

Report To: Council

Date of Meeting: 10 September 2013

Lead Member / Officer: Councillor Hugh Evans
Leader of the Council

Report Author: Mohammed Mehmet
Chief Executive

Title: Commission on Public Service Governance and Delivery

1. What is the report about?

The report sets out the background to the Commission on Public Service Governance and Delivery ('The Commission') and presents a draft response to the Commission's call for evidence.

2. What is the reason for making this report?

The council has been requested to provide evidence to the Commission on six key areas of focus: Performance; Scale and Capacity; Complexity; Governance, Delivery and Scrutiny; Culture and Leadership; and Welsh Government and National Assembly for Wales.

The Chief Executive has prepared a draft response under each of these headings. The draft is attached as Appendix 1 and a decision is required on whether to submit the draft, appropriately amended by members, as the council's formal response to the call for evidence.

3. What are the Recommendations?

- (i) To consider and, if appropriate, amend the draft response to the Commission's call for evidence;
- (ii) To submit the proposed response (Appendix 1), as amended at the council meeting, to the Commission as Denbighshire County Council's evidence.

4. Report details

4.1 The Commission was established by the First Minister in April 2013, under the chairmanship of Sir Paul Williams. The Commission has a broad remit and has been tasked by the First Minister to report by December 2013.

4.2 The aim of the Commission is to 'look hard, honestly and objectively at how public services are governed and delivered in Wales and how they may improve.' The following extract from the First Minister's statement captures the rationale for the Commission:

'It is painfully obvious that public service organisations face severe, long-term and increasing challenges in discharging those obligations. We know that the resources available to provide public services are limited at best, and that there is little prospect of any real-terms growth in the foreseeable future. We know that demand for public services continues to increase, both because of the global financial position and because of rising expectations and social and demographic changes. We know that there are endemic shortages of managerial and professional expertise in parts of the public sector. We know that some public sector organisations are struggling to meet the challenges that all of this presents, and we know that this is not sustainable or acceptable in the longer term.

No responsible Government can allow this to continue. So, we need to look hard, honestly and objectively at the way services are delivered now, and how we might improve those services. The commission on public service governance and delivery will do just that. I have published the commission's detailed remit today. The remit tasks it with providing an objective and authoritative assessment of our current arrangements for public service delivery, and their capacity to meet current and future challenges; developing and proposing an optimal model of public service governance and delivery for Wales in light of that assessment; and engaging widely, including with those who use public services and with the workforce that provides and manages them.'

4.3. In June 2013 Sir Paul Williams wrote to public sector organisations to encourage engagement with the Commission's work by responding to its call for evidence. The call for evidence consists of six main themes. These are:

- Performance
- Scale and Capability
- Complexity
- Governance, Delivery and Scrutiny
- Culture and Leadership
- Welsh Government and National Assembly for Wales

A template, designed around these themes was circulated. Under each of these themes there are 4-6 high level questions which are also split into a number of detailed issues and questions.

The original deadline for responses was the end of August 2013 but this has since been extended to the end of September 2013.

4.4 The CEO has established a small working group of officers across the council to develop the council's response. Over a period of a month a detailed response has been prepared, commenting on each of the six areas. This is attached as Appendix 1.

4.5 An early draft of this document was circulated to group leaders for comments. It was also presented to the officers' Senior Leadership Team for challenge and further comment.

- 4.6 In addition to the draft response, the CEO has submitted a paper: 'Leadership in Denbighshire County Council' representing his own views of how leadership and performance has improved in Denbighshire and offering this as evidence to the Commission. This is attached, for information, as Appendix 2.
- 4.7 Members are requested to comment, amend and agree to submit the document attached as Appendix 1 as Denbighshire County Council's formal response to the call for evidence.
- 4.8 As far as local government is concerned, the Commission is considering whether the current organisational arrangements should be changed. Specifically, the Commission has apparently reached the conclusion that the current 22 unitary councils are unsustainable. This conclusion appears to flow from the First Minister's statement above that the cost and performance of local government must improve and that the status quo is incapable of delivering these improvements.
- 4.9 Members may wish to consider whether to engage with this question and provide a considered opinion from Denbighshire County Council which may be included within the final version of the council's response. Under the 'Scale and Capability' section of the proposed response (Appendix 1) there is acknowledgement that larger and fewer councils *should* deliver better value for money. However, the document does not directly answer the question: how many unitary councils should there be? There is no objective way of deriving at the correct answer: it is a matter of political judgement. The most credible options appear to be the following:

Option 1: 22 is about right, we are not in favour of changing this number

Option 2: two councils should replace the six in North Wales

Option 3: we believe that fewer councils would be better but we don't have a number in mind

Option 4: we believe the number of councils in North Wales can be reduced to three and a number of smaller councils in South Wales could merge too

Option 5: we don't have an opinion.

5. How does the decision contribute to the Corporate Priorities?

Decisions sought in this report do not impact on the council's corporate priorities.

6. What will it cost and how will it affect other services?

There are no cost implications of this report.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

There are no equality implications of this report.

8. What consultations have been carried out with Scrutiny and others?

The draft response has been prepared by the Chief Executive, supported by a group of officers across the council. The group included:

Ivan Butler, Head of Internal Audit
Jenny Elliot, Quality & Performance Manager
Bethan Jones-Edwards, Regional Collaboration Officer
Paul Mcgrady, Head of Finance & Assets
Vicky Poole, Commissioning Hub Manager
Steve Price, Democratic Services Manager
Alan Smith, Head of Business Planning and Performance
Tony Ward, Corporate Improvement Team Manager
Eleri Williams, Business & Performance Manager

Managers were requested to ensure that members of this group had access to advice and support from any officer within the council.

An earlier version of the draft response was presented to the officers' Senior Leadership Team at a special management meeting. The CEO also presented the issues covered in the response to a middle managers' conference.

The same earlier version was also sent to leaders of the political groups for comment.

9. Chief Finance Officer Statement

While the report itself has no financial implications, the result of the commission's work could have a significant effect on the future of the Council.

10. What risks are there and is there anything we can do to reduce them?

The risks involved in presenting a response to the call for evidence are mainly reputational. A good response to this crucially important work could help to influence the future shape of public services in Wales.

11. Power to make the Decision

There is no legal requirement on the council to respond to the call for evidence from the Commission. However, given the potential implications of the outcome of this work, both on Denbighshire County Council and on the wider public sector, the decision on whether to respond and also the content of that response should be decided by full council.