

Explanatory Memorandum to the Local Government (Performance Indicators) (Wales) (Revocation) Order 2016

This Explanatory Memorandum has been prepared by the Local Government Finance Policy Division and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Cabinet Secretary/Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Local Government (Performance Indicators) (Wales) (Revocation) Order 2016 which will revoke the Local Government (Performance Indicators) (Wales) Order 2012.

Mark Drakeford
Cabinet Secretary for Finance and Local Government

2 November 2016

1 Description

- 1.1 This Statutory Instrument revokes the Local Government (Performance Indicators) (Wales) Order 2012 (“the 2012 Order”). Revocation of the 2012 Order will remove the statutory requirement for the preparation of the performance indicators contained in that Order.

2 Matters of special interest to the Constitutional and Legislative Affairs Committee

- 2.1 None.

3 Legislative background

- 3.1 The overall intention of the Local Government (Wales) Measure 2009 (the 2009 Measure) is to create a statutory regime which integrates long term community planning and shorter term local service improvement. Under section 8 of the 2009 Measure, the Welsh Ministers may specify performance indicators and standards by which the performance of Welsh local authorities may be measured. The current set of statutory performance indicators is specified in the 2012 Order. The 2012 Order does not contain any standards. These statutory performance indicators are known as the National Strategic Indicators (NSIs).
- 3.2 This instrument will follow the negative resolution procedure. This means that it will be made and laid before the Assembly but should not be brought into force until at least 21 (calendar) days from the date of laying. However, Standing Orders also specify a 40 (calendar) day period (not including periods when the Assembly is in recess) which also commences from the date of laying whereby the Assembly may resolve that the instrument be annulled. Unless an annulment motion is tabled, there shall be no debate of this instrument in Plenary.
- 3.3 This Order will come into force, and revoke the 2012 Order on 24 November 2016.

4 Purpose & intended effect of the legislation

- 4.1 As part of the Devolved Services Reform Agenda, the then Minister for Public Services made a commitment to review the way in which Welsh Government monitors the performance of local government. The intention was to create a simpler system of performance measures to ensure the focus is on driving improvement through the smart use of evidence.
- 4.2 The 2012 Order sets out the NSIs that measure local authority performance. A review of the existing requirements in the 2012 Order concluded the performance indicators are largely duplicated by, overlap with, or have been superseded by performance data requirements set out in other legislation or performance frameworks.

- 4.3 Following the review, it was identified that revoking the 2012 Order would reduce the burden of compliance and allow local authorities to focus on the job of working more effectively rather than reporting on what they are doing.
- 4.4 The revocation of the 2012 Order will reduce the collection and reporting burdens on local authorities by removing the duty on them to assess their performance by reference to a specified set of statutory indicators. It also enables the performance information to be adapted more readily to changes in the wider duties on local authorities.
- 4.5 Through the 2009 Measure, there will remain a duty on local authorities to publish an assessment of their individual performance by reference to self-imposed performance indicators, and they will continue to be subject to the requirement to assess their performance by reference to their duty to secure continuous improvement in the exercise of their functions and their success in meeting their improvement objectives. Revoking the Order allows local authorities greater flexibility to decide what service areas they consider to be important when setting performance indicators.

5 Consultation

- 5.1 A consultation on the proposal to revoke the 2012 Order was conducted. The consultation focused on the statutory nature of the collection of the NSIs and the restrictive effect of this process, not whether the indicators themselves should continue to be collected or whether they were of value.
- 5.2 Views were invited as part of a 12-week consultation period which began on 15 March 2016 and ended on 6 June 2016. The consultation paper and related documents are published on the consultation pages of the Welsh Government's website. Respondents were able to submit their views and comments on paper or online, and in Welsh or English.
- 5.3 In total, the consultation received 17 responses from a range of stakeholders which included local authorities, Wales Audit Office and the Welsh Local Government Association.

Respondent Category	Number
Local Authorities	9
Representative Organisations/Bodies	1
Professional Bodies	4
Political Groups	1
Individuals	2

- 5.4 Individual responses are available from the Local Government Finance Policy Division at LGFPMail@wales.gsi.gov.uk.

- 5.5 The consultation identified support for the proposal. The summary of consultation responses document is available at:
<https://consultations.gov.wales/consultations/proposal-revoke-local-government-performance-indicators-wales-order-2012>

6 Regulatory Impact Assessment (RIA)

- 6.1 A regulatory impact assessment has not been produced for this instrument as the revocation of the 2012 Order will not introduce any additional burden, rather it removes a regulatory burden upon local authorities. Also, no impact on business, charities or the voluntary sector is foreseen.