Dear Tracey

Financial Management and Governance in Community Councils

Thank you for attending the Public Accounts Committee meeting on 25 November 2019.

Following the evidence session the Committee remains concerned about the increasing numbers of Town and Community Councils who are not complying with the statutory requirements regarding their financial management and governance. There are several matters arising from the session that I would like to pick up on.

Firstly, you set out for the Committee in May 2019 and again in your recent paper details about the ‘immediate action’ that the Welsh Government was taking to support improvement across the sector. You also identified areas for ‘further consideration’ to be explored before the end of this Assembly term, engaging with the sector and other stakeholders. I welcome the Welsh Government’s commitment to support improvement and recognise the practical challenges across such a large and diverse sector. However, in some cases we remained unclear about the extent of action taken on some of the areas for immediate action or about the current status of the areas for further consideration. For example, you previously described an immediate action around encouraging more people to stand for election but your oral evidence suggested that this was something that would receive more active attention at a later point in time.

To provide some additional assurance to the Committee, I would be grateful if you could provide a brief high-level summary early in the New Year to clarify the current status of each of the immediate action and further consideration points...
from your May 2019 letter. On the areas for further consideration, it would be helpful to confirm whether the Welsh Government remains committed to exploring these matters before the end of the current Assembly term even if limited progress has been made to date.

As part of your evidence, you also advised us of the mechanisms available for these organisations to access all the information and good practice that is available and of course, the Sector has its umbrella body, One Voice Wales, to help and assist them in these matters.

The Committee wishes to stress that the Welsh Government gives further consideration to how good practice is shared, while highlighting that innovation needs to be within the parameters of the powers of Town and Community Councils and subject to what is permitted within the legislation applying to them.

The Committee has also noted the provisions set out in the Local Government & Elections (Wales) Bill regarding the general power of competence. I am aware that the Auditor General has written to the Equality, Local Government and Communities (ELGC) Committee setting out a number of concerns in that regard, and that Wales Audit Office staff have given oral evidence to the Committee. Alongside the power of competence proposals, you described plans for other annual reporting requirements. I would note that the sector’s track record in complying with existing statutory requirements suggests that it will be a challenge to ensuring that these requirements are fulfilled in a truly meaningful way to deliver the intended outcome of improved transparency and community engagement.

Finally, you offered to provide an update on the uptake of the different training initiatives that the Welsh Government has supported (including the e–learning and the bursary schemes). In the case of the bursary schemes we would be grateful for details of the breakdown of the uptake across councils with different budgeted turnover (those with less than £40k and those between £40k and £100k).

I am copying this letter to the Chair of the ELGC Committee given that Committee’s ongoing scrutiny of the recent Bill and to draw to his attention the matters covered in our recent evidence session and in the Welsh Government’s written evidence.
Yours sincerely,

Nick Ramsay AM  
Chair

cc. John Griffiths AM – Chair of Equality, Local Government and Communities Committee