

**Owen Evans**

Dirprwy Ysgrifennydd Parhaol / Deputy Permanent Secretary

Y Grŵp Addysg a Gwasanaethau Cyhoeddus  
Education and Public Services Group



Llywodraeth Cymru  
Welsh Government

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Huw Vaughan Thomas  
Auditor General for Wales  
Wales Audit Office  
24 Cathedral Road  
Cardiff  
CF11 9LJ

Dear Huw,

I write in response to the publication of the Local Authority Funding for Third Sector Services report. The role of the third sector in the delivery of public services is an important matter and I'm glad that you were able to investigate the topic.

I note the majority of the recommendations of the report are for local authorities to address in respect of their strategic approach to working with third sector organisations. It is vital, therefore, that they bring a strategic approach to their overall engagement with the third sector and innovation in austere times will be key. From a value for money perspective it is of course equally important that local authority scrutiny committees should maintain as rigorous levels of oversight in relation to services contracted to third sector organisations as they would to those directly provided by the authority itself.

To achieve this mix of strategic direction with due rigour, the Welsh Government supports the co-opting of expert external members to their scrutiny committees and provides guidance along these lines, which we will continue to reinforce. We will raise the report and its findings with the networks of scrutiny officers and champions convened by the Welsh Local Government Association.

The report does also highlight one recommendation for Welsh Government to provide guidance clarifying the Government's expectation of local authorities in relation to their work with third sector. We partially accept this recommendation. Guidelines are currently being prepared on good practice in relation to local Compact agreements between third sector organisations and public services. These Compact agreements set out the principles for



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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.

how third sector and local authorities can work together to achieve improvements for the community. The recommendations of the Local Authority Funding for Third Sector Services report will be considered in relation to the content of those guidelines.

However, I was a little surprised to see in the third recommendation the inclusion of a reference to the Well-being of Future Generations (Wales) Act and the Social Services and Well-being (Wales) Act. Guidance was produced by Welsh Government in support of these Acts and we would welcome discussions on the supporting evidence which would underpin these references. As an example of the documentation produced in support of the Acts, the Social Services and Well-being (Wales) Act sets out the expectations for local authorities (and other partners) and is supported by a range of codes of practice and statutory guidance. This includes our expectations around partnership working and the role of the third sector, for example, as members on the statutory regional partnership boards. Welsh Government has also provided funding through the Intermediate Care Fund which recognises the role of the Third Sector and again specific requirements are set out in the guidance.

This letter is copied to the Chair of the National Assembly for Wales Public Accounts Committee.

Yours sincerely

Owen Evans