolution. This included the mergers of the Welsh Development Agency and the

Wales Tourist Board, and also Education and Learning Wales (ELWa), with the Welsh Government in 2006, which has helped to improve the effectiveness and the direct democratic accountability of these important functions. It also included the significant reforms implemented in 2009 to integrate and improve the delivery of health services in Wales. More recently, a merger of the Countryside Council for Wales, Environment Agency Wales and Forestry Commission Wales has created Natural Resources Wales (NRW), which will improve the sustainable management of our environment and natural resources.

3. The 2011 referendum provided the Assembly with primary legislative powers. This has enabled the Welsh Government to bring forward pioneering legislation to strengthen the delivery of public services and improve people's well-being. Legislation now passed includes:

- the Human Transplantation Act 2013, to increase the supply of organs and tissues for transplant through a soft opt-out donation system;
- the Social Services and Well-being Act 2014, to help integrate health and social services, and support vulnerable people and their carers;
- the Local Government (Democracy) Act 2013, to improve transparency and accountability in local government, in particular on senior officer pay;
- the NHS Finance Act 2014 to increase financial flexibility and support service planning, workforce and financial decisions over a longer period;

- the School Standards and Organisation (Wales) Act 2013, to help raise school standards, streamline funding and improve school governance; and
- the Food Hygiene Rating (Wales) Act 2013, to set a statutory food hygiene rating scheme and ensure food businesses display their hygiene ratings.

4. These achievements have been secured despite a devolution settlement which remains cautious and complex, and hinders the effective delivery of integrated services to meet the needs of people in Wales. The complexity of the settlement and the uncertainty it can create were shown clearly in the unsuccessful attempt by the UK Government to challenge in the Supreme Court the Assembly's legislative competence for one of the first Assembly Acts – which covered uncontroversial proposals to simplify the making and enforcement of local government byelaws. The result of this complexity is resource being tied up unnecessarily on legal and administrative issues rather than improving services and outcomes for people.

5. Complexity also hinders public service delivery directly. In contrast to most front-line services in Wales, responsibility for the police service and justice system is not currently devolved. Whereas at a local and all-Wales level public service partners seek to work together to serve the public effectively, this happens despite, rather than because of, the current distribution of responsibilities. This is not an administrative nicety, but goes to the heart of enabling public services such as health, social services, education, fire and the police to work together to protect vulnerable families and individuals, and support community safety. The importance the Welsh Government attaches to the police as a key partner in supporting well-being and delivering integrated services is reflected in our funding

for an additional 500 Community Support Officers.

6. The Welsh Government has made clear its view that the time is right to seize the opportunities to integrate services around the needs of people, through putting the devolution settlement on a broader and more stable basis. This includes devolution of responsibility for the police and, in a staged approach over time, the administration of civil and criminal justice. Other areas in which greater devolution of powers would bring benefits to people in Wales include transport and energy.

7. The devolved funding arrangements are also in need of significant reform, as outlined in the first report from the Commission on Devolution in Wales, led by Paul Silk. The Silk Commission found that the Welsh Government had been prevented from investing properly in transport, schools, housing and other infrastructure by an absence of borrowing powers. It made recommendations for strengthening the Welsh Government's ability to support economic growth through devolution of a range of taxes and through providing meaningful borrowing powers. The Silk Commission followed an earlier Independent Commission on Funding and Finance for Wales, established by the Welsh Government and led by Gerry Holtham, which showed how the UK Government's use of the "Barnett Formula" has disadvantaged Wales and led to a sustained squeeze, or 'convergence', in the Welsh budget.

8. The UK Government has recognised there has been convergence in Welsh relative funding since the start of devolution, and has committed to working with the Welsh Government to review convergence at each spending review and to discuss options to address the issue and achieve a fair outcome. In addition,

a UK Government Bill to devolve a range of taxation and borrowing powers is now under consideration in the UK Parliament. If passed, it will enable us to develop a tax system in Wales that is simpler, fairer and supports growth and jobs. It will allow us to take more decisions affecting the Welsh economy in Wales, tailored to the needs of, and opportunities for, Wales.

9. The Silk Commission's second report recognised the need to address the broader complexity, uncertainty and missed opportunities of the current settlement, and made a series of important recommendations, including:

- moving to a simpler, more stable and more coherent 'reserved powers' model which assumes responsibilities rest with the National Assembly unless specifically reserved to the UK Parliament;
- enhanced powers in areas such as water, transport and energy;
- new powers over policing and youth justice, with a staged approach to the full devolution of the wider justice system; and
- improving inter-governmental relations.

10. The Welsh Government has welcomed both reports from the Silk Commission. We are already working with the UK Government to implement financial reforms, as recommended in the first report. As we set out in our recent publication "Devolution, Democracy and Delivery: Powers to achieve our aspirations for Wales", we also support the thrust of the second report, as a sound basis for the evolutionary reform of the Welsh devolution settlement. We will therefore work with the UK Government to develop a stronger, simpler and more stable devolution settlement for Wales within the UK.

11. In the meantime, we will use our existing powers to make progress where we can in reforming and improving already devolved services. In particular, we will put them on a sustainable footing to face the challenges ahead and ensure their democratic leadership and governance supports the delivery of better public services. This focuses on implementation of reforms set out in our Programme for Government, as well as addressing the findings of the Commission on Public Service Governance and Delivery led by Sir Paul Williams.

12. Reforms to public services are for a purpose: to improve the well-being of people across Wales now and in the future. We will achieve this through developing a strong and stable devolution settlement for Wales, ensuring effective democratic leadership and accountability for public services and supporting effective delivery.

Democracy and Delivery: Improving Public Services

The Commission on Public Service Governance and Delivery

13. Our Programme for Government set out action to support the delivery of effective and efficient public services that meet the needs of people in Wales. As our latest annual delivery report shows, we are making good progress in implementing the Programme for Government. For example, a new National Procurement Service was launched in November 2013 and will create savings for public services as well as economic opportunities for Welsh businesses.

14. The Programme for Government also included a commitment to establish a Commission on Public Service Governance and Delivery, to consider longer-term challenges and reforms for public services. The Commission was announced in April 2013 and reported in January 2014. It was led by Sir Paul Williams, formerly head of the NHS in Wales, and brought together a set of experienced and expert members from a wide range of backgrounds. Its remit was to consider current arrangements for public service governance and delivery, and make recommendations to support improvement in these services against a backdrop of financial and demand pressures.

15. The Commission's report is authoritative, thorough and important. It makes a compelling argument for radical change to improve the ability of public services to respond to the growing challenges they face. Its recommendations are presented as a package covering a range of areas, including taking action to:

- streamline delivery arrangements and reduce complexity;
- generate the scale and capability to sustain and improve services;
- strengthen the governance, scrutiny and delivery of services;
- develop the right leadership, culture and values for public services; and
- improve the performance and performance management of services.

16. The Welsh Government welcomes the Commission's report as an important stimulus for change. The Commission's findings are uncomfortable reading for many in public services, but they shine a light on critical areas requiring renewed attention – in particular, the unsustainability of current local authority structures designed pre-devolution. However, the Commission makes clear that its proposals are not just about structural reform, and it emphasises the importance of taking action across the breadth of its recommendations. We agree. Viewed as a package, the Commission's recommendations represent an important and logical next phase of reform to improve public services in Wales. We intend to implement them in this context.

The case for change

The Commission makes a compelling case for urgent and major reforms to improve public services and ensure their future sustainability. The case for change starts with recognising the fundamental shifts in demands for public services, for example due to birth rates, people living longer, dispersed family groups, inequality, lifestyle trends such as obesity, climate change, technology, and increasing expectations for services. Many of these are shared across the developed democratic world. The challenge in Wales is to act now to proactively manage and influence these changing demands, rather than react when it is too late. Doing the same things as we do now is not sustainable in the face of changing demands and the deep and prolonged cuts to public sector budgets across the UK. We must act to change the way public services work – individually, collectively and with people. In particular, we need to develop a new relationship between those who deliver public services and those who use them, recognising responsibilities, focusing on outcomes, and being proactive in helping people, families and communities to improve their own well-being.

The Commission recognised that there are areas, such as fire and rescue or waste management, where the current performance of public services is good. However, it concluded that performance in too many areas is poor and patchy, with excessive variations across Wales. It makes clear that those organisations struggling now will find it more difficult as demand for services continues to grow and finances continue to be limited. It highlights the particular challenges facing smaller organisations. We must act now to improve the capacity of organisations to respond to the growing challenges they face. This includes merging organisations to make them sustainable, reducing complexity, strengthening performance management and local democratic accountability, encouraging innovation, building leadership and raising ambition.

Public satisfaction with key services in Wales currently compares well across the UK and Europe. But we cannot be complacent. Through taking firm action now we can ensure our public services deliver the best outcomes for people across Wales, now and in the future.

17. This document sets out a new agenda for improving public services through strengthening democracy and delivery. It represents a strategic statement of intent of how we will take action to progress the Commission's key findings and recommendations. We will develop and implement these reforms in a way which is not wholly dependent on full implementation of the Silk Commission's

second report, but is future-proofed to complement the devolution reforms argued for powerfully by that Commission. The starting point for setting out this new reform agenda is to outline the vision for public services in Wales – in particular, our outcomes and principles, as well as a model for democratic delivery.

The vision for our public services in Wales – outcomes and principles

Our public services are an integral part of all our lives. We all rely on them in our moments of need, and they support us to maximise our own potential and to help others. Every day they help to save lives and change lives for the better. At their best, they are transformational. If they fall short, it matters. They support not just our well-being now, but also that of future generations.

Our public services do not exist in isolation. They are part of the wider economic, environmental and social fabric of Wales and help us to achieve the outcomes we want and the Wales we want. They help to make us healthier, safer, more prosperous, more equal, more resilient, better able to participate in and gain from Wales' unique culture and with more opportunities to use the Welsh language. These are the outcomes we seek from our public services.

Our public services face greater challenges than ever before, with growing needs and expectations for services contrasted with severe budget cuts in the UK. The efficiency, effectiveness and value-for-money of public services have never been more vital, and we are determined to do all we can to protect front-line services.

Our public services must evolve to reflect a new relationship between the people who deliver services and those who benefit from them. In particular, public services must increasingly be delivered not **to** people, but **with** people. This means involving people in the design and delivery of services, recognising people's own strengths and tailoring services accordingly. It means recognising that people have a role to play and a responsibility for their own well-being – though it does not mean withdrawing services and leaving people to cope alone. It means supporting and providing a safety net for our most vulnerable people, but it also means acting earlier to help people take action preventatively to improve their lives, rather than only responding when things go wrong. It means putting people's needs foremost, working to engage a wide range of partners to act as 'one public service'. It means supporting collaboration and trust between public service partners, rather than encouraging damaging and divisive competition which risks failing the most vulnerable people in society. It means innovating and constantly seeking to improve to meet our highest ambitions. These are the principles for our public services.

These outcomes and principles will shape the reform of public services in Wales. In particular, they will guide us in developing new models for public services which have the greatest impact on people's well-being. The principles will also help in developing a common set of values shared across all devolved public services.

The vision for our public services in Wales – democratic delivery

Our public services rely fundamentally on strong democracy for their governance. Those ultimately making decisions on the provision of public services are chosen by, and accountable to, the people who elected them. It is essential that people use their vote and their voice actively to influence the services they benefit from. People need to be confident that those responsible for making and scrutinising decisions are acting in their interests, are able to provide effective leadership to the delivery of the services and are representative of the communities they serve. In particular, people need to be confident that if services need improving, those they have elected will take action to do so. If the relationship and trust between the public and those responsible for the delivery of services breaks down, services and people suffer.

Our public services are delivered by people in Wales for people in their own communities and across the country. Hundreds of thousands of dedicated public service workers across the country strive to do their best, motivated by the ethos of making a difference to the lives of others. There is therefore a crucial role for public sector bodies as good employers, helping to support and develop the workforce.

Our public services are delivered through public sector bodies working with partners – in particular the third sector, and in some circumstances the private sector – to provide the best possible services. However, people need to be able to trust that public services are being run to maximise benefits to taxpayers, not for example to maximise returns to shareholders. Wholesale outsourcing is not a sustainable solution to the financial pressures we face, and although partners outside the public sector have an important role to play in supporting the delivery of public services, they must be subject to proper democratic oversight and accountability.

This model for the democratic delivery of services will shape the reforms we will make to the structure and governance of public services in Wales. In particular, it will help ensure that we put in place arrangements to manage, report and improve performance, and ensure accountability and transparency in decision-making.

Our public services are crucial for our well-being now and in the future. Through being true to our vision – focusing on our outcomes, living up to our principles, and following our model for democratic delivery – we can be confident our public services will be there for all of us when we need them.

Sustaining and refocusing local government

18. The Commission's findings cover all devolved public services in Wales, although its recommendations relating to local authority mergers represent the single biggest change and require immediate action if we are to deliver at the pace the Commission called for. For this reason, the Welsh Government is giving particular priority to developing and implementing reforms to improve the sustainability and performance of local government services. An accompanying document, "Devolution, Democracy and Delivery: White Paper – Reforming Local Government", therefore sets out the first steps for a substantive programme of reform for local government.

19. The Commission did not propose changes to the responsibilities of local government, which include social services, education, housing, waste, transport and planning. However, it did conclude that the current model of 22 unitary authorities across Wales – as set up prior to devolution – is unsustainable. It highlighted unacceptable variations and worrying trends in performance, as evidenced by the number of critical independent inspectorate or audit reports and external interventions required in local authorities in recent years. In particular, it drew attention to capacity, resilience and leadership challenges faced by smaller authorities, the "severe and increasingly unmanageable risks" they face and the proportionately much higher costs they incur on corporate functions.

20. The Commission therefore proposed a set of strategic mergers between local authorities, to improve their capacity and resilience whilst retaining a strong local democratic link to their communities. Merger options to create around 10-12 new authorities were proposed, with strong alignment between the boundaries of the

new authorities and the police and health board areas to help improve the integration of public services. The approach of mergers, as opposed to full-scale reorganisation from scratch, represents a pragmatic and thoughtful approach to achieving the benefits of greater scale whilst minimising the change involved.

21. We believe the Commission was right in its diagnosis and its proposed remedy. We will therefore work with partners in local government and other public services to implement a series of local authority mergers within the context of a wide-ranging programme of local government reform.

22. The Commission undertook extensive research and evidence gathering on public service delivery structures, including considering a wide range of responses to its calls for evidence from public service providers and users. As a result of this and its assessment of the evidence, it identified four potential options for merging authorities, leading to between 10 and 12 local authority areas. It argued that reducing the number of local authority areas to at most 12 was the minimum extent of mergers necessary to systematically address problems of scale. We agree with the Commission's assessment and its judgement on the upper limit for the number of local authority areas. Of the four options presented we consider that the Commission's first option, leading to 12 local authorities, provides a coherent overall template and strikes a balance between building organisational capability and ensuring local democratic responsiveness, in terms of being more connected with, and representative of, their communities.

Commission on Public Service Governance and Delivery: Mergers Option 1

- Isle of Anglesey and Gwynedd
- Conwy and Denbighshire
- Flintshire and Wrexham
- Ceredigion and Pembrokeshire
- Neath Port Talbot and Bridgend
- Rhondda Cynon Taf and Merthyr Tydfil
- Cardiff and the Vale of Glamorgan
- Blaenau Gwent, Caerphilly and Torfaen
- Monmouthshire and Newport
- Carmarthenshire
- Powys
- Swansea

23. In setting out a preference in relation to its options, we note the Commission's powerful argument that the boundaries of merged local authorities should support integrated service delivery though aligning with health board and police force boundaries. In our view the strength of the argument is such that there would have to be an exceptional case made not to adhere to this principle. In addition, the Commission argues convincingly that the reforms should be based on mergers to avoid the upheaval involved in splitting existing authorities. This argument is well made and we are clear that existing authorities must not be

split, but rather used as "building blocks" to create the stronger, more resilient authorities we are seeking. The Commission also identified an issue of alignment with the West Wales and the Valleys 'convergence' area, which has links to EU funding and state aid allowances. This last point may be a relevant consideration, though in our view it should not override a strategic, long-term case for mergers, particularly if the local authorities involved accepted the issues and potential risks.

24. Since the Commission reported, some local authorities have suggested they might prefer alternative merger configurations, although we have not seen any specific proposals backed up by evidence and supported by all the existing local authorities affected directly and indirectly. As we develop the legislation necessary to underpin a programme of mergers, we will remain open to considering possible alternatives, but it would be vital that any alternative proposal matches the key principles described above. We would expect that if an alternative proposal – particularly if it were to be one seeking to make an exceptional case to the principle of alignment with health board and police force areas – is supported by all local authorities directly and indirectly affected, their commitment to the proposal would be reflected in a commitment by them to early, voluntary mergers.

25. Proposals for draft legislation establishing the new merged authorities will be the subject of formal consultation at the appropriate time. However, as both the Commission and local authorities themselves have said, early clarity is important in minimising uncertainty and realising the benefits of change sooner. In view of the compelling strategic case for urgent action, we are clear there is no place for procrastination nor parochialism in this process. We will therefore continue to

develop the programme of mergers at pace. This will include allowing local authorities which wish to merge voluntarily on the basis of the preferred option indicated in this document – or a worked up alternative which addresses the key issues outlined above – to do so more quickly. Provision for early voluntary mergers will be included in legislation which we will introduce into the Assembly early next year, and a ‘prospectus’ setting out how we will help and what we expect from those local authorities wishing to merge voluntarily will be published this summer.

26. This will be a significant programme of reform, designed to ensure the future sustainability of local authorities and to improve the performance of local authority services. Although there is a range of views on transitional costs, the Commission concluded that the payback period for mergers would be relatively quick, with medium and long term savings far outweighing short-term costs. With constructive engagement and leadership from local authorities the costs can be minimised and the service benefits and savings felt sooner by their communities.

27. Further details are set out in the accompanying White Paper on Reforming Local Government, including arrangements to enable early voluntary mergers to take place. However, we are clear that mergers are only part of the story and so the White Paper also sets out a wider vision for the future of Local Government and the services they deliver. We are not seeking just to create larger local authorities doing the same things. Local authorities need to play a full and active part in developing a new relationship with the people they serve, as described in our vision for public services. This, in turn, relies on people playing an active role in supporting their own well-being, as well as using their vote and their

voice to maximise the impact of their public services. Proposals in the White Paper therefore also pick up on the Commission’s recommendations to strengthen the way in which local democracy, governance and scrutiny support improvements in public services. This includes improving transparency and developing stronger links between local authorities and their communities.

28. Our proposals also include rationalising and developing stronger, more focused partnerships with other public services, and realigning existing partnerships and collaborations with the boundaries of the new local authorities and other delivery partners. Even after new local authorities have been created, collaboration and partnerships will remain important, particularly between public services and across wider strategic areas – for example, City Regions. It is particularly important all public services work together, and with private sector partners, to provide the best conditions for economic growth and job creation, including collective investment in transport and other infrastructure, and effective and efficient services for businesses.

29. A key part of refocusing the way local authorities work with delivery partners is the proposal in the Well-being of Future Generations (Wales) Bill to place Local Service Boards (LSBs) – comprising leaders of the main public services in an area – on a statutory basis. LSBs will be tasked with developing integrated plans for their areas, to improve well-being based on local needs and priorities.

Integrating health and social services

30. The Commission recognises the particular importance of more closely integrating health and social services and makes a recommendation to develop this accordingly. This chimes well with the commitment in our Programme for Government to develop high-quality, integrated, sustainable, safe and effective people-centred services which build on people's strengths and promote their well-being. Key elements of our approach include:

- using the powers of the Social Services and Well-being Act 2014, which includes provision for Ministers, if necessary, to direct partnership arrangements;
- maximising the health and well-being benefits from targeted housing interventions through the Supporting People Programme;
- the £50m Intermediate Care Fund in 2014-15¹, which will support people to maintain their independence and remain in their own home through driving collaborative working between social services, health and housing, together with third and independent sector partners;
- a recently published statutory integrated assessment and care framework for older people, and an accompanying integration framework for older people with complex needs; and
- learning from a range of local and regional models in place across Wales.

31. The Commission also makes recommendations in relation to the governance of Local Health Boards and Community Health Councils. We are broadly supportive of the underlying aims of these recommendations and will, taking into account the findings of other key reviews, develop proposals to strengthen governance arrangements. This includes amending existing Standing Orders and regulations where appropriate and developing proposals for legislation in the next Assembly.

32. A specific proposal made by the Commission is to merge Powys County Council (PCC) and the Powys Teaching Health Board (PTHB), in recognition of the inherent and significant challenges of service delivery for these two organisations operating in one of the most sparsely populated areas of the UK.

33. The Commission notes that these challenges will become more acute as the proportion of older people in the population of Powys increases significantly over the next 20-25 years, increasing the demand for integrated health and social care in particular. The delivery challenges are further compounded by responsibilities being split between two comparatively small organisations.

¹ Which was a key part of the Welsh Government's 2014-15 Budget agreement with Plaid Cymru and the Welsh Liberal Democrats.

34. We agree with the Commission's assessment of the acute geographic and demographic delivery challenges in Powys. To address this, and in particular to increase service integration on the front line and corporate capacity to manage it, we will work with PCC, PTHB and others to:

- explore the scope for greater front-line and strategic collaboration between PCC and PTHB; and
- evaluate the possible merger of the two organisations in the longer term, including considering the findings of the Rural Healthcare Review.

Strengthening the governance of other public services

35. The Commission identifies a number of other public sector organisations which would benefit from strengthened governance arrangements to help secure effective, efficient and integrated services, including Fire and Rescue Authorities and National Park Authorities.

36. In relation to Fire and Rescue Authorities, we recognise the benefits of consistent boundaries across public service organisations to support effective partnership working, clarity for the public and more straightforward accountability arrangements. As the Commission recommended, we will therefore consider the boundary between the South Wales and the Mid and West Wales Fire and Rescue Services, taking into account mergers between local authorities. We will also take forward work in relation to the Commission's recommendation on strengthening the governance and scrutiny of Fire and Rescue Services.

37. Alongside this, we will support greater joint working between Fire and Rescue Services and the Welsh Ambulance Services NHS Trust, as recommended by the Commission, including more joint planning, joint infrastructure and scrutiny of joint working.

38. The Commission makes a number of recommendations to strengthen the governance of National Park Authorities (NPAs), and to improve integration and collaboration between them. We agree with the aims of these recommendations and will consider them as part of our planned governance review. The first stage of this will begin this summer and will consider the purposes of all designated landscapes in Wales. The second stage will build on this and also on the outcome of decisions on the planning responsibilities of the NPAs as part of the Planning Bill, by considering the structures and governance needed to support these purposes most effectively. This will include consideration of the Commission's recommendation. Following this review any agreed changes to the governance, structure and functions of NPAs would be made.

39. One additional area in which the Commission supported potential structural and governance changes was a proposal for a merger between Cadw and the Royal Commission on the Ancient and Historical Monuments of Wales, as suggested in a consultation in 2013 on a draft Heritage Bill. Following detailed consideration of the responses to that consultation, we announced in January 2014 that we would continue to support joint working between the two organisations, and that they would remain as separate organisations for the time being.

Acting as 'one public service'

40. The Commission makes recommendations not just on specific joint-working between public service partners but on working together more broadly and acting as 'one public service', rather than as separate organisations. We strongly support this approach.

41. One important recommendation from the Commission is to develop a single shared services operation, to provide 'back office' functions (for example, finance, office management, IT and human resources) and common services across the public sector in Wales. As the Commission outlines, such approaches have the potential to realise significant savings and transformational service improvements. However, experience both in Wales and elsewhere shows that although there are some encouraging examples (for example, the NHS Wales Shared Services Partnership), the challenges in successfully establishing these arrangements should not be underestimated.

42. We believe that there is a strategic case for establishing shared services across the devolved public sector in Wales, in terms of achieving efficiencies, sharing expertise, generating capacity and resilience and improving services. However, this will require detailed work on the practicalities, including the precise range of functions which would be covered and the interaction between developing shared services and the programme of local authority mergers. It is important that the development and phasing of the introduction of shared services complements rather than disrupts local authority mergers.

43. Building on experience in other settings, we believe that the best approach here is likely to be one which grows over time. This might mean using opportunities created from the natural ending of current service contracts and the creation of new local authorities, rather than one large change on a single date. We will therefore work with public service partners to develop a shared vision and a roadmap for establishing a shared services capability across devolved public services. Further announcements will be made later this year.

44. In tandem, we will work to take forward the recommendation from the Commission on improving digital services and more co-ordinated use of Information and Communication Technologies (ICT) across the public sector. The Commission's report and other analysis highlights the transformational potential of digital technologies for public services in a small connected country like Wales, with good access to a strong technology base in business and higher education.

45. We agree strongly with this assessment and are determined to seize the opportunities we have in Wales. As a first step we intend to publish our Digital First strategy later this year, which aims to improve the digital services available to people, businesses and others, whilst continuing our work to support digital inclusion. We will also develop broader proposals for working together as one public service in Wales in seizing opportunities to use digital services and ICT to achieve efficiencies and transform public services.

46. The Commission emphasises the importance of strengthening executive, professional and political leadership across public services in Wales. This includes developing, attracting and retaining effective leaders, and also the development of a common set of values for public services in Wales. We agree. We will look to address the Commission's recommendations in this area by:

- refreshing, refocusing and strengthening collective governance of the existing Academi Wales leadership centre, ensuring it brings together the best leadership development programmes and broader cross-sector training priorities (e.g. governance, innovation and continuous improvement) and ensuring these are taken up across all public services;
- exploring options for strengthening the process for senior public sector appointments, including developing a common framework of principles and considering the potential role of a public sector appointments commission (for example, in supporting a strong, independent and expert contribution to the appointment of senior executives in public services in Wales); and
- developing a set of shared values across all public services, led by a new Academi Wales and drawing on the vision for public services set out in this document. This will be done through engaging widely with public service workers. It is vital that all those working in public services – from the senior leadership community to front line workers – feel ownership of the shared values and live up to them.

47. The work of a new Academi Wales to develop stronger appreciation and application of good governance will be taken forward in collaboration with the Wales Audit Office, and with others with expertise in related areas, such as the Centre for Public Scrutiny.

Improving the performance of public services

48. A key conclusion by the Commission is that 'there are wide and unacceptable variations in how different organisations perform'. The Commission highlighted that performance challenges are likely to grow given rising demand for services and continued financial constraints. It therefore made a set of recommendations on the way performance is measured and reported, and how performance improvements are best achieved, which are designed to complement its other recommendations in helping to improve delivery. The Commission noted the importance of a 'visible hand' of effective performance management, scrutiny, transparency, and accountability to improve service delivery.

49. The Welsh Government has already put in place a range of approaches to address weak performance and unacceptable variations in performance across different public service organisations. In particular, we seek to ensure transparency in reporting organisational and service performance to the public. Measures include:

- publishing annual reports on delivery of our Programme for Government, and also publishing a wide range of official statistics about Wales;
- in education, using the "mylocalschool.wales.gov.uk" website and introducing school bandings to enable parents and carers to see how well their child's school is performing;

- for local government more generally, publishing annually a compendium of performance and outcome measures of local government services, covering a wide range of local government responsibilities, including waste, housing, transport and social services; and
- in health, enabling patients to see more performance information than ever before through the “mylocalhealthservice.wales.gov.uk” website.

50. Transparency is crucial for improving performance. It is vital that the public, those with responsibility for managing and scrutinising public services, and those working in public services can easily access timely and relevant performance data, and use it to support improvement. This also relies on effective internal and external engagement by organisations. The recent national survey results show that only two in five (41%) people agreed their local authority was good at letting people know how it was performing, with a comparable figure of 25% in relation to their local health services. Significant further action is therefore needed here.

51. A fundamental part of work on this area is ensuring that people can both access public services and receive performance information on these services in Welsh. Welsh Language Standards are currently being developed which will facilitate this by encouraging public bodies to improve the way they use Welsh and requiring some public bodies to promote the language.

42. Picking up on the Commission’s recommendations relating to performance systems and approaches, we propose to implement a range of reforms to improve performance management and reporting across devolved public services. The foundations for this are set by:

- the current Programme for Government, which represents a major change from previous delivery plans in focusing on outcomes for people; and
- the long-term goals proposed in the Well-being of Future Generations (Wales) Bill, which all public services will be working to achieve.

53. The Programme for Government is central to the Welsh Government’s strategic approach to improving performance and delivery. It represents a real commitment to focusing on the impact we are having on people’s lives rather than how much money is spent, or how many policies implemented. The Commission recognised the importance of the Welsh Government setting out its strategic outcomes. It also emphasised the importance of working to reduce complexity in performance measurement frameworks and rationalise the number of performance indicators which have developed over time. Through this we can reduce the considerable effort currently needed to assess overall progress and impact.

54. We believe that the Well-being of Future Generations (Wales) Bill provides the framework for achieving clarity of purpose for the longer term, and thus will be the first step towards developing the improvements called for by the Commission. The Bill will establish a smaller set of national outcome goals and a process by which public service organisations will need to demonstrate how they have sought to achieve those goals. It provides the focus on “what” needs to be done. Public service organisations and partnerships will respond with “how” it will be done. The Bill also provides for a set of national indicators to facilitate more meaningful assessments of progress.

55. We will build on these foundations by working with public service partners to develop simplified, long-term performance measuring, managing and reporting arrangements which focus on outcomes for people across Wales. In doing so we will learn from the performance successes noted by the Commission – for example, in relation to waste processing and recycling through setting long-term ambitions and developing policies and a clear delivery framework to meet them.

56. An early part of this will be the development of a common framework for performance measurement. This will include a set of shared principles, for example related to focusing on outcomes, transparency, timeliness, simplicity, benchmarking, and how services are performing as a system rather than just through individual organisations, as well as avoiding creating perverse incentives.

57. Alongside specific work on a performance framework, we will take forward wider work to reduce complexity and support improvement in service delivery. Particularly relevant here is the Commission's diagnosis of the need to avoid developing a vicious circle in which poor or patchy performance in a service area or by an organisation prompts calls for greater prescription nationally, which in turn could constrain the broader ability of organisations to innovate and improve performance.

58. The Commission emphasises the importance of reducing complexity as a means of strengthening delivery. Their report describes how the need to manage a multiplicity of relationships with delivery partners, and with wider stakeholders, can consume leadership effort and make it difficult to respond to emerging delivery challenges. It also indicates that well-intentioned national guidance, funding conditions, legislation and the

range of internal and external governance requirements which delivery organisations face can lead to added complexity.

59. The Commission makes a number of recommendations to reduce complexity, and as described earlier we will take action to address specific issues identified, such as rationalising partnerships, simplifying performance frameworks, and aligning boundaries of collaborations and services. We will also seek to work with partners more broadly to explore opportunities to reduce complexity, simplify governance arrangements, encourage flexibility for delivery partners to innovate to achieve outcomes, and keep detailed guidance and funding conditions to a minimum. This will include considering options to: streamline funding arrangements; refine performance systems to encourage innovation, flexibility, preventative approaches and a real focus on outcomes; and develop the role of audit, inspection and regulation in supporting this agenda.

60. It will also include ensuring that legislation brought forward in the Assembly supports our overall vision for public services, takes opportunities to simplify where possible and, where new duties are placed on public service partners, we are clear the benefits are a priority and justify that action. As part of developing our future legislative programme we will work with the Law Commission to explore opportunities to consolidate and simplify existing legislation in key areas.

61. We want to ensure that good practice quickly becomes the minimum standard across Wales. At present, good practices take too long to be seized by others. This is not sustainable and not acceptable. It needs to be tackled as part of the development of strong leadership and culture across public services. Leaders and organisations should be hungry to improve. This means

not just seeking to adopt good practice, but to continuously improve, to innovate and to strive not to be better than the Wales average, but to be among the best in the world.

Developing new models for public services

62. Public services need to innovate and continuously seek to improve to anticipate and respond to economic, environmental and societal changes in Wales. New models for public services need to be encouraged, innovation needs to become a mainstream part of delivery, and we need to find new ways of actively managing the demand for public services rather than just passively reacting to it. Public service providers need to work with everyone with an interest to achieve this.

63. In particular, the future of public services will be based on how public services are delivered **with** rather than **to** the public. There is a need to recognise that the public sector cannot solve all the challenges it faces on its own, or even in combination with partners.

64. This is made more acute by the deep and lasting austerity programme pursued by the UK Government which means that the Welsh Government's Budget in 2015-16 will be 10 per cent lower in real terms than in 2010-11. Moreover, all indications are that the financial prospects beyond 2015-16 mean that the Welsh Government's Budget is likely to be under even greater pressure. The Institute for Fiscal Studies has predicted that, depending on UK Government decisions, the Welsh Government's Budget could be around 20% lower in 2020 than in 2010. In this context, protecting and improving services within reducing budgets is likely to get more challenging in the years ahead. Our belief is that the

right way of responding to austerity is not by withdrawing from public services, but by working with people to reshape them. This is the right approach because it empowers people and makes the best use of resources to promote well-being.

65. Challenges faced by public services are also shaped by increasing demand. For example, the number of people over the age of 75 will rise by over 25 per cent between 2008 and 2020. As people live longer, caring for them, making the most of their experience, and helping them to continue to participate and contribute, must be a partnership between people and public services.

66. People's expectations of public services are also increasing substantially, but alongside this it is right to recognise the responsibilities that people themselves have. For example, lifestyle choices have a profound effect on people's health, the vibrancy and resilience of a local community are built on the contribution of people living and working there, effective education happens not just in the classroom but also at home, and the quality of our environment is profoundly affected by littering and pollution. To make sure that public services can respond to unavoidable needs, we must do all we can to reduce those needs which can be avoided. This is consistent with focusing more on outcomes and the quality of contact, rather than just the volume of contact, with public services. People therefore have a crucial role in supporting their own well-being to the maximum extent possible; and public services should be available to support, add value and complement people's own efforts to improve their and their families' lives.

67. The relationship between public services and the public is one of shared citizenship, with devolution enabling everyone in Wales to shape the public services they need. Effective democracy at a national and local level gives everyone a voice and a stake in improving the services on which we all rely.

68. Developing this relationship between people and public services means in particular appreciating how individual circumstances vary considerably. Whereas the aims of the public services may be consistent (for example, to help an individual, family or community to become safer, healthier or more prosperous), the way in which the services work with people should adapt to their individual needs. At the heart of achieving this is what many call co-production; the concept of genuinely involving people and communities in the design and delivery of public services, appreciating their strengths and tailoring approaches accordingly. Public services in the future need to be a shared endeavour between the user and the service based on the principles of co-production.

69. Co-production and other forms of public participation will therefore play an increasingly important role in shaping a wide range of public services in Wales. Particular examples where we are exploring the opportunities it presents are in relation to public health, parental engagement in education in support of learners, social services, housing, community resilience and tackling poverty. We will therefore continue to work with partners in the third sector and more broadly to this end, and make further announcements on supporting the development of co-production in Wales later this year. We will also continue to encourage the third sector to realise its full potential in supporting public services, recognising that there is a wide range of organisations which are covered within a broad definition of the third sector. This will include building on

the report from the Welsh Co-operative and Mutuals Commission.

70. A key principle for developing and encouraging innovation in public services is prevention. Through seeking to take action earlier, rather than wait for crisis point triggers to be reached, public services can help to support people to prevent a significant deterioration in their well-being. This not only helps the individual or family directly concerned to avoid worst-case scenarios, it also proves a far more effective and efficient approach. Crucially, it relies on effective integration of services between public service partners, including the third sector and the public themselves, wrapping their support around a person or a family rather than each organisation focusing solely on specific issues. A critical part of this is supporting effective and safe information sharing between public service partners.

71. The following case studies illustrate the potential of these approaches, and of the sort of public services we are working to support the creation of across Wales.

Families First

The Welsh Government's Families First programme is creating an integrated, whole-family approach to supporting families in Wales. It aims to develop effective, multi-agency support for families in order to improve their outcomes, particularly those living in poverty, or at risk of poverty. It has a clear emphasis on early intervention and prevention, on starting from a strengths-based approach and on bringing together organisations to work with the whole family to help stop problems from escalating towards crisis. For example:

This single mother had two children, one of whom was exhibiting behavioural problems at school following the breakdown of her parents' marriage. Following a referral into Families First by the children's school, the key worker offered full family support. Key elements of the support included individual counselling for each family member; parenting support for the mother; and key worker-led activities with the family, such as family discussions and family play. Following the support the daughter's behaviour improved quickly at school. The mother felt more confident in dealing with her family, and communicating with her children about her relationship with her ex-husband. The mother also reporting using the parenting strategies she had been taught once the intervention had finished. The mother reported that, following the intervention, she felt like the family was a team again rather than pulling against each other, and blaming each other when tensions had occurred. Key to achieving this was using more effective parenting strategies, and family activities that helped to bond them together.

Evaluation of Families First: Year 2 report - Ipsos and Ecorys, June 2014 (p85)

A further illustration of the quantifiable benefits of a preventative, 'Team around the Family' approach is provided at Annex B, based on the Connecting Families project in Bridgend.

Invest to Save - Flintshire Connects

The Welsh Government's Invest to Save scheme has supported innovative ways of working across the public sector to provide improved, integrated services for people within their communities. One such project is 'Flintshire Connects' which is encouraging organisations to come together to ensure their services are integrated around individuals more effectively. Flintshire County Council has joined up with North Wales Police, Job Centre Plus, Deeside College and Communities First to create joint hubs in central town locations where residents can access advice and a range of services under one roof. This means individuals can sign on as unemployed and access Jobsearch facilities and also get advice on housing, council tax and other welfare benefits in the same place.

Gwent Missing Children Project

A safeguarding team for children and young people has been established in Gwent, bringing together police officers, a clinical specialist nurse, an educational worker and social workers from all five local authorities. This team works together, sharing information to consider and manage the current and future risks to the person. Alongside the team, a third sector agency supports the young people on their return, offering advice, mediation, advocacy and mentoring, and giving them a greater voice in critical decision making about their future. This seeks to address the underlying factors which led to the person running away, thereby helping to break the cycle and transform young lives. For example:

A girl had been reported missing 143 times and was at risk of child sexual exploitation before benefiting from the creation of the team. The team pooled their knowledge to understand her circumstances, and an expert adviser from the third sector partner was able to advocate on her behalf and facilitate access to relevant services to reduce the risks and address her needs. She is now attending college, living in settled accommodation, and at March 2014 had not been reported missing for the previous five months.

The Supporting People programme

This programme provides vital support to people who find themselves in very difficult circumstances. It helps people, many of whom are very vulnerable, to live as independently as possible. The support is provided in their own homes, in hostels, sheltered housing or in other specialist housing. Preventing problems in the first place or early intervention to prevent them from getting worse is at the heart of the programme which helps to reduce demands on other services such as the NHS and social services; for example:

Ms L is a single woman. She received support from the Supporting People programme for mental health and domestic abuse issues. She moved into supported housing from her grandparent's home where she had been staying temporarily after the breakdown of her relationship. The last three years of her relationship had been physically and emotionally abusive. This led to Ms L being diagnosed with mental health conditions including depression, anxiety and emotional unstable personality disorder. As a consequence she was frequently being admitted to hospital or calling the emergency services as a result of suicide attempts and self harming.

As Ms L began engaging with support staff she gained confidence and was able to participate in a variety of programmes, including women's exercise groups. This had a positive impact on her mental health and reduced her admissions to hospital, and her use of emergency services. A third sector partner helped her remain out of the abusive relationship, which reduced the need for police interventions. Her confidence increased. Ongoing support received from voluntary organisations for her mental health issues has reduced her dependence on NHS services.

Prevention and Early Intervention for Older People

The lessons of the frailty projects around Wales, and innovative extra care and community initiatives, all point the way forward for the transformation of services for older people. Reablement must be at the heart of that transformation because by quickly supporting people they will be able to recover quickly or develop ways of living that fit their new circumstances. This approach wraps health and social care services around individuals and their families and carers through multi professional approaches designed to build on people's strengths. For example:

Mr J is 85 years old...Daughter contacted Single Point of Access, in afternoon to request community services for her father. Mr J's wife had been admitted to hospital and was his main carer. Mr J had a range of ailments including being on dialysis 3 times a week, was not managing personal care or meals and having difficulty with stairs. Reablement service was put in the following day and also arranged for meals on wheels, a bath board and Lifeline. Mr J was provided initially with support three times a day and after 32 days the service ended as Mr J's general wellbeing had improved and he had regained lost skills and independence.

Mrs M lives with son and having suffered a broken wrist one month previously was in plaster. She had previously received some equipment but was concerned that she wasn't managing her personal hygiene needs and at risk of becoming dependent. Reablement service went in next day, provided support for 9 days and some additional equipment to improve safety. Mrs M left service as independent and 4 months later there had been no further contact.

Flying Start

Flying Start is the Welsh Government's targeted Early Years programme for families with children under 4 years of age living in some of the most disadvantaged areas of Wales. The core elements of the programme are drawn from a range of options that have been shown to influence positive outcomes for children and their families. These include free high quality, part-time childcare for 2-3 year olds; an enhanced Health Visiting service; access to parenting support; and early language development.

Helen is a young, single parent and lives with her mum and her three year old daughter. She is a full-time mum but has aspirations to start a career with children after previously working as a shop assistant. Before getting pregnant she was studying a Level 2 childcare course at college and since the birth has felt that she was stuck in the house with her daughter. Helen had a difficult birth, didn't have time to bond with her daughter and has struggled with post-natal depression. After becoming a mum she lost all her confidence, was scared about parenting and didn't have any close friends in the area. Flying Start has been able to do a lot to help Helen who has been keen to take up their support. She has taken up two parenting programmes and training in First Aid and Food Hygiene where she has made a number of close friends. Helen was also referred to Genesis and has taken up two self-confidence courses and is currently studying sign language. In a few months' time she is resuming her studies and taking a Level 3 childcare qualification so she can work with primary school children. In addition, the boost to Helen's confidence has encouraged her to volunteer at the Flying Start Toy Library.

Flying Start qualitative research with high need families - Pope et al., 2013 (p80)

Parental Engagement in Education

Pillgwenlly Primary School is a large, multi-cultural school in Newport. The catchment area has a high rate of unemployment and ethnic diversity and there is a transient population of pupils. Since 2010, there has been a significant increase in learners arriving at Pillgwenlly who do not speak English and are new to the UK and its educational system. The school recognises the particular needs of these learners and has a strategy to engage their families in the life and work of the school. The school has established a family nurture room to provide these families with social and emotional support while settling into the local community and school.

The family nurture room provides a place where children can learn in a nurturing setting and their family (parents or grandparents) can join them for part of the week. They attend the family nurture room for 55% of their week initially and their families come in to learn alongside them once or twice a week. The children then attend base classes for the remainder of the week with home language support. As soon as learners have acquired skills to support them with their learning and wellbeing, they transfer into their base class full-time. The school has successfully engaged with some of the most 'hard to reach' and vulnerable families in this way and has formed trusting relationships with them. This approach has seen an increase in attendance rates as a result with the attendance of those learners using the family nurture room rising from between 47% and 84% to between 71% and 96%. Parental attendance at joint learning sessions is between 94% and 100% and it is more than 96% at parental consultations and year-group assemblies. With the support of the nurture room staff, all families have registered with doctors and dentists. All school-based paperwork is completed on time, such as high school application forms and parental consent forms.

Working together to tackle the impact of poverty on educational achievement –
Estyn, Dec 2013

The National Exercise Referral Scheme

The National Exercise Referral Scheme (NERS) offers a 16 week programme of fully supervised group-based exercise sessions which aim to improve physical and mental wellbeing. It contributes to, for example: cardiac and stroke rehabilitation; falls prevention; back care; and obesity/diabetes weight management. In line with Prudent Healthcare principles, the scheme encourages shared responsibility for improved health and has been shown to have a significant impact on participants' physical activity levels and to improve mental health.

Mr W is in his late 70s and was referred to NERS as he was obese, experiencing great difficulty with his mobility, and needed knee replacements. His lifestyle consisted of a poor diet and very little exercise. Within a year, Mr W had lost over four stone in weight, lowered his blood pressure and increased his mobility. He had gone from doing no exercise to attending three or four times a week. "My energy levels have soared and I am much happier in myself. I am more mobile and I hope to be able to have my operations as a result of my improved health".

Mrs A was starting to feel unsteady on her feet and using a walking aid. Following a number of falls she was referred to the Scheme by her physiotherapist. Mrs A had a goal to improve her balance, mobility and general fitness in order to improve her quality of life. After 3 months of attending two balance classes a week on a regular basis, the results were visible, as Mrs A's posture improved tremendously and she was able to give up her walking aid. Another positive outcome for Mrs A is that she hasn't sustained any falls since starting the programme. At 88 years of age, Mrs A is an inspiration. She has worked hard to improve her strength, balance and mobility, and continues to push herself during each session to maintain these gains in strength. "I think the Referral Scheme is fantastic, and has been a tremendous help to me."

Implementing this agenda for change

72. The Welsh Government will continue to show leadership in developing this agenda for change and taking the tough decisions needed to ensure that public services are the best they can be. In doing so we will set timetables for implementing the changes which are consistent with delivery of our Programme for Government and practical considerations of the best approach and timing.

73. We want to work with our partners in taking this agenda forward. We will therefore work with partners to develop arrangements to enable the main public sector delivery organisations in Wales, and key social partners such as trade unions and the third sector, to provide collective leadership to support the work. In particular, we will engage with our partners through the Partnership Council for Wales, as well as where appropriate the Third Sector Partnership Council, the Council for Economic Renewal, and the Workforce Partnership Council. The constructive engagement of partners will help to minimise uncertainty during implementation and to deliver the benefits more quickly for the people we all serve.

74. In setting a vision for our public services, we recognise the fundamental importance and value of the public service workforce. Without the continued dedication of public sector staff it will not be possible to meet the challenges ahead. We are committed to supporting and developing the workforce, and helping workers adapt to the challenges we face. This will be a key part of implementing our reform agenda. We are determined to do what we can to support both front-line public services and the public service workforce in the face of the UK austerity programme and UK budget cuts. Our commitment to work in social

partnership to this end is reflected in the prominent role of the Workforce Partnership Council in supporting public sector employers and recognised trade unions to find solutions to shared challenges and seize shared opportunities.

75. We recognise, in particular, that the proposed local authority mergers have significant implications for the public service workforce. Our commitment to supporting and developing the public service workforce means that the fair treatment of staff through this process needs to be centre stage. To achieve this, we are currently considering how a Public Services Staff Commission could support the proposed local authority merger process and wider changes across the public sector. The exact nature, role and constitution of the staff commission has yet to be decided but its broad remit will be to work to ensure consistent and fair treatment for staff through the mergers, and find solutions to issues in a way befitting of our commitment to social partnership.

Conclusion

76. This document sets out an overarching reform agenda to pursue our ambition of stronger devolution, democracy and delivery in Wales. Flowing from this will be a set of announcements – the first in relation to local government reform – to provide further details on specific actions. The announcements will vary considerably in scale and nature, depending on the area, and each are at different stages of development. Some will be taken forward as part of existing work programmes and some will be run as separately established programmes and projects. For this reason it is not appropriate to set out a single cost estimate for the development of the agenda as a whole. However, we will ensure that each is affordable within departmental budget allocations, and quantification of costs and benefits will be included within specific announcements as appropriate.

77. In particular, Regulatory Impact Assessments will be undertaken at the time any legislation is brought forward and as broader policies are developed we will consider impacts carefully and use these impact assessments to shape policies and announcements accordingly. This will include, as appropriate, impact assessments covering Equality, the Welsh Language, Privacy, Rural Proofing and the Rights of the Child. We will also engage and consult publicly, in particular with disadvantaged groups, as appropriate to help develop and implement specific elements of this reform agenda.

78. Implementation of this reform agenda is a major commitment. It is also essential, because as the Commission powerfully demonstrated, ensuring sustainability and improvement in our public services means taking firm action. Through taking this action we can help ensure that our public services – which on a daily basis do so much to improve people's quality of life and well-being – are fit for the future.

Annex A: Summary of Actions

We will take action to improve the performance and long-term sustainability of public services, in line with the conclusions of the Commission on Devolution in Wales and the Commission on Public Service Governance and Delivery. Actions will include:

Working for a stronger, more stable devolution settlement for Wales within the UK

1. Use the borrowing and taxation powers made available in the current Wales Bill to invest in transport and other infrastructure priorities, and develop a simpler, fairer tax system which supports growth and jobs.
2. Work with the UK Government to strengthen our devolution settlement to enable more decisions affecting Wales to be made democratically in Wales, including devolving areas, such as policing, recommended by the Silk Commission.

Strengthening the democratic governance and delivery of devolved public services

3. Implement a programme of local authority mergers to help sustain and improve local services, supporting authorities which wish to secure the benefits more quickly by enabling voluntary mergers, and seeking to ensure the fair treatment of the workforce through establishing a staff commission.
4. Improve the democratic leadership, diversity and governance of local authorities, to increase transparency and accountability and better connect authorities to their communities, including strengthening the way audit, inspection and regulation supports effective democratic scrutiny to ensure performance is improved.
5. Align existing collaborations with the boundaries of the new local authorities and other delivery partners to support the delivery of integrated services.
6. In recognition of the acute rural delivery challenges faced by the Powys Teaching Health Board and Powys County Council, explore ways to strengthen and integrate service delivery in Powys including a possible merger of the two bodies.
7. Make improvements to the governance arrangements for local health boards and community health councils to support delivery of patient-centred health services.
8. Continue to improve the integration of health and social care services more broadly, and support closer working between public service partners such as the fire and ambulance services.
9. Update the governance and boundaries of Fire and Rescue Authorities to clarify accountabilities and support alignment of their services with those of partners.

10. Establish a refreshed role for National Park Authorities, as part of a renewal of the arrangements to safeguard and maximise the benefits of our national parks and protected natural landscapes.
11. Streamline partnerships to more effectively and efficiently integrate public services, including putting Local Service Boards on a statutory footing with a duty to develop an integrated plan to improve well-being based on local needs and priorities, as set out in the Well-being of Future Generations (Wales) Bill.
12. Develop over time a shared services capability across the devolved public sector in Wales, covering functions such as finance, HR and transactional services.
13. Improve digital services and work together across the public sector to achieve efficiencies and improve services through more co-ordinated use of ICT.
14. Strengthen leadership across public services in Wales through refocusing and strengthening collective governance of the Academi Wales leadership centre, ensuring its programmes are used by all devolved public service organisations.
15. Explore options for strengthening the process for senior public sector appointments, including developing a common framework of principles and considering the potential role of a public sector appointments commission.
16. Develop a set of values shared at all levels across all devolved public services.
17. Strengthen performance management across public services through developing a common framework for performance measurement focused on outcomes, as well as rationalising and aligning performance indicators.
18. Support performance improvement through exploring opportunities to reduce complexity, simplify funding and governance arrangements, share good practice, encourage innovation and flexibility to achieve outcomes, and raise ambitions.
19. Develop a new relationship between people and public services, including supporting co-production, recognising shared responsibility and establishing more preventative public services focused on outcomes and people's needs.
20. Work with public service partners through the Partnership Council for Wales and other fora to implement this reform agenda, in particular ensuring its delivery reflects our vision for public services.

Annex B: Around the Family Example

Bridgend Connecting Families Project

The Connecting Families (CF) project works with the most vulnerable families in Bridgend and aims to help them to make changes to behaviour and lifestyle to improve the situation for the family as a whole. The diagram below shows some of the main outcomes for families and agencies as a result of CF.

Family Benefits	Agency Benefits
Improved school attendance for 13 children/young people	Education Services have avoided spending up to £101,000
60 children/young people identified as at risk of becoming Looked After Children (LAC) have remained with family	Children's Services have avoided spending up to £1,649,000
34 children/young people deregistered from the Child Protection Register	
6 children/young people rehabilitated from care to their families	
Averted the identified risk of 6 families becoming homeless	Housing Services have avoided spending up to £86,000
25 individuals received mental health support	Health Services have avoided spending up to £14,000
15 individuals have received substance misuse support	
7 children/young people have been discouraged from partaking in antisocial behaviour	The Police have seen a reduction in domestic abuse incidents, missing person reports and police callouts

Notes:

- The savings for the agencies are based on upper estimates. This is especially true for the avoided spending for Children's services which assumes all 60 children would have become looked after. For sensitivity analysis around these estimates please see the full evaluation report.
- The benefits displayed in this diagram cannot be attributed with certainty to the project, however in the expert opinions of the key workers, CF is likely to have been the cause.
- The estimated savings were spread over a three year period (August 2011-2013).
- The diagram shows a selection of the benefits to families; the savings to Agencies are based on these and other family benefits.