

LOCAL GOVERNMENT AND HOUSING COMMITTEE

Town and Community Councils: Issues Paper for the Local Government and Housing Committee

Background

1. According to the Wales Yearbook 2001 there are a total of 736 town and community areas in Wales. They vary in extent and population. Not all areas have community councils. The National Assembly's modernisation agenda has, to date, focused on county/county borough councils, although aspects of the agenda, such as community strategies, the new ethical framework, and to some extent best value, have direct implications for town and community councils.

2. Over the last few years there have been a number of proposals to review aspects of town and community councils' activities and to increase their functions. These include:

- The 'Partnership Agreement' between the Labour and Liberal Democratic Parties in the National Assembly which expressed the intention to increase the role and standing of community councils and to promote the establishment of new town and community councils;
- The White Paper "Local Voices: Modernising Local Government in Wales", which started the modernisation of local government in Wales in 1998, proposed a review of the consultation arrangements between principal and town and community councils and that community councils be given shared responsibility with county/county borough councils for the delivery of certain local services, by agreement. In addition, individual community councils and their associations have proposed changes to the procedures for setting up and dissolving community councils and that community councils should be given a greater role in town and country planning;
- The National Assembly's proposals for local government modernisation raise the prospect of town and community councils being given scope to increase their roles, in particular in working in partnership with others, engaging with their communities and representing their views to county councils and other organisations, providing feedback on county councils' services as part of the best value process, and contributing to the preparation of community strategies; and
- Town and community councils have lobbied the National Assembly for representation on the partnerships overseeing the EU's Objectives 1 and 2 Programmes, the new health bodies as well as police and fire authorities.

Issues relating to town and community councils

3. There are a number of issues relating to town and community councils in Wales.

4. First, there is little published, or unpublished, statistical information available on the activities of town and community councils in Wales, the services they provide, the number of elected members, their political complexion, the number of uncontested seats, the number and types of staff employed. Some information is available on issues such as the precept levels of individual community councils, but the National Assembly does not collect or publish this information and no information is available on other components of community councils' budgets, such as their sources of income. There is a need to establish whether information should be collected on community councils, how it could be collected and who should have the responsibility for collecting and publishing it. Possible options include the National Assembly which produces annually a digest of "Welsh Local Government Financial Statistics", currently only covering principal councils, the Local Government Data Unit, or the town and community councils' associations.

5. Second, in terms of geographical distribution, town and community councils cover rural areas and small towns. There are few community councils in the major cities of Cardiff, Swansea, and the other urban areas of South Wales. The geographical distribution of community councils in Wales to a large extent reflects the situation in Wales in the nineteenth century. This raises the question of whether this uneven distribution creates any particular advantages or disadvantages for the populations concerned and whether these ought to be addressed. Associated with this is the need to review the adequacy of the existing legislation for setting up, amalgamating or dissolving town and community councils.

6. Third, there is little information available about the services provided by town and community councils. There is a need to map the services community councils provide, assess their performance, and potential for taking on additional service responsibilities. This would include new services such as traffic calming, acting as "one-stop access points" for public services in their areas, taking responsibility for providing services currently provided by other bodies, such as county councils or other agencies on a joint or sole basis. There is also little information available on the barriers to community councils becoming more involved in service provision.

7. Given the differences in size, resources and capacity of community councils it would not be feasible for all community councils to undertake a similar range of services or functions. The National Association of Local Councils in its report on "Developing Community Democracy in Partnership" proposed that parish councils in England should be able to undertake different levels of functions depending upon the population of their areas. The higher the population of a particular council, the greater the range of services that it would be able to undertake. Another option could be to require community councils wishing to take on additional services to demonstrate their managerial and technical competence in delivering those services.

8. Associated with service provision and partnership working is the question of performance. There are two aspects to this. First, how community councils' performance could be measured and whether different approaches are required for small and large town and community councils. The second issue is how the performance of town and community councils can be improved so that all local councils perform to a uniformly high standard. The available evidence (most of which is anecdotal) suggests that there is a wide variation in what town and community councils in Wales do and how well they do it. There also appears to be a number of community councils in Wales which do not engage with other

levels of government or have a high profile within their community.

9. The English Rural White Paper proposed the designation of "quality parish councils" which would recognise the wide variation in the standards of the councils . The quality scheme is broadly similar to the Beacon Councils approach adopted by DTLR for English principal councils. Although a form of quality appraisal might encourage some improvement in the performance of Welsh community councils, there are problems associated with this approach. These include the resource implications for the National Assembly in promoting such an initiative and appraising councils' compliance with the quality criteria, the absence of central information on which a scheme could be based, and on the specific services which individual community councils provide. In addition, there is no effective infrastructure to provide training and encourage the dissemination of good practices between councils. This is partly due to the absence of a strong and well-resourced community councils' association representing Welsh local councils.

10. Given the wide variation in capacity and standards and the absence of a training infrastructure it would be more effective initially for the National Assembly to focus on raising the overall performance of town and community councils in Wales. This would include giving a high priority to supporting training and the identification, dissemination and the encouragement of good practices. In England the Rural White Paper proposed that £2 million should be made available to local councils over the next 3 years to provide training through the IDEA. The National Assembly has no similar proposal for funding training for community councils in Wales. The English Rural White Paper also proposes to fund an internet linked, best practice tool kit to disseminate good practice between local councils. Although this would be a cost effective way of disseminating good practice anecdotal evidence suggests that relatively few Welsh community councils' clerks have access to personal computers or the internet.

11. Improved performance is also dependent upon the establishment of an effective support mechanism. In particular a strong and well-resourced community councils' association in Wales. The four existing associations – the Wales Association of Town and Community Councils, the Welsh Committee of NALC, the Association of Larger Community Councils and the North Wales Association of Community Councils - are poorly resourced in terms of staff, financial resources and range of skills. In addition an estimated 100- 125 community councils (about 15% of the total) do not belong to any association. A number of councils, on the other hand, are members of more than one association.

12. The four Welsh community councils' associations 18 months ago came together to form the Local Councils' Forum. The Forum meets quarterly. In addition, the two large associations- WATAC and the Welsh Committee of NALC-have set up a liaison committee to move towards a single association. The Assembly's local government Minister has encouraged the existing associations to combine and has welcomed the Forum as a staging post towards a single association. In the interim the community councils' associations have been involved in discussions with training providers and groups of councils have run courses for their members and employees. It is important that these ad hoc arrangements are formalised and supported by for example, the setting up of networks for members, clerks of councils, finance officers and other employees that would benefit from the exchange of experiences and good practices.

13. Fourth, the National Assembly could encourage partnerships between community councils, county/county borough councils and other bodies. Community councils can already enter into partnership working with other bodies for promoting initiatives such as those relating to economic development, tourism and leisure. Some have created partnership vehicles such as trusts to deliver services or undertake developments in partnership with others. Community councils also participate in joint working arrangements with their neighbouring councils. In North Wales eight large town councils have combined to establish a joint purchasing consortium and to undertake benchmarking exercises. Other councils have undertaken joint training and share offices and skilled personnel. There is a need to establish whether there are any restrictions on partnership working, in particular how the funding system can enable community councils to be more dynamic and proactive bodies that work in partnership with others and are able to deliver the services required by their local electorates. This could involve the issuing of guidance encouraging joint working between neighbouring community councils and the provision of funding to encourage or pump-prime community councils to undertake innovative schemes to improve their areas and to protect local services such as local shops, garages, or public transport services. Another option may be to seek out other sources of funding, including from the private sector where Consignia, the company responsible for post offices, has introduced a £2 million fund for local councils in England and Wales to help secure the continued retail use of former post offices. The English Rural White Paper proposes to fund parish service and transport funds to enable parish councils to provide and protect local services. Many community councils in Wales jointly provide services such as bus shelters with their principal councils. Where this occurs it can result in a high level of service provision. Other community councils provide the services instead of the county council, by agreement. There is anecdotal evidence that in some county areas where community councils have provided services instead of the county council, the county council has not transferred to the community councils funding to enable them to provide those services. Where this occurs it can result in double taxation whereby local taxpayers contribute twice for services formerly delivered by principal councils yet which are now provided by community councils without an equivalent reduction in the council tax element.

14. The National Assembly some 18 months ago increased the limit on community councils' spending under Section 137 of the Local Government Act 1972 (ie discretionary expenditure of direct benefit to their areas). Consideration should be given to whether it would be more effective to increase the limit on community councils' discretionary spending rather than to set up separate funds that might be expensive to administer.

15. Although there may be differences in views within the WLGA, the Association is on record as stating that any resources allocated to community councils from the Assembly should be "additional" to that in the local government settlement.

16. Fifth, the Assembly's local government modernisation agenda requires all parts of local government in Wales to work closely together. Co-operation is essential in areas such as community planning, the new ethical framework, where community councils use their principal council's standards committee and monitoring officer, and where community councils input to county councils' overview and scrutiny committees. In some areas community councils jointly feed their views into county councils' area committees. The modernisation proposals have an effect on community councils. In particular, there have been demands for the National Assembly to:

- review the allowances paid to community councillors in Wales. This follows the INLOGOV review of members' allowances in principal councils and comparisons with the payments made to town commissioners in the Republic of Ireland. The DTLR recently consulted on providing allowances to parish councillors in England, including the paying of special responsibility allowances to the chairs of parish councils;
- extend the well-being powers in Part 1 of the Local Government Act 2000 – the power to do anything to promote the economic, social and environmental well-being of their areas- to community councils; and
- provide community councils with places on the new health bodies, and on police and fire authorities.

17. Finally, community councils can play an important role in stimulating public interest in local democracy and politics. They have the potential to act as the seedbeds of democracy by encouraging local people to participate in improving their local areas, for example by setting up youth forums, and providing the first rung in the political ladder for those interested in politics.

The National Assembly's policy on Town and Community Councils.

18. The National Assembly intends to fund a research project into the role and functions of town and community councils. This is the first review of the work of local councils undertaken in Wales. It will look at all aspects of town and communities councils' activities. A copy of the research specification is at Annex 1. It is intended that the research project will be the basis for the National Assembly's policies towards town and community councils.

19. It is envisaged that an advertisement for tenders will be placed by the end of this month. The review will take a minimum of six months to complete and the consultants would be expected to use a variety of methods to obtain the required information - questionnaires, interviews with relevant individuals and bodies, and focus groups for the public in various parts of Wales.

20. The research project will be overseen by a steering group comprising representatives from town and community councils, the National Assembly, WLGA, Syniad, District Audit

(Wales) and other interested bodies.

21. Following completion of the project and consideration of its conclusions and recommendations the Assembly will consult on its specific proposals for town and community councils.

22. Although the main direction of National Assembly policy towards community councils will await the recommendations of the research project, the National Assembly has introduced a number of measures to facilitate the work of town and community councils.

These include:

- setting at £1 million turnover the level at which community councils are required to adopt the

best value process, thereby excluding them from the best value regime. There are currently no Welsh community councils with a turnover of £1 million.

The large town and community councils in South Wales, District Audit(Wales) and officials of the National Assembly have produced draft guidance for those authorities with turnovers of £500,000 or over which may voluntarily apply the best value approach.

The National Assembly will consult on the voluntary application of the draft guidance at the same time as it consults on revised guidance for best value authorities later this year.

- Raising the threshold at which community councils are required to produce income and expenditure accounts from its current level of £5,000 to £50,000. The Order implementing this change has begun its process through the National Assembly and should come into effect in January 2002. It will apply for the 2002/2003 financial year.

23. In addition, town and community councils have sought a reduction in their audit fees and the complexity of audits. The Audit Commission has recently published proposals for a new approach to local audit which will reduce audit requirements for local councils with turnovers of under £500,000 – the majority of Welsh community councils. The new arrangements will also result in a significant decline in audit fees - possibly of between 35-50% .The Audit Commission is currently consulting on these proposals which have been welcomed by the Assembly's Minister for Local Government.

24. As there is currently little training available for community councillors and their employees in Wales National Assembly officials have held discussions with the Law Department at Aberystwyth and Syniad with the intention of putting into place training arrangements for community councils . Officials have also encouraged monitoring officers of county councils to provide training for community councillors and clerks in the requirements of the new ethical framework and codes of conduct. Officials intend to discuss with the Local Councils Forum the type of training which they believe would be appropriate for community councillors and employees and how this could be funded.

25. The National Assembly has also encouraged the four community councils' associations in Wales to merge. A single Association covering all community councils would better provide its member councils with appropriate training, advice and effective representation. Community councils in Wales have recently made a move towards joint working by setting up the Local Councils Forum, comprising the four Welsh associations. The Forum has appointed spokespersons to cover particular policy areas along the lines of the WLGA.

Although it has been difficult to set up the Forum and the joint working arrangements , this should not be the end of the process. Forums are effective in communicating views and lobbying. They are not the most effective mechanisms for providing the ongoing advice and services to their member councils which is needed in Wales to raise the standard of local councils to a uniformly high level.

26. The Local Government and Housing Committee is recommended to :

- i. receive this report; and

- ii. comment on the research specification for the community councils' review and the proposals for overseeing the research project.

Contact Officer: Ian Thomas, Local Government Modernisation Division.