

**BRIDGEND COUNTY BOROUGH COUNCIL**  
**REPORT TO GOVERNANCE AND AUDIT COMMITTEE**  
**22 APRIL 2021**

**REPORT OF THE CHIEF EXECUTIVE**  
**LOCAL GOVERNMENT AND ELECTIONS (WALES) ACT 2021**

**1. Purpose of report**

- 1.1 To provide the Committee with an update regarding the Local Government and Elections (Wales) Act 2021 and proposed amendments to the Terms of Reference of the Committee.

**2. Connection to corporate well-being objectives / other corporate priorities**

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-
1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
  2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

**3. Background**

- 3.1 The Act was passed by the Senedd on 18 November 2020 and received Royal Assent on 20 January 2021. It is a substantial piece of legislation covering electoral reform, public participation, governance and performance and regional working.
- 3.2 The new approach as set out in the Act is designed to be a more streamlined, flexible, sector-led approach to performance, good governance and improvement. The intention is for Councils to be proactive in considering how internal processes and procedures should change to enable more effective planning, delivery and decision making to drive better outcomes.
- 3.3 In summary the Act introduces:

Reforming Electoral Arrangements for local government

- Extending the voting franchise to 16 and 17 year olds and foreign citizens legally resident in Wales;
- Enabling councils to choose between 'first past the post' or the 'single transferable vote' voting systems;

- Change of electoral cycle for principal councils from four years to five years;
- Allowing non-politically restricted council staff to stand for election in their own authority (but who should resign if elected);
- Removal of Returning Officers' Fees or local elections.

#### General Power of Competence

- There was wide spread support for a general power of competence. This is now included in the Act.

#### Reforming public participation in local government

- Duty to encourage local people to participate in local government (and to produce a strategy to that effect);
- Duty to make a petition scheme (and repeal of community polls);
- Duty to broadcast certain council meetings;
- Flexibility around remote attendance of Members.

#### Reforms around democratic governance and leadership

- Appointment of Chief Executives (rather than Head of Paid Service) with specific duties;
- Appointment of assistants to Cabinets and allowing job-sharing Leaders or Cabinet Members;
- Updating family absence provisions in line with those available to employees;
- Requiring Leaders of political groups to promote and maintain high standards of conduct by Members of their groups.

#### Reform of the performance and governance regime

- Repeal of the 2009 Measure duties, replacing audit and reporting duties with self-assessment and panel assessment (peer review);
- Reforms to Audit Committees.

#### Collaborative Working

- Powers for councils to initiate the establishment of Corporate Joint Committees (CJCs) covering any functions
- Powers for Ministers to establish CJCs covering the four functions of economic wellbeing, transport, strategic planning and school improvement.

#### Voluntary Mergers of principal councils

- Compulsory mergers are no longer Government policy;
- Powers to facilitate voluntary mergers of principal councils and restructuring a principal area.

#### **4. Current situation/proposal**

4.1 The Act introduces previously consulted upon reforms to change Audit Committees including:

- For May 2021, the renaming of the Committee to Governance and Audit Committee;
- From May 2022, prescribed changes to membership and Chair – a third of members to be Lay Members and the Chair to also be a Lay Member;
- Replacing audit and reporting duties with duties with regard to self-assessment and panel assessment (Peer review), including duties to:
  - consider both the draft and final versions of the Council's self-assessment report;
  - at least once during the period between two consecutive ordinary elections, to consider the Independent Panel Performance Assessment report;
  - to review the Council's response to the Independent Panel Performance Assessment report;
- A duty to review and assess the Council's ability to handle complaints.

4.2 It is proposed that the Terms of Reference of the Committee within Part 3 of the Council's Constitution be amended to include the following functions:

- To review and assess the Council's ability to handle complaints effectively;
- To make reports and recommendations in relation to the Council's ability to handle complaints effectively;
- To review the Council's draft self-assessment report on its performance and, if deemed necessary, make recommendations for changes to the conclusions;
- To receive the Council's self-assessment report in respect of a financial year as soon as reasonably practicable after the end of that financial year;
- At least once during the period between two consecutive ordinary elections of councillors to the Council, consider the panel performance assessment report into which the Council is meeting its performance requirements;
- To receive and review the Council's draft response to the report of the panel performance assessment and, if deemed necessary, make recommendations for changes to the statements made in the draft response;
- To consider the assurance framework, including partnerships and collaboration arrangements;
- To support the ethical framework of the Council.

4.3 In addition, as reported at the Governance & Audit Committee on 28 January 2021 as part of the Committee Self-Assessment report prepared by Internal Audit it was identified that the purpose of the Committee needed to be updated to reflect responsibilities around governance and the new legislation. Therefore, it is proposed that the following replaces the current purpose of the Governance and Audit Committee in Part 2 Articles of the Constitution:

To provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting, governance processes, performance assessment and complaints arrangements.

## **5. Effect upon policy framework and procedure rules**

- 5.1 Under Part 3 of the Constitution, 'Responsibility of Functions', the Terms of Reference of the Governance and Audit Committee will require amendment.

## **6. Equality Impact Assessment**

- 6.1 There are no equality implications arising from this report.

## **7. Wellbeing of Future Generations (Wales) Act 2015 implications**

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. As the report is for information only it is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report. Elements of the Act will however have a positive impact on the five ways of working.

## **8. Financial implications**

- 8.1 There are no financial implications directly applicable to this report but individual elements of the Act will have future cost implications.
- 8.2 Welsh Government has committed to providing support and funding for some aspects of the Act's implementation, including £500,000 to support digital democracy and potential set-up costs to support CJsCs.
- 8.3 Improvement support will also be provided to councils through the WLGA, for example in supporting new councillor duties, public participation duties, statutory self-assessments and panel assessments.

## **9. Recommendations**

It is recommended that the Committee:

- 9.1 Notes the report and the prescribed reforms to the current Committee;
- 9.2 Notes the proposed amendments to the Terms of Reference and purpose of the Committee to be presented to Council for approval.

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**Background documents:** None