

Report to	Governance and Audit Committee
Date of meeting	Wednesday, September 20, 2023
Lead Member / Officer	Cllr Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets
Head of Service	Helen Vaughan-Evans, Head of Corporate Support Service: Performance, Digital and Assets
Report author	Iolo McGregor, Strategic Planning and Performance Team Leader
Title	Panel Performance Assessment (PPA) Arrangements

1. What is the report about?

- 1.1. The report is to advise the Governance and Audit Committee on statutory requirements for the holding of Panel Performance Assessments within a County Council's term, and to recommend that appropriate changes are made to the Constitution with regards to those arrangements.

2. What is the reason for making this report?

- 2.1. To seek a recommendation to County Council from the Governance and Audit Committee on necessary changes to the Constitution, accommodating new arrangements for the Panel Performance Assessment required under the Local Government and Elections (Wales) Act 2021.

3. What are the Recommendations?

- 3.1. That the Governance and Audit Committee consider the proposal outlined in paragraph 4.6 of this report, and;

3.2. Pending any suggested amendments arising from the discussion, recommend a change to the constitution for County Council approval on November 14.

4. Report details

4.1. The Local Government and Elections (Wales) Act 2021 requires that principal councils must make arrangements so that, at least once during the period between two consecutive ordinary elections (May 2022 and anticipated May 2027) of councillors to the County Council, a panel appointed by the council assesses the extent to which it is meeting its performance requirements.

4.2. A panel must consult the following about the extent to which the council is meeting its performance requirements;

- i. local people;
- ii. other persons carrying on a business in the council's area;
- iii. the staff of the council, and;
- iv. every trade union which is recognised (within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52)) by the council.

4.3. Following a Panel Performance Assessment, a panel must make a report setting out its conclusions as to the extent to which the council is meeting the performance requirements; and any actions the panel recommends that the council take in order to increase the extent to which it meets the performance requirements.

4.4. Below is an outline of stages for the Panel Performance Assessment process, meeting required functions under the Local Government and Elections (Wales) Act 2021:

Stage 1: Preparation

This stage requires:

- i. The development of a scoping document, considering any challenges that have been highlighted in our Self-Assessment and / or in recent audit, inspection, or regulator reports.
- ii. Responding specifically to [Section 92\(1\)](#), appointment of the Performance Assessment Panel (determined by needs identified in the scoping document).

Stage 2: Assessment

Assessment would comprise of document reviews and a hybrid of remote and onsite working, comprising of various 1:1 interviews, and focus groups. Following the format of historic corporate assessments or audits by external regulators, this may typically take place over 4 days. Informal feedback would be provided at the end before a report is drafted.

Stage 3: Follow-up

This stage requires:

- i. A draft report to be checked for factual inaccuracies.
- ii. Responding to [Section 93\(1\)](#), a response must then be drafted to the report and made available to the Governance and Audit Committee. Governance and Audit may make recommendations for changes, but if those changes are not made, the response must state the reasons why ([Section 93\(5\)](#)). The final response must be shared with the Panel.
- iii. As soon as reasonably practicable after finalising the response, it (and the report) must be published and shared with Audit Wales, ESTYN, CIW, and Welsh Ministers.

4.5. Determining the arrangements for the Panel Peer Assessments is a matter for local choice, requiring approval by either the County Council or the Executive, as determined by Council ([Section 108](#)). This flexibility, however, brings with it ambiguity that requires a change to the constitution so that we are clear where responsibility lies.

4.6. For consistency with how County Council deals with other similar matters – such as decisions on the budget, planning policy, or performance matters, for example – it is proposed that responsibility for making detailed arrangements for the Peer Assessment sits with the Executive (i.e. Cabinet). However, in preparing the scoping document for any assessment, input must be sought from the Governance and Audit Committee; and in addition to seeking Governance and Audit’s feedback to the management response to the assessment report, the outcome(s) of the assessment must be shared at a meeting of County Council.

- 4.7. This is felt to be the most reasonable approach given that there would likely be numerous reports requiring timely decisions at different times throughout the process of appointing and scoping the work of the panel, as well as agreeing the response. This approach also maintains Elected Member input to the process whilst holding Cabinet to account for the outcome.
- 4.8. If the Governance and Audit Committee are in agreement, the outline provided in paragraph 4.6 above will be used as the basis for drafting wording for inclusion in the Council's Constitution. This will be articulated in a paper by the Monitoring Officer on broader constitutional updates, which will be presented to the committee in the autumn, prior to County Council approval in November.
- 4.9. These arrangements have been discussed with the Corporate Executive Team and Cabinet, who are supportive in principle of subscribing to the WLGA's Panel Performance Assessment model (see appendix 1), and opting for a mid-term Panel Performance Assessment in financial year 2024 to 25. The WLGA's offer is favoured at present because, should the council coordinate its own appointment of a panel to meet the minimum expectations of the [statutory guidance](#) (pgs. 28-29), as well as coordinate the assessment itself, there is a risk that panellists may lack the required expertise or experience that the assessment would require. We would also face significant resource pressure, not only in terms of staff capacity, but also financial costs (specifically the payment of expenses to 4-6 panellists).

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

- 5.1. The Panel Performance Assessment will test the effectiveness and efficiency of the council's functions, likely having a particular focus on our performance objectives under the Corporate Plan. This work will particularly support the Corporate Plan's ninth theme around being a Well-run, High Performing Council.

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

- 6.1. There are no costs associated with the decision being sought in this report – i.e. a change to the constitution. However, it must be noted that for 2022 to 2023, the estimated costs for a Panel Peer Assessment are between £22k and £24k. These

costs are subject to annual pay and inflationary pressures, so are under the present environment likely to be a little higher by 2024.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. No assessment is required for this report.

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

8.1. The report has been discussed with CET and Cabinet Briefing prior to being presented to the Governance and Audit Committee. The next step will be to present formal recommendations to Council in November.

9. Chief Finance Officer Statement

9.1. It is disappointing that additional costs are being incurred during a period of huge financial pressures for councils across Wales. However, the proposal is supported. It is important that a review of existing resources including reserves is undertaken to limit the financial impact. Finance will work with the service to do this.

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

10.1. There are no significant risks associated with the recommendations in this report.

11. Power to make the decision

11.1. Local Government and Elections (Wales) Act 2021, [Part 6, Performance And Governance Of Principal Councils And Corporate Joint Committees](#) (Sections 92, 93, 94 and 108).