

Written Response by the Welsh Government to the report of the Communities, Equality and Local Government Committee entitled Inquiry into Progress with Local Government Collaboration

January 2014

The Welsh Government has a comprehensive programme supporting and encouraging collaboration between public service partners, including, but not limited to, collaboration within Local Government. Collaboration is not an end in itself, but a means of supporting the integration of services tailored to the needs of individuals, families and communities, as well as realising opportunities for greater efficiency, capacity, resilience and expertise in service delivery.

Our programme has included:

- Setting a clear direction for collaboration, for example, through establishing the collaborative footprint for regional service delivery, delivering the Compact for Change with Local Government and requiring Local Authorities to consider collaborative arrangements for service delivery in the 2009 Local Government (Wales) Measure;
- Removing obstacles to collaboration, for example, facilitating joint scrutiny of collaborations through the Local Government (Wales) Measure of 2011;
- Developing collective leadership for public service reform and collaboration nationally (through reforming the Partnership Council for Wales and establishing the Public Service Leadership Group), regionally and locally (through Local Service Boards and Single Integrated Plans);
- Establishing Single Integrated Plans which have been instrumental in enabling Local Service Boards and their key partners move from individual sector working, to a more innovative and integrated public service approach. In 2010/11 there were 88 statutory plans in place across Wales, there will be only 22 plans in place by April 2014; and
- Providing direct financial support for collaboration, for example, through the Regional Collaboration Fund and a part EU-funded Local Service Board project encouraging collaboration and innovation at a local and regional level. In total these 2 programmes will provide over £14m of funding in 2013/14.

We have seen encouraging developments as a result of our approach, including the establishment of the National Procurement Service, which will help provide savings of around £25m p.a. for over 70 public service partners, as well as bring economic opportunities for businesses in Wales. We are also seeing growing adoption of Team Around the Family approaches which provides better services and outcomes for some of our most vulnerable families, whilst also enabling savings to be made.

For collaboration to be effective, it needs to be owned and driven by the participating organisations. Pace and ambition are in their hands. I have

consistently made clear partners will need to step up their efforts significantly to make the most of the potential benefits. I am not convinced all possible opportunities are being seized and this is something we will consider further in light of the Committee's report and the findings of the Commission on Public Service Governance and Delivery.

Detailed Responses to the report's recommendations are set out below:

Recommendation 1

The Committee recommends that "The Welsh Government should ensure that effective and sustainable delivery of services drives the future organisation of local government structures."

Response: Accept

The Commission on Public Service Governance and Delivery was established to assess current arrangements for governance and delivery of public services and to propose arrangements for the future.

The remit of the Commission was to:

- gather and provide an objective, authoritative assessment of the extent to which current arrangements for public service governance and delivery in Wales meet the needs and aspirations of people today and provide a sustainable basis for the future
- propose an optimal model of public service governance and delivery for Wales, that will ensure that efficient, effective and accessible services are provided to the citizen; and support continuous improvement in those services against the background of financial and demand pressures
- and, as part of this, to engage with those who provide and use public services.

The evidence and recommendations put forward from the Commission, alongside work undertaken by others such as the Communities, Equality and Local Government Committee will help shape the Welsh Government's next phase of public service reform.

Financial Implications – Any financial implications will be considered as part of the Welsh Government's wider response to the Commission on Public Service Governance and Delivery.

Recommendation 2

The Committee recommends that "We believe that strong Ministerial direction, with penalties and incentives, is now needed to drive the collaboration agenda forward in local government. However, we also believe that Welsh local government needs to exert more influence over how this is done and that better engagement between the Welsh Government and local government is needed."

Response: Accept

Welsh Ministers have already set clear direction about the need for public service organisations to collaborate and explained the benefits of collaboration which include: improving resilience; containing costs or saving money; and maintaining or improving services.

The Welsh Government has reformed the Partnership Council for Wales and established the Reform Delivery Group, and also created the Public Service Leadership Group. Between them, these groups ensure collective leadership at both a political and executive level across Central and Local Government and with other public service organisations to drive forward public service reforms.

There are existing incentives in place to help promote collaboration and remove financial barriers between organisations and sectors through schemes such as the Regional Collaboration Fund and the Invest to Save Fund. New funding mechanisms have also been created such as the Intermediate Care Fund, which asks organisations to collaborate regionally to enable better integration of intermediate care. These funds, alongside grants allocated for regional working such as Supporting People and Domestic Abuse, promote greater collaboration amongst public services and encourage public service organisations to address issues on a wider scale.

The Welsh Government will consider the implications of this recommendation further as we develop our detailed response continue to the Commission on Public Service Governance and Delivery.

Financial Implications – Any financial implications will be considered as part of the Welsh Government’s wider response to the Commission on Public Service Governance and Delivery.

Recommendation 3

The Committee recommends that “The Welsh Government should focus on the areas in which collaboration will have the most beneficial outcomes, rather than pursuing a general policy of encouraging collaboration across the piece.”

Response: Accept

The Welsh Government has always advocated collaboration where there is a robust case whether in terms of better service outcomes, , improved resilience or financial benefits. It is for local delivery partners to assure themselves collaboration is the most appropriate way forward and to consider the most appropriate form of collaboration, taking into account local circumstances and needs.

The ‘Compact for Change’ set out a number of areas where collaborative approaches could bring potential benefits, including in education and social services. The ‘Other Services’ part of the Compact included proposals to

consider collaboration in a broad range of areas including libraries, procurement and trading standards. These proposals are being pursued where appropriate, for example, the National Procurement Service has been launched and a number of regions are taking forward plans to move to regional models for trading standards. In other areas, such as leisure services, proposals for formal collaboration have not been pursued as the case for change was not sufficiently robust.

Financial Implications – Any financial implications will be considered as part of the Welsh Government’s wider response to the Commission on Public Service Governance and Delivery.

Recommendation 4

The Committee recommends that “The Welsh Government should undertake further analysis of the costs and benefits of collaboration between local authorities, including non-financial benefits, and publish its findings.”

Response: Accept

The Welsh Government’s research programme for public services and Local Government, maintains a strong focus on collaboration, both in terms of existing and future work. It is important we use this research effectively and extract maximum value from it in informing policies and decisions regarding collaboration. Importantly, the research programme is overseen by Government Social Research (GSR) whose remit is to provide objective advice based on rigorous research and evaluation. A significant proportion of the programme is commissioned from external experts from academia and the private sector, providing the Welsh Government with a wide variety of approaches and perspectives.

Existing research on aspects of collaboration includes ‘Learning to Improve’, a long-term evaluation of the Welsh Government’s policies for Local Government led by Cardiff Business School. Collaboration, in various forms, was a major focus of this research and its final report was published¹ in October 2013. Areas of current work that focus on the costs and benefits of collaboration between Local Authorities, include an independent evaluation of the ESF Local Service Board Development and Priority Delivery Project (first interim report due in spring 2014) and an independent evaluation of the Invest-to-Save Fund (final report expected early 2014). In recognition of the specific challenges around regional-level collaboration between Local Authorities and other partners plans are also being made for further research and evaluation, including into the Regional Collaboration Fund.

These evaluations are designed to assess various non-financial outcomes of collaboration, providing valuable evidence on models of collaboration that work well, or less well, the types of outcomes and ‘additionality’ working in collaboration produces; and a better understanding of challenges and

¹ [Welsh Government | Learning to Improve: An independent assessment of the Welsh Government’s policies for Local Government](#)

constraints to collaborating effectively. This will help shape future opportunities. The evidence base on the costs of collaboration between Authorities, particularly regarding potential economies of scale and cost-savings, is comparatively less developed.

In line with GSR publication protocols, the outputs from these pieces of research, both at interim and final stages, will be published on the Welsh Government's website.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

Recommendation 5

The Committee recommends that “The Welsh Government should work with local authorities to ensure appropriate arrangements are in place to enable effective scrutiny of collaborative arrangements, particularly by back-bench members.”

Response: Accept

The Welsh Government is working with Local Authorities in Wales to ensure scrutiny responds effectively to the delivery of public services by collaborative arrangements, either between Local Authorities, or between Local Authorities and other Public Bodies in Wales (such as those represented on Local Service Boards).

The Welsh Government has an active and wide ranging programme of work including;

- Funding the Centre for Public Scrutiny (CfPS) which delivers a bespoke programme of work in support of scrutiny in Wales.
- The European Social Fund (ESF) Development and Priority Delivery Project supports the development of effective scrutiny arrangements for Local Service Boards in the Convergence Area, which includes consideration of how best to develop mainstream scrutiny of services which are delivered collaboratively. Equally importantly it also considers the skills, competence and capacity required by scrutiny members to deliver such scrutiny.
- The Welsh Government commissioned Cardiff Business School to undertake objective research into the current extent of collaboratively-delivered public services in Wales. This research has been published² by the Welsh Government and is used as the benchmark for the development of evidence-based policy on effective collaborative scrutiny.
- Funding for a Scrutiny Development Programme. One of the objectives is to support projects designed to consider and provide insight on the

² [Welsh Government | Developing a culture of collaborative scrutiny: an evaluation of practice and potential](#)

implications on scrutiny of changes in patterns of the design and delivery of services, including collaboration.

- Establishing the Scrutiny Reference Panel. The Panel brings together all organisations with an interest in local scrutiny to discuss and develop methods of ensuring more effective scrutiny. This is in response to changing patterns of service delivery.
- The Welsh Government has recently concluded a consultation on provisions in the 2011 Local Government Measure to establish “Designated Persons”. These provisions are designed to establish arrangements to support the effective scrutiny of public services in Wales delivered in collaboration.

The evidence and recommendations put forward from the Commission, alongside wider work, will inform the Welsh Government’s and wider public service’s approach to the effective scrutiny of services in the future.

Financial Implications – None. This work is drawn from existing programme budgets. Any further financial implications will be considered as part of the Welsh Government’s wider response to the Commission on Public Service Governance and Delivery.

Recommendation 6

The Committee recommends that “Adequate provision of resources at the outset can lead to long-term benefits with regard to collaboration. The Welsh Government should take this into account as it considers the report of the Commission on Public Service Governance and Delivery.”

Response: Accept in principle

The evidence and recommendations put forward from the Commission will inform the Welsh Government’s and wider public service’s approach to the delivery of services in the future. This will include consideration of resources to deliver change as appropriate.

Financial Implications – Any financial implications will be considered as part of the Welsh Government’s wider response to the Commission on Public Service Governance and Delivery.

Lesley Griffiths AM, Minister for Local Government and Government Business