

24th April 2024

PROPOSES CHANGES AND UPDATING OF WLGA GOVERNANCE ARRANGEMENTS

Purpose

1. To seek members views on proposals to make sought revisions to the WLGA governance and decision-making arrangements following feedback provided by leaders during the Senior Management Review undertaken in 2023.

Background

2. The final report of the independent Review of Senior Management arrangements, undertaken by Jack Straw, reflected a range of views from leaders on the governance arrangements of the WLGA. The Review Recommendations were approved by the WLGA Executive Board in May 2023. The current arrangements have evolved over 20 years and leaders were asked whether they felt they were still fit for purpose. The following feedback from leaders was reported as:
 - Current governance arrangements described as 'cumbersome' and 'bureaucratic'. Questions were consistently raised as to the respective role and purpose of the Executive Board and Council (with the pre-meeting often valued more highly than the actual meeting)
 - There is a widely shared view that the business at these meetings should be strategic, and policy focused, whereas the current agendas regularly focus on more mundane business.
 - Some leaders felt that day to day business should be delegated to spokespersons (or officers) in order to shift the focus of these meetings and events to discussion of agreed priorities,
 - Majority felt in these meetings and others there is a need to ensure members have discussed issues in advance of engagement with Ministers
 - Role of spokespeople highly valued and notable strength. However, many were not convinced that the approach was covering all areas and being applied consistently and subject to proportionality.
3. The current governance arrangements are set out in the WLGA Constitution. At a meeting of the Management Sub Committee in October 2023, members supported a review and updating of the Constitution to address an issue that had been raised by Welsh Government about the status of the Association, as an unincorporated body, and our ability to enter contracts and be a data controller. This work has not yet progressed as we are awaiting a meeting with Welsh Government to better understand their concerns however, this also offers an opportunity to make any changes to the governance arrangements and address the issues raised by leaders during the internal review, should they wish to do so.
4. It is proposed that a review and updating of the governance arrangements offers the opportunity to revise how the WLGA operates and its decision-making mechanisms to ensure it remains fit for purpose and has the correct powers to undertake and delivers the work required by the Association.

Governance arrangements in sister bodies

5. In reviewing the WLGA's current governance arrangements, provisions in the Local Government Association (LGA) and the Convention of Scottish Local Authorities (COSLA) were also reviewed to identify any useful practice that members may wish to consider.
6. The LGA is a company limited by guarantee so has a different legal status from the WLGA. It has a Governance Framework which should also be read in conjunction with the Articles of Association for the company. Their arrangements include the following provisions:
 - A General Assembly made up of all the Association's members and meets annually
 - The LGA Board is the Board of Directors of the Association and sets the strategic direction of the LGA in conjunction with the Executive Advisory Board and undertakes the role of a Board of a company;
 - The Executive Advisory Board contributes to the development of LGA policy and supports the LGA Board to set the strategic direction and holds the policy boards and fire committee to account;
 - The LGA also has 9 Policy Boards with the purpose of developing, steering and overseeing all policy activity in line with the LGA priorities (e.g. Children and Young People; Safer and Stronger Communities; Resources; People and Places) and determine their own Terms of Reference and work programmes;
 - A Fire Commission/Fire Services Management Committee which provides a forum for fire and rescue associate members to discuss matters of common interest and concern and take the lead on day-to-day issues affecting fire authorities;
 - An Audit Committee monitors the financial statements and its associated companies and oversees internal control and risk management systems and considers issues of probity and conduct;
 - A Councillors Forum with a core membership of 100 members but open to all members to attend and offers a programme of topical external/internal speakers and discussions receive reports from Policy Boards and LGA Chair; and
 - The LGA uses Lead Members of Policy Boards (Chair, Vice Chair and Deputy Chair)
7. The LGA also includes in its governance framework: Company Boards (e.g. IDeA and LGA (Properties) Ltd); a Commercial Advisory Board; Task and Finish Groups; and Associate schemes. It also includes detailed Standing Orders for how meetings are run and political conventions to be followed.
8. Like the WLGA, COSLA is an unincorporated association and went through a similar process recently when they updated their Constitution in 2021. Their governance arrangements include:
 - The Convention determines the delegated powers, size and political composition of the governance structures and agree responsibilities of the President and Vice President and Spokespeople. It may also delegate functions to others.
 - A Leaders Meeting to direct activities and business, in accordance with strategic priorities and direction set by the Convention.
 - Spokespersons are appointed, with the number, powers and functions of Spokespersons as agreed by the Convention with their role including communication with Ministers and Parliaments.
 - The Convention may establish Boards and determine their functions, with their role to develop policy within their remit. COSLA current has Community Wellbeing Board; Health and Social Care Board; Children and Young People Board; Environment and Economy

- A Leadership Sounding Board/Staffing Committee acts as a forum for identifying and discussing priority issues for local government and to develop and strengthen working relationships within COSLA and has a role relating to Special Interest Groups. It also acts as the Staffing Committee and is responsible for staffing matters not delegated to officers.
- The Constitution also references Political Group Leaders with specified functions, for example, to make decisions on issues where a government, for reasons of confidentiality, seeks discussion with Group Leader and decision from them and dealing with urgent matters.
- COSLA also has the power to establish Special Interest Groups (determined by the Leadership Sounding Board) with a function to support the development or implementation of those policy areas or priorities within its remit.

9. Like the WLGA, COSLA hosts several national teams including a host Business Gateway National Unit, Digital Office, and Trading Standards Scotland. It also acts as the Employers Organisation.

Current WLGA governance arrangements

10. The current WLGA governance arrangements are set out in the Constitution:

- The Council is the sovereign body of the Association and deals with the appointment of Office Holders, constitutional business matters. It also has a deliberative role which can be used in the furtherance of Association policy.
- The Executive Board is the main policy and deliberative forum and seeks to deal with issues at an all Wales level, reporting to the Council and receiving reports from other forums.
- The Council can establish a sub-committee of the Executive Board named the Management Sub Committee. This sub-committee considers reports from the Chief Executive on the management of the Association. It also has a deliberative role which can be used in the furtherance of policy. It has the power to decide urgent matters, including those of financial, legal, or contractual nature.
- The Constitution references the appointment of Spokespersons and Deputy Spokespersons appointed as required to promote the policies of the Association in specified policy areas, undertake Ministerial bi-laterals, chair meetings of cabinet members.
- The Council shall establish an Audit Committee with overall responsibility for monitoring the integrity of the financial statements of the Association and for overseeing internal control and risk systems.
- The Council may establish as necessary Advisory Groups, Committees and Panels with relevant powers and terms of reference. Meetings of local authority cabinet members, chaired by an Association Spokesperson, may also be designated as an Advisory Group, Committee or Panel.
- Member councils may form regional groups within the Association for purposes that they may determine; regional groups shall decide on all matters which are of sole concern to the region itself.
- The Association may choose to invite as Associate Members National Park Authorities, Fire and Rescue Authorities, and other local government bodies in Wales.

11. While not currently part of the formal governance arrangements, the WLGA also facilitate several other fora including:

- A WLGA Rural Forum which lobbies for and provides an opportunity to promote a greater focus on rural issues in the Senedd and Welsh Government
- A WLGA Fire and Rescue Panel which enables discussion with Associate Members on fire and rescue matters.
- Cabinet Members networks, chaired by Spokespersons and covering a wide range of policy areas.

Proposed amendments to Constitution relating to governance arrangements

12. Many of the reflections shared by leaders on how governance and decision-making take place within the Association do not require constitutional changes but can be managed and addressed through better agenda management and coordination of meetings. Officers will take this forward and use this feedback to help inform future preparation of meetings, also ensuring the sharing of relevant papers to WLGA meetings as appropriate.
13. While there are some similarities in the governance arrangements of the LGA, COSLA and WLGA, there are also some differences - are there any reflections on the arrangements in the other bodies to inform or improve how the WLGA operates? For example:
 - Is there a need for a clearer split between organisational management and oversight and policy discussions between the different WLGA meetings or are current processes sufficient (noting however there is no proposal at this time that the status of the organisation should be changed)?
 - Both LGA and COSLA have established specific policy Boards to oversee specific policy issues and priorities – is this something WLGA would wish to replicate and include reference to this power in the Constitution? Both also have Special Interest Groups to support the development or implementation of policy areas and priorities within it remit - would the WLGA Rural Forum fall within this category? Or is the power to establish Advisory Groups, Committees and Panels sufficient for this purpose?
 - Is there a need to formalise a decision-making role by Group Leaders, should it be needed (such as urgent issue), as reflected in COSLA's Constitution?
 - Both LGA and COSLA host other bodies that have specific roles but are also recognised within their wider governance arrangements (some have political oversight while for others it is not clear), are there other teams or organisations that WLGA host where members would wish to ensure there is political oversight or should be reported as part of the governance arrangements, e.g. the WLGA established company hosting the Joint Inspection Team or the Digital Leadership Board?
14. In addressing other issues highlighted by leaders, and based on good practice in sister bodies, it is proposed that the following actions may be useful, subject to members views:
 - Clarify of delegated decision-making through an agreed scheme of delegation, including to Spokespersons (and where appropriate officers)
 - The development of a governance framework to support and work in tandem with the Constitution and including political conventions.
15. Based on members views (and to address a previous issue as agreed by Management Sub Committee last year), it is proposed that a review of the Constitution will be undertaken and any revisions will be presented to the next Executive Board for discussion, with a view to a revised Constitution being considered by Council at the WLGA AGM in June.
16. In relation to the role and structure of Spokespeople, a different more team-based approach was agreed at the last AGM last year, with the aim of sharing the load and adding resilience. It is proposed to undertake a short review of how this new approach has worked in practice. With a new Welsh Government Cabinet, it would also be worth comparing our Spokesperson's roles in light of these amended portfolios and assessing whether any changes would be beneficial.

Recommendations

17. Members are invited to:

- 17.1 To note and comment on the contents of this report;**
- 17.2 Consider and comment on specific issues raised in paragraph 13 and the proposals included in paragraph 14;**
- 17.3 Task officers to review and propose amendments to the Constitution that may be necessary; and**
- 17.4 Support a review of Spokespeople, including a comparison to the new Welsh Government portfolios and receive a further report, including any proposed changes.**

Report cleared by Cllr Andrew Morgan, WLGA Leader

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