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Llywodraeth Cymru
Welsh Government

Llyr Gruffydd, AM
Chair
Finance Committee
National Assembly for Wales
Ty Hywel
Cardiff Bay
CF99 1NA

23 March 2020

Dear Llyr,

Local Government and Elections (Wales) Bill

I would like to thank the Finance Committee for their scrutiny of the Local Government and Elections (Wales) Bill during Stage 1 and for the report which was published on 13 March 2020.

A number of the Committee's recommendations relate to the preparation of Regulatory Impact Assessments (RIA) in relation to subordinate legislation. In line with standard practice, any subordinate legislation made as a consequence of this Bill would, where relevant, be accompanied by a RIA which would provide a comprehensive analysis of the costs. As such I accept in principle recommendations 1, 5, 15 and 17.

I have set out responses to the Committee's remaining recommendations at Annex A. It has not been possible for me to accept all of the Committee's recommendations in full. However, I have carried the principles and underpinning reasoning through as far as possible.

I hope this letter is helpful in setting out responses to the Committee's Report. I will also be writing to the Chairs of the Equality, Local Government and Communities Committee and the Legislation, Justice and Constitution Committee with respect to their Stage 1 Reports, and will copy the letters to all three Committee Chairs.

I look forward to continuing to work with Members as the Bill progresses through the Assembly process.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Annex A: Response to Finance Committee Stage 1 Report Conclusions and Recommendations

Recommendation 2. The Committee recommends that the Welsh Government undertakes further work to identify the distribution of the electorate across Wales and clarifies the approach it intends to take to any funding allocated to support the provisions in the Bill relating to elections and voting.

I accept this recommendation. We are currently working with local authorities and other stakeholders, including the Electoral Commission, to consider how best we can manage the potentially differential impacts on individual local authorities.

Recommendation 3. The Committee recommends that the Welsh Government explores with stakeholders the costs involved in a local authority deciding to implement a Single Transferable Voting system and includes any relevant information in an updated Regulatory Impact Assessment

I accept the principle of this recommendation. We are currently working with local authorities and other stakeholders, including the Electoral Commission, to consider how best we can manage the potentially differential impacts on individual local authorities.

Recommendation 4. The Committee recommends that the Welsh Government undertakes further work to identify the costs associated with establishing an all-Wales database of electoral registration information and provides as much information as possible in a revised Regulatory Impact Assessment

I recognise the intention behind the Committee's recommendation, however, I do not accept this recommendation. The provisions in the Bill allow for an all Wales electoral database to be established through regulations. In line with standard practice, a regulatory impact assessment, setting out a comprehensive analysis of the costs, would be prepared to accompany these regulations.

Recommendation 6. The Committee recommends that the Welsh Government provides further information on the types of pilot schemes it may wish to trial and the potential resources required for such activity

I recognise the intention behind the Committee's recommendation, however, I do not accept this recommendation. Given the extent of electoral reforms at the moment, we do not intend to trial any electoral pilots ahead of, or at, the 2022 local elections.

Any programme of pilots will be preceded by a prospectus to local authorities setting out the aims of the pilots and an application process to be followed by local authorities estimating the cost of the activity. There will likely be a cost implication to pilots, accommodating temporary changes required to electoral management software, staffing, training etc. It is difficult to estimate these costs until the thematic areas to be piloted are agreed.

Recommendation 7. The Committee recommends that the Welsh Government undertakes further analysis of the likely savings of provisions associated with Returning Officers expenses and include any relevant detail in an updated Regulatory Impact Assessment.

I do not accept this recommendation. These provisions are intended to clarify the law that returning officers cannot be paid a personal fee for administering local elections, therefore the principle underpinning the provisions is clarification of the law not cost savings.

Recommendation 8. The Committee recommends that the Welsh Government explore further the likely savings of abolishing community polls and whether it is reasonable to offset any costs of a new petitions system against these. Relevant information should be included in a revised Regulatory Impact Assessment.

I recognise the intention behind the Committee's recommendation. I will consider the feasibility, and potential benefit, of including additional information in the revised Regulatory Impact Assessment, offsetting the likely cost savings from abolishing community polls against the cost of petitions.

Recommendation 9. The Committee recommends that the Welsh Government prepare a sensitivity analysis of the impact the number of petitions may have on staff time and the cost of monitoring and reviewing the petitions received. This information should be included in a revised Regulatory Impact Assessment.

I recognise the intention behind the Committee's recommendation and will look to include an appropriate sensitivity analysis in the Regulatory Impact Assessment when it is revised following stage 2.

Recommendation 10. The Committee recommends that the Welsh Government undertakes further work with stakeholders to consider whether an all-Wales broadcasting contract is feasible and whether this would be the most cost effective solution, including the potential costs of local authorities procuring individual broadcasting contracts.

I accept this recommendation. Officials are currently working with representatives of local authorities and the WLGA to co-produce the guidance that will underpin a range of provisions contained within the Bill, this includes broadcasting.

As part of this work officials are in the process of visiting a number of councils to hear directly from them about their current arrangements, the opportunities to do more and their concerns.

This work will explore the benefits and disadvantages of an all-Wales broadcasting contract to inform future work in this area.

Recommendation 11. The Committee recommends that the Welsh Government publish its guidance (or even draft guidance) on broadcasting of meetings, including where it might not be appropriate to broadcast, as soon as possible.

I accept the principle of this recommendation. We are currently co-producing guidance with local authorities and the WLGA. Once drafted it is intended to consult

widely to ensure as many individuals and organisations as possible are able to fully contribute to the final guidance.

Given the complexities involved it is likely to be some months before we are in a position for this consultation to be undertaken.

Recommendation 12. The Committee recommends that the Welsh Government provides details of the cost implications of any regulations that require qualifying authorities to prepare a business case prior to using the general power of competence.

I recognise the intention behind the Committee's recommendation, however, I do not accept this recommendation. The RIA at introduction detailed the costs to Welsh Government of drafting these regulations as it was, and remains, my intention to make these regulations prior to commencing the general power of competence for qualifying authorities.

The costs to local government will, in line with standard practice, be included within the regulatory impact assessment, which accompanies the regulations.

Recommendation 13. The Committee recommends that the Welsh Government reassesses the costs associated with Community and Town Council training plans, including the additional training that may be undertaken as a result of those plans, and ensures that the financial implications are detailed in a revised Regulatory Impact Assessment.

I do not accept this recommendation. These provisions are intended to ensure community councils are considering and managing their training needs in a more effective manner rather than necessarily increase the amount of training being undertaken. Community councils will continue to bear the cost of councillor training, as they currently do. The existence of a training plan does not in itself create a new training demand.

I have asked my officials to bring together members of the National Training Advisory Group, which includes the sector's representative bodies and the WLGA, to consider creative, practical and sustainable proposals to support the training and development of community councillors.

Recommendation 14. The Committee recommends that the Welsh Government work closely with the Welsh Local Government Association to understand how significant the change in performance arrangements will be for individual principal authorities.

I accept this recommendation. We are already working closely with local government and the WLGA co-producing the guidance which will support the implementation of the self-assessment provisions, to ensure the impact of the new performance and governance regime and ensure it works alongside existing approaches.

The provisions on self-assessment were broadly welcomed by local government representatives, with the WLGA noting that it supports and welcomes these provisions. The WLGA added that all authorities are used to a process of self-assessment and that these provisions will give authorities more scope to self-assess for their own benefit.

WLGA also commented that as councils are committed to improving services and delivering better outcomes for their communities, it is confident that councils' self-assessments will be rounded, robust and used to drive improvements in governance and service provision.

I also intended to fund through the WLGA a sector led improvement and support function to support the implementation of the new performance and governance regime and the Bill as a whole. The improvement and support function will also support local authorities, members and officers in their ambitions to improve and innovate across the services they deliver.

Recommendation 16. The Committee recommends that the Welsh Government share its analysis of the costs and benefits of establishing corporate joint committees once its review concludes. If relevant, the Welsh Government should consider how this information could be accounted for in a revised Regulatory Impact Assessment.

I accept this recommendation and will consider whether it is more appropriate and relevant to account for this information in the RIA that accompanies the Bill or the RIA accompanying regulations.

Recommendation 18. The Committee recommends that the Welsh Government provides an update on the review of non-domestic rates revenue that is lost each year, once the new provisions aimed at reducing opportunities for avoidance behaviour are in force.

I agree the principle behind this recommendation. Prior to implementation of the new provisions, the Welsh Government will work with local government and other relevant stakeholders to identify how best to monitor the success of the measures to reduce non domestic rates avoidance. We will give further consideration to when and how best to provide an update on this matter, alongside other post implementation review activities.

Recommendation 19. The Committee recommends that the Welsh Government analyses its post implementation review strategy, with consideration given to the resourcing of the activities it intends to undertake and includes this information in a revised Regulatory Impact Assessment

I recognise the intention behind the Committee's recommendation and will look to include details of the opportunity costs of conducting the post implementation review activities when the Regulatory Impact Assessment is revised following stage 2.

Conclusion 1. The Committee believes that the provisions to extend the franchise to prisoners and young people in custody could have been more advanced prior to introduction of the Bill. The practice of introducing Bills with the intention of making substantial changes at a later stage by amending a Bill by-passes scrutiny, this is unsatisfactory and should not continue.

As I stated to the Committee, I did not wish to progress work in this area until I had seen the final report of the ELGC Committee's inquiry into prisoner voting. The Committee reported in June and as this is a highly complex area of legislation it was not possible to include these provisions in the Bill on introduction. I have always been clear that it was

my intention to introduce these provisions as amendments and have shared these in advance with all of the Committees