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Llywodraeth Cymru  
Welsh Government

Nick Ramsay AM  
Chair  
Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

31 January 2020

Dear Mr Ramsay

### **Financial Management and Governance in Community and Town Councils**

Thank you for your letter of 17 December following my attendance at Public Accounts Committee on 25 November on Community and Town Councils. You provided a copy of your letter to the Chair of the ELGC Committee given the Committee's scrutiny of the Local Government and Elections (Wales) Bill. For the same reason and for completeness, I am copying this letter of response to the ELGC Chair.

Further to your request for a high-level summary of the status of each of the areas for action for community councils, please find this at Annex A. We remain committed to progressing these actions during this Assembly term, working closely with the sector and key stakeholders such as the Wales Audit Office (WAO).

Thank you for highlighting that the Committee wished to stress that the Welsh Government gives further consideration to how good practice is shared. I can inform you that we have activity planned in this area which includes upcoming guidance on digital engagement and financial support; updates to the Good Councillor's guide and work with One Voice Wales (OVW) and the Society for Local Council Clerks (SLCC) to support sector-led sharing of good practice. We will continue to work with these partners as part of the preparations for the relevant provisions in the Bill. We anticipate the Bill, particularly the eligibility criteria for General Powers of Competence, will act as a catalyst for councils to access this support. We will remind councils that whilst we support creativity, they must act within their legal framework.



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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

Your letter also noted compliance with statutory requirements and the challenge of ensuring that the new annual reporting requirement in the Local Government and Elections Bill achieves its intended purpose. Community and Town Councils generally meet their wide-ranging statutory duties, however as highlighted by the WAO report and the evidence session in November, a frustratingly high number of councils fail to meet the statutory deadlines. Therefore, we do accept that some councils may find a duty to produce an annual report a challenge but we will be using the guidance to explain that annual reporting should be proportionate to the scale and the scope of the council's work. We will engage with stakeholders in the council sector and with WAO colleagues to prepare guidance that helpfully describes how this might look.

You also asked for an update on the uptake of the different training initiatives which the Welsh Government has supported, including the bursary schemes. Details on the bursary uptake for both clerks and councillors, broken down by councils with budgeted turnover, is provided in Annex B.

I hope the above information and the detail contained in the two Annexes is sufficient by way of additional information for your Committee. Please let me know if you would like any further detail or clarification.

Finally, I would like to take this opportunity to thank the Committee for its time and interest in this area.

Yours sincerely



Tracey Burke

## High-level summary of the status of each of the areas for action for community councils

*Timescale: For items designated as “for further consideration” - our commitment is to progress thinking during this Assembly Term, unless otherwise stated in individual cases.*

THEME: Clarifying the role of the sector	
Action	Update
<ul style="list-style-type: none"> <li>• Undertake a campaign to:               <ul style="list-style-type: none"> <li>○ confirm important role of sector;</li> <li>○ raise awareness of the work of community council (including in areas which don't have them).</li> </ul> </li> </ul>	<p>Ongoing.</p> <p>Number of actions already taken to increase communications with sector. Work planned for more outward-facing communication in lead-up to next community council elections.</p>
<ul style="list-style-type: none"> <li>• Encourage community councils to reflect on what is required locally, in terms of the kinds of services they could deliver.</li> </ul>	<p>Ongoing.</p> <p>Actions already completed include Ministerial engagement, updated guidance issued in October 2019 on community asset transfer, and through the introduction of Local Government &amp; Elections (Wales) Bill.</p>
<ul style="list-style-type: none"> <li>• Raise awareness of the benefits of establishing new community and town councils.</li> </ul>	<p>Ongoing.</p> <p>Priority to date has been on growing capacity and confidence within the sector. Activity to raise awareness of establishing new councils will increase towards the next local government elections.</p>

<ul style="list-style-type: none"> <li>• Alongside raising awareness of the benefits of establishing new community councils, explore other models which could provide a focus for communities in urban areas.</li> </ul>	<p>For further consideration.</p> <p>Further consideration required to explore other models for relevant communities in urban areas. The communications referred to previously are planned to be used to share these models.</p>
<ul style="list-style-type: none"> <li>• Consider further the usefulness of a 'place based services' distinction, the appetite for change and the pace that it could be sustained.</li> </ul>	<p>For further consideration.</p> <p>No firm view has been expressed within either tier of local government on the way forward.</p>
<ul style="list-style-type: none"> <li>• Consider consulting on the merits of retaining 'dual hatted' councillors. (The Independent Panel recommended against having dual members, regardless of the types of councils.)</li> </ul>	<p>For further consideration and engagement.</p> <p>No clear views across local government tiers. The effect on the level of participation will also need to be considered.</p>

**THEME: Increasing democracy and participation**

Action	Update
<ul style="list-style-type: none"> <li>• Use existing powers to ensure Community Reviews are conducted on a regular basis.</li> </ul>	<p>Ongoing.</p> <p>Seeking an up-to-date position from each Principal Council in 2019-20.</p>
<ul style="list-style-type: none"> <li>• Establish better understanding of use of social media by community and town councils to engage their community; and facilitate sharing of good practice.</li> </ul>	<p>Ongoing.</p> <p>Currently analysing the responses to the digital survey. This will inform guidance due to be published before the end of June 2020.</p>

<ul style="list-style-type: none"> <li>• Undertake a campaign to encourage more people to stand for election.</li> </ul>	<p>Ongoing.</p> <p>Phase 1 of the Diversity in Democracy programme completed. Phase 2 ongoing.</p>
<ul style="list-style-type: none"> <li>• Consider and potentially consult on the need for a comprehensive review of community council boundaries, recognising any action in future would require a different legislative vehicle.</li> </ul>	<p>For further consideration.</p> <p>We expect this only to be taken forward if individual Principal Council reviews fail to be implemented regularly.</p>
<ul style="list-style-type: none"> <li>• Consider whether to ensure that elections should be held regardless of whether seats are contested - balancing stimulating the democratic process with cost.</li> </ul>	<p>For further consideration.</p> <p>Priority has thus far been on increasing participation for the 2022 elections.</p>
<ul style="list-style-type: none"> <li>• Explore what more can be done to promote diversity amongst councillors.</li> </ul>	<p>For further consideration.</p> <p>Part of the consideration for the current Phase 2 of the Diversity in Democracy Programme.</p>
<ul style="list-style-type: none"> <li>• Allow the lower minimum voting age of 16 years to embed (if it goes ahead) before considering whether to lower the minimum age to stand as a community council candidate to 16 years.</li> </ul>	<p>For further consideration.</p> <p>As per action, we will review the effect of lowering the voting age for National Assembly for Wales' elections before considering further action.</p>
<ul style="list-style-type: none"> <li>• Consider how local engagement and public participation has been affected in England following the introduction of the duty on Parish Councils to hold at least one public meeting per year.</li> </ul>	<p>For further consideration.</p> <p>We will review impact of annual public meetings on public participation in England alongside the impact of annual reporting requirements in the Local Government and Elections (Wales) Bill.</p>

<b>THEME: Building capacity</b>	
<b>Action</b>	<b>Update</b>
<ul style="list-style-type: none"> <li>• Provide access to the general power of competence (GPoC) to eligible community councils (through the Local Government and Elections Bill).</li> </ul>	<p>Complete.</p> <p>The GPoC provisions are within the Local Government and Elections (Wales) Bill.</p>
<ul style="list-style-type: none"> <li>• Call on community councils to prepare for the introduction of GPoC by working towards the satisfying the three eligibility criteria.</li> </ul>	<p>Ongoing.</p> <p>This is linked to preparations for introduction of GPoC in the above Bill.</p>
<ul style="list-style-type: none"> <li>• Support the establishment of joint delivery arrangements.</li> </ul>	<p>Ongoing.</p> <p>There is an ongoing grant, established in 2017-18, to encourage joint working arrangements. We will keep it under review.</p>
<ul style="list-style-type: none"> <li>• Provide guidance, and share good practice, on different delivery models.</li> </ul>	<p>Ongoing.</p> <p>Work ongoing to gather evidence of good practice. Further research on delivery models will be required before proceeding.</p>
<ul style="list-style-type: none"> <li>• Raise awareness of existing sources of funding.</li> </ul>	<p>Ongoing.</p> <p>Guidance on sources of funding is expected to be published this financial year.</p>
<ul style="list-style-type: none"> <li>• Explore how community councils could be encouraged to consider moving to / expanding service delivery.</li> </ul>	<p>Ongoing.</p>

	The WLGA and One Voice Wales are leading on this work as part of their task and finish group on joint key issues.
<ul style="list-style-type: none"> <li>• Explore widening access to new sources of funding for community and town councils, for example eligibility for grants and (through the general power of competence) the power to trade.</li> </ul>	<p>Ongoing.</p> <p>We have completed work to identify sources of funding available to Community and Town Councils. This will be reflected in the guidance on funding sources due to be published in this financial year.</p>
<ul style="list-style-type: none"> <li>• Facilitate a conversation within local government about how services are funded and sustained.</li> </ul>	<p>Ongoing.</p> <p>The WLGA and One Voice Wales are leading on this work as part of their task and finish group on joint key issues.</p>
<ul style="list-style-type: none"> <li>• Explore scope for sharing back office functions.</li> </ul>	<p>For further consideration.</p> <p>This is a longer term development that is likely to be explored by councils as they strengthen their capacity and capability and look to take on more.</p>
<b>THEME: Building capability</b>	
<b>Action</b>	<b>Update</b>
<ul style="list-style-type: none"> <li>• Identify core training for councillors and consider the practicalities of introducing a core package of training.</li> </ul>	<p>Ongoing.</p> <p>We are working with the sector bodies, OVW and SLCC, through the National Training Advisory Group (NTAG) to survey current and future training needs.</p>

<ul style="list-style-type: none"> <li>• Continue to provide a bursary scheme for councillors and clerks to undertake training.</li> </ul>	<p>Ongoing.</p> <p>We will keep the current scheme under review.</p>
<ul style="list-style-type: none"> <li>• Encourage an increase in the number of qualified clerk - as a condition for exercise of GPoC, and through support to undertake training.</li> </ul>	<p>Ongoing.</p> <p>Bursary scheme available to support clerks to undertake CiLCA. We will keep the scheme under review.</p>
<ul style="list-style-type: none"> <li>• Explore the establishment of a “network” of community council clerks in Wales.</li> </ul>	<p>For further consideration.</p> <p>The Society for Local Council Clerks (SLCC) undertake this role to some extent already. We will work with them to review whether and how this might be strengthened.</p>
<ul style="list-style-type: none"> <li>• Consider how desirable, and possible, it is to go towards appointing clerks from a national list (including workforce implications).</li> </ul>	<p>For further consideration.</p> <p>This is a complex and potentially controversial area. We are currently prioritising increasing the number of clerks holding appropriate qualifications.</p>
<ul style="list-style-type: none"> <li>• Consider options for provision of expert advice and support for the sector, within the context of the wider work supporting improvement in local government.</li> </ul>	<p>For further consideration.</p> <p>We are exploring how we can do more to support the sector to develop a sector-led improvement approach, which will be informed by the approach to future WAO community and town council audits.</p>
<ul style="list-style-type: none"> <li>• Consider whether, and how, core training for councillors should be made mandatory.</li> </ul>	<p>For further consideration.</p> <p>We are presently exploring the feasibility of mandatory core training and the infrastructure required to deliver flexibly and monitor easily, to inform future decisions on mandatory training.</p>



<ul style="list-style-type: none"> <li>• Explore with WAO what further support could be provided to smaller community councils to help them fulfil audit requirements.</li> </ul>	<p>For further consideration.</p> <p>This would need to be jointly developed between the Welsh Ministers and the Auditor General for Wales (AGW) following the WAO consultation on proposals for a new audit regime early in 2020.</p>
<p><b>THEME: Improving relationships</b></p>	
<p><b>Action</b></p>	<p><b>Update</b></p>
<ul style="list-style-type: none"> <li>• Facilitate work to strengthen key relationships between community councils and principal councils.</li> </ul>	<p>Ongoing.</p> <p>There is work under way through the WLGA and OVW Task and Finish Group. We await the outcome of this work due in 2020-21.</p>
<ul style="list-style-type: none"> <li>• Add a representative from community and town councils in the area to the list of required 'invited participants' on Public Services Boards (PSBs).</li> </ul>	<p>Ongoing.</p> <p>Further work with PSBs and community councils is required to identify a suitable mechanism for identifying a representative (and ensuring they are then able to act as a meaningful representative of the sector).</p>
<ul style="list-style-type: none"> <li>• Explore what else can be done to facilitate relationship building between both tiers of local government and consider whether there is a need to make structures mandatory.</li> </ul>	<p>Ongoing.</p> <p>WLGA and OVW Task and Finish Group is leading on this action.</p>
<ul style="list-style-type: none"> <li>• Explore support for councillor and employee relationships, when things go wrong.</li> </ul>	<p>Ongoing.</p>

	The Welsh Government has facilitated work between the Ombudsman’s office and the sector’s representative bodies to develop a guide for community and town councils in relation to officer complaints about bullying and harassment by individual councillors; a draft guide is in development and we await this to be shared with us.
<ul style="list-style-type: none"> <li>• Consider how the Code of conduct and grievance procedures could be strengthened to address poor behaviour by councillors.</li> </ul>	<p>Ongoing.</p> <p>Guidance is available from the Ombudsman to assist councillors in understanding their obligations under the ‘<i>Code of Conduct for Members of Community Councils: Guidance</i>’. The guide under development noted in the previous action will provide further clarity of the evidence requirements to support conduct and grievance procedures.</p>
<b>THEME: Improving accountability</b>	
<b>Action</b>	<b>Update</b>
<ul style="list-style-type: none"> <li>• Require community and town councils to publish an annual report.</li> </ul>	<p>Complete.</p> <p>The draft Local Government and Elections (Wales) Bill includes a provision to require community and town councils to report annually; associated statutory guidance will be developed during 2020-21.</p>
<ul style="list-style-type: none"> <li>• Continue to encourage community councils to follow a cycle of “engage, plan, undertake and report”.</li> </ul>	<p>Ongoing.</p> <p>The guidance for annual reporting will do this. The Good Councillor’s Guide will be updated to reflect the legislative changes.</p>

<ul style="list-style-type: none"> <li>• Explore how digital mechanisms to engage, meet and share information are used, and could be used more extensively, by the sector.</li> </ul>	<p>Ongoing.</p> <p>A good practice guide on digital mechanisms for engagement will be issued before the end of June 2020.</p>
<ul style="list-style-type: none"> <li>• Consider the case for legislating to extend the 'sustainable development principle' to community and town councils.</li> </ul>	<p>Further consideration.</p> <p>We intend that the sustainable development principle will be reflected in the statutory guidance for annual reporting, which and will be consulted on..</p>
<ul style="list-style-type: none"> <li>• Consider the case for developing standards and principles for community engagement.</li> </ul>	<p>Further consideration.</p> <p>This is an area appropriate to develop with the sector as we develop guidance on annual reporting.</p>
<ul style="list-style-type: none"> <li>• Test the recommendation that councillors should not be able to be co-opted for more than one term on a consecutive basis.</li> </ul>	<p>Further consideration.</p> <p>We are mindful of capacity issues in some councils and we would like to increase participation in democratic elections first.</p>
<ul style="list-style-type: none"> <li>• Consider whether to legislate for appropriate support and intervention arrangements.</li> </ul>	<p>Further consideration.</p> <p>There is Ministerial support to explore how a formal performance and governance regime might operate, and this will begin to be explored with the sector in 2020-21.</p>
<ul style="list-style-type: none"> <li>• Explore issuing information about community council's plans for the year with the precept notifications.</li> </ul>	<p>Ongoing.</p> <p>Within the statutory guidance on Annual Reporting we will ask councils to set out their plans for the year, including the precept level, in the annual report.</p>

### Uptake of training initiatives which the Welsh Government has supported

We provide a clerk bursary scheme to encourage clerks to become CiLCA-qualified, and encourage take-up of other general, relevant training. In previous years the funding available for bursaries has far out-stripped demand. For example, in 2018-19 only three clerks made use of the bursary for CiLCA registration; and in 2017-18 there were no CiLCA registration bursaries claimed. In both years a budget of £3,000 made provision for 12 bursaries for CiLCA registration training, valued at £1,500 within the overall clerk bursary scheme of £3,000 per annum. The remainder of the bursary was for general training with a bursary of up to £100 per session.

This year, for CiLCA registration, we increased the value of the bursary to cover the full cost of registration (£350) and increased the budget for this to £4,000. For the first time, the funding is fully committed with 14 CiLCA bursaries claimed; 6 from councils with a budgeted turnover of £40,000 or less, and 8 from councils with a budgeted turnover between £40,001 and £100,000. In light of this, in December, we confirmed a boost of £15,000 to the available funds to support this scheme. .

For councillors, the bursaries are available for all councils who meet the criterion of budgeted income of £40k or less, regardless of whether they are members of One Voice Wales. Apart from 2017-18 (an election year), the full bursary grant available has never been fully utilised. In 2017-18 the original budget of £1,500 was increased to £3,000 in-year to meet increased demand, and £2,265 was claimed. Thereafter, the annual budget has increased; £3,000 for 2018-19 (with £1,240 claimed) and £4,000 in 2019-20 (with £590 claimed up until end October 2019).

Training is chiefly provided by One Voice Wales, who do not keep detailed records of the budgeted turnover of councils undertaking their training, other than recording whether it is under the £40k bursary threshold. We are, therefore, unable to provide details of training for councils between £40k and £100k, (and they would not qualify for bursary support under the existing criteria). However, the attached table sets out the general uptake of training provided by OVW and the numbers of those making use of the bursary.

<i>Number</i>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20 (to Oct 2019)</b>
Total Member and non-member councillors trained	1,853	1,458	345
Of those, councillors who received bursary awards	113	59	20

E-training modules are provided by One Voice Wales and have been available, free-of-charge, to all councillors since June 2019. Their National Training Advisory Group is responsible for ensuring that the online training meets the needs of councillors. Unfortunately One Voice Wales cannot track the uptake to this training, because its website is unable to do so therefore so we are unable to provide this information.