1. The WLGA welcomes the opportunity to contribute to the review on the future role of community and town councils. The review is as timely as it is important; the future role of community and town councils was a significant omission from the Welsh Government’s local government reform proposals between 2014-16.

2. The review will feed into the Welsh Government’s evidence base to inform any future local government reform programme; the current Green Paper which proposes mergers of local authorities notes:

   ‘In turn, larger, empowered, local authorities will empower communities and town and community councils to be bold and ambitious.’

3. Although the WLGA is not supportive of the Green Paper’s proposed merger programme, it recognises that one part of local government cannot be the subject of reform without considering the wider implications of community governance and local democracy and representation at all levels.

Relations between community and town councils and local authorities in Wales

4. The community and town council sector in Wales is broad; there are 735 councils and over 8,000 community and town councillors. Some councils cover very small communities, others represent large towns; some have very small budgets and raise small precepts, others have budgets of many millions of pounds; some councils focus on providing a community voice, whereas others have ambitious visions and deliver a range of community services.

5. Not every community in Wales is served by a community and town council in Wales and they vary widely in terms of scale, serving populations ranging from a couple of hundred people to over 45,000 people. Collectively, community and town councils serve approximately 70% of Wales’ population and 96% of the country’s geography; as a result, the number of councils in each local authority area varies significantly, from one town council in Merthyr Tydfil to 110 in Powys.

6. Local authorities’ relationships with community and town councils are therefore inevitably varied and are further shaped by community and town councils’ ambitions and capacity as well as community dynamics and local political relationships.
7. A large proportion of county and county borough councillors are ‘twin-hatted’, serving both on the unitary authority and as a councillor (or in some cases a clerk) in a community or town council. In some authorities, for example, Bridgend, Caerphilly, Carmarthenshire, Flintshire, Wrexham and the Vale of Glamorgan, the majority of county and county borough councillors are ‘twin-hatted’. Nine leaders are also currently serving community or town councillors.

8. Councillors’ and local authorities’ relationships with community and town councils vary extensively in terms of formality, many have partnership agreements or ‘charters’, are in regular dialogue (often through community and town council forums) and a number are discussing and/or delegating a range of community services or transferring community assets to local councils.

9. Whilst many authorities report constructive and positive relationships with their local community and town councils, discussions at regional consultation events highlighted some concerns and frustrations about the contribution and role of some community and town councils and councillors.

10. At a national level, the WLGA works closely with One Voice Wales, the representative body for community and town councils; both organisations have a shared interest in promoting local democracy and good governance and provide a range of advice and support, in particular to elected members.

11. The WLGA has a long track record of working with One Voice Wales, particularly through the National Training Advisory Group which shares information and learning materials developed for the Unitary sector such as candidates and new councillors’ guides, training modules and guidance. The WLGA and OVW also collaborated on the development of learning materials suitable for both tiers of government such as the production of a CD training video from the Public Services Ombudsman for Wales.

12. The WLGA has also supported the sector’s annual awards scheme and the WLGA Leader addressed the annual awards event in April. Good practice case studies, including partnership arrangements between local authorities and community councils, service devolution and asset transfers, for example, are included on the Good Practice Wales portal.

13. The WLGA and One Voice Wales are also jointly involved in the development of Community Asset Transfer “How To” toolkit which will support potential providers including community and town councils and the third sectors.

14. The following WLGA response therefore seeks to provide an overarching local government view on common balancing some of the constructive commentary and good practice as well proposals for improvements. It has been informed by informal feedback from authorities, officer group discussions, regional

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1http://www.goodpractice.wales/SearchResults.aspx?f=897e3bef-5f0d-4a0c-a2a6-41cdce1c3501&q=community+and+town+councils
consultation events with members and officers and local authorities’ formal submissions to the Panel.

**What should Community and Town Councils be responsible for?**

15. Community and town councils’ functions and roles could be summarised into three key roles which encapsulates the breadth of activity community and town councils undertake:

   a. Community Representation or community voice – they are well-placed to provide a voice for their communities, although they do this alongside county councillors and other representative groups.

   b. Place Shaping, engaging the community and providing a catalyst for community development – councils and councillors play a key role in bringing community groups and partners together, to shape the community, articulate ambition and develop a vision for the community

   c. Delivery of community services and or management of community assets – councils’ ambition and capacity varies enormously, but many are increasingly exploring approaches to maintain or enhance a range of community services.

16. Councils however vary the emphasis of their roles, investing more time and resources into a particular role depending on local circumstances or capacity.

17. Communities are of course served and supported by a range of individuals and organisations, in addition to the core role of county and borough councillors, local authorities and community and town councillors and councils. Community groups and the third sector also play a prominent role in Wales’ communities and provide an ‘alternative’ to community and town councils in those communities where councils do not exist. They often work closely with local authorities and community and town councils in community ‘engagement as well as the management of community assets and delivery of community services.

**What are the barriers to the success of community and town councils? What might enable them to achieve their aims?**

18. The main barrier for many community and town councils is that of capacity. Councillors are part-time and are typically served by part-time clerks who are often expected to meet a range of statutory obligations and meet standards of good governance. Many councils employ few staff, other than clerks, therefore the ability to adopt or manage new initiatives or services can be restricted. Many councils do not have the human resource, legal or procurement expertise or capacity to expand their core service provision or take on the management of new community assets.
19. The One Voice Wales response to the Panel\textsuperscript{2} provides a candid assessment of some of the barriers, which include financial, legislative and structural barriers or challenges, as well as cultural barriers within the sector; a lack of ambition, clarity or understanding of roles.

20. The question considers barriers to achieving councils’ own aims; some of these barriers can be managed by councils themselves, such as training and development of clerks and councillors, effective engagement with communities or more efficient investment or use of resources including reserves or precepts.

21. The Wales Audit Office reports\textsuperscript{3} that community and town councils’ reserves totalled over £41.5 million as of 31\textsuperscript{st} Mach 2017 (which have increased by over £10 million or 33% since 31 March 2014) and local councils managed long-term assets worth over £215 million.

22. Furthermore, the Auditor General notes that:

‘...each year since 2014-15, local councils in Wales have raised more money than they have spent. This has led to an overall increase in reserves in 2016-17 of over £2.4 million, an increase of 6% compared with 2015-16...in times of austerity, it is important that councils do not add unnecessarily to the burden placed on council-tax payers, by raising more income through council tax than is necessary to deliver council services and administer their affairs. The above statistics suggest that some local councils need to give very careful consideration as to whether they need to hold the level of reserves they currently have, and whether some of the balances held should be used to finance current expenditure, enabling a lower precept to be set.’

23. Stakeholder or partner expectations of community and town councils’ aims or capacity to deliver may not always be shared by and may exceed the community and town council and expectations. Community and town councils vary in their scale, their capacity and their ambitions; some are content to focus their efforts on community representation or engagement, but do not wish to seek devolution of services or transfer of assets. Such decisions are a matter for local discretion and councils will assess their capacity and capability and shape their aims and ambitions accordingly. The public or partners may however have greater expectations that community and town councils could or should be playing a more prominent role, for example in the devolution of services or transfer of community assets.

24. One Voice Wales notes that the ‘speed and scale of change [is] daunting – management of change and its associated process will be difficult to manage especially when never done before by sector...some will fear change and either

\textsuperscript{2} http://www.onevoicewales.org.uk/OWVWeb/UserFiles/Files/Front%20Page/ONE%20VOICE%20WALES%20C%20and%20TC%20REVIEW%20RESPONSE.pdf
ignore or resist it...[there is] a lack of preparedness by community and town councils for asset and service devolution’.

Do the current governance arrangements for community and town councils work? How might they be improved?

25. The community and town council sector is subject to a range of good governance expectations and frameworks, much of which is set out in statute.

26. The Wales Audit Office has produced a series of reports on the financial management and governance of community and town councils. The latest report published in January 2018\(^4\) noted some improvements but concluded:

“While progress has been made during 2016-17, there remains scope for local councils to develop and improve their governance and management of increasing sums of public money.” Furthermore, the Report notes:

“There continues to be scope for local councils in Wales to improve the timeliness with which they publish their audited annual accounts, and the quality of the annual returns submitted for audit:

- Over 80 councils failed to comply with the statutory timetable for publishing the audited accounting statements.
- Councils frequently submit annual returns that are incomplete or contain simple errors.
- Local councils in Wales continue to receive avoidable qualified audit opinions but councils are taking steps to address some of the more common issue.
- Over 170 individual councils received a qualified audit opinion for 2016-17.

A significant number of local councils demonstrate a lack of understanding of the governance framework within which they operate and do not comply with their statutory responsibilities:

- 65 councils are unable to demonstrate they have adopted a Code of Conduct for Members and/or that members have agreed to abide by the Code.
- 99 councils are unable to provide evidence that they maintain and publish a register of interests as required by the Local Government Act 2000.
- Although there has been a significant increase in the numbers of councils with websites, 108 councils do not have adequate

\(^4\) Ibid
arrangements in place to comply with the requirements of the Local Government (Democracy) (Wales) Act 2013.

Over 50 local councils do not have adequate arrangements in place to manage taxation of officers’ pay…”

27. Other than the Wellbeing of Future Generations Act which applies only to larger councils, many of the statutory expectations and obligations apply equally to all councillors or councils, irrespective of their capacity and activities.

28. Given the variation in budgets, capacity and scale it may be appropriate that the Panel consider whether the regulatory framework and all powers or duties remain appropriate, proportionate and equally applicable to all councils, irrespective of their budgets and scale.

29. Whilst there may be some scope for proportionality, as public bodies, with tax-raising powers and statutory duties and functions, it is entirely appropriate however that community and town councils should be expected to meet the highest standards of good governance, financial management and transparency.

How should Community and Town Councils ensure they best represent their local community?

30. ‘Community representation’ is the core role of a community and town council, and councillors are elected or are co-opted from the community.

31. Although One Voice Wales describes the sector as ‘...the most local part of our democracy’ discussions during regional consultative workshops described some concern about the democratic ‘credibility and legitimacy’ of some community and town councils, given a large majority of councillors are either elected unopposed or are co-opted. The Welsh Government has published a summary of the 2017 election (see Annex 1):

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<tr>
<td>Contested</td>
<td>19</td>
<td>1531</td>
</tr>
<tr>
<td>Uncontested</td>
<td>64</td>
<td>5075</td>
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<tr>
<td>Vacant at the election (co-opted at a later date)</td>
<td>17</td>
<td>1348</td>
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32. Although some community and town councils see healthy democratic contests, the above figures are alarming and raise significant questions about the democratic mandate of many community and town councils.

33. Furthermore, some workshop participants expressed concern about the level of transparency of co-option processes and recommended that this should be
strengthened to raise better awareness of vacancies, inform and encourage potential candidates in the community, preferably through an electoral contest.

34. Part of the challenge of attracting candidates is a low general awareness of community and town councils; this is recognised by One Voice Wales and its submission to the Panel puts forward several proposed actions to improve engagement and representation. The WLGA would endorse this approach; it is vital that community and town councils consult, engage and inform their communities and that community and town councillors are visible and accessible to their communities.

35. In the last National Survey of Wales in 2017, only 20% of those surveyed feel they have influence over local decision making and only 28% of people in Wales currently volunteer in their communities. Although these figures apply to all local decision-making (including local authorities, health and other public services), it is salutary evidence that shows that all local bodies need to better engage with and involve their communities in shaping local priorities and the delivery of local services.

36. Improvements are also clearly needed in terms of accessibility of community and town councils, for example 108 councils do not have a website and/or email address, according to the WAO. Again, One Voice Wales is seeking to provide impetuous and support for improvement.

**Is it useful to have “twin hatted” councillors who sit on both the Unitary Authority and the Community and Town council? How might these arrangements be improved?**

37. The WLGA is currently compiling details of the number of ‘twin-hatted’ councillors across the 22 local authorities and hopes to provide a complete picture to the Review team when complete; out of the twelve authorities who have so far responded, 403 out of 748 councillors or 54% are ‘twin-hatted’ and 2 councillors serve as community council clerks. Furthermore, nine local authority leaders also serve as community or town councillors.

38. These members therefore see a value in serving on both tiers of local government; benefits include the additional capacity, experience and expertise of county and county borough councillors and effective communication channels between the two tiers. Potential for conflicts of interest can be declared and managed where necessary.

39. Some of these benefits could however equally be achieved through county or county borough councillors attending community council meetings or working closely with the councils. A further benefit however, given the clear challenges of attracting sufficient candidates to stand in the 8,000 council seats across Wales, twin-hatted county and county borough councillors provide a significant proportion of the candidates who stand.
What relationship do you have with Community and Town Councils in your area, and how is (or could) this relationship be best managed?

40. The WLGA does not have a direct role with community and town councils, but works closely with One Voice Wales as the national representative body of community and town councils.

41. As noted above, local authorities’ relationships with community and town councils vary significantly, some have effective relationships based on regular, informal interaction whereas others are underpinned by formal agreements or charters, SLAs and meet regularly through joint liaison forums. The WLGA and One Voice Wales encourage the development of charters to provide clarity between both partners local about expectations of engagement and partnership as well as encouraging mutual understanding of respective roles and aspirations.

42. Similarly, although dialogue and engagement is likely to be frequent throughout a year, depending on local activities, county-wide joint liaison meetings or forums can help ensure that both tiers meet to discuss matters of mutual concern or interest.

What role do you envisage for Community and Town Councils in your area in terms of delivery of services or management of assets, in communities? Do community councils need to be a certain size to have the capacity and capability to play this role?

43. Service delivery and the management of assets is a matter for local discretion and local negotiation.

44. During the recent years of austerity, local authorities’ ability to continue to deliver some local community or environmental services or manage some community facilities or assets has reduced. As the below graph below shows, since the onset of austerity and falling budgets, local authorities have had to prioritise investment in statutory services which has had a significant impact on other service areas, many of which are either very local, community services and/or are of value to community and town councils.
45. It is inevitable therefore that there has been an increasing focus in recent years on service delegation and asset transfer, either via community and town councils or through the third sector.

46. It is clear from evidence that the delegation of services is the most important issue facing community and town councils currently. As noted earlier, some councils are clear and confident about their ambitions and capacity to deliver and/or take on additional services, others however may be reluctant to take on additional responsibilities. Such decisions are a matter for local determination, however, the expectations of the community or the local authority may place increasingly place pressure on smaller councils.

47. As noted earlier, community and town councils have raised more money than they have spent in recent years and their reserves are increasing. It is important therefore given their collective financial resources, as the Auditor General notes, that community and town councils seek to maximise their contribution to local services in future.

48. The development of a framework for service and asset devolution between community and town councils and local authorities may therefore assist councils to consider whether they are best placed to take on the additional responsibilities and liabilities that service delivery or asset management brings. This guidance could also include TUPE implications, procurement, funding options and double-taxation. Double-taxation remains a challenge, particularly in those authority areas where not all communities are served by community councils. Double-taxation occurs where local services (such as maintaining
children’s play areas, public conveniences and footpaths) are ‘concurrent functions’ and could be managed and delivered either by community and town councils and by local authorities and are effectively paid for twice through the precept and council tax.

49. Although there is no optimum size for community and town councils, nor a specific scale required to deliver particular services, capacity is inevitably an issue for some smaller councils who may wish to deliver new services or manage community assets. Several councils have therefore worked together in partnership through groupings or clusters in order to coordinate activity and pool capacity. Although there are some case studies of success already, learning from the Cluster Pilots programme 2017-18 will be valuable for the sector and could inform practice and possible contribute to the development of new guidance materials on grouping, partnerships and federations.