

Panel Performance Assessment - Briefing

Background

The Local Government and Elections (Wales) Act 2021 provides for a new and reformed legislative framework for local government governance and performance. The Act introduces the following specific duties in relation to governance and performance of principal councils:

Duty to keep performance under review

Section 89 of the Act requires a council to keep under review the extent to which is it fulfilling the 'performance requirements' that is, the extent to which:

- it is exercising its functions effectively;
- it is using its resources economically, efficiently and effectively; and
- its governance is effective for securing the above.

Duty to consult on performance

Section 90 of the Act requires that a council must consult a range of people at least once in each financial year about the extent to which the council is meeting the performance requirements. The statutory consultees are:

- a) local people;
- b) other persons carrying on a business in the council's area;
- c) the staff of the council; and
- d) every trade union which is recognised by the council.

Duty to report on performance

Section 91 of the Act provides that a council must produce a self-assessment report in respect of each financial year. The report must set out its conclusions on the extent to which it met the performance requirements during that financial year, and any actions it intends to take, or has already taken, to increase the extent to which it is meeting the performance requirements.

Duty to arrange a panel performance assessment

Section 92 of the Act provides that a council must arrange for an independent external panel to undertake an assessment, at least once during the period between two consecutive ordinary elections of councillors to the council, of the extent to which the council is meeting the performance requirements (as noted above).

Duty to respond to a panel performance assessment report

Section 93 of the Act provides that a council must prepare a response to each panel performance assessment report, setting out the extent to which it accepts the conclusions in the report, the extent to which it intends to follow any recommendations in the report, and any actions the council intends to take to increase the extent to which it is meeting the performance requirements.

In Carmarthenshire County Council we have embedded these duties as follows:

Duty	Carmarthenshire County Council approach
Duty to keep performance under review	<ul style="list-style-type: none"> • Business planning and performance monitoring on a quarterly basis • Self-assessment of performance undertaken by each division of the Council and corporate overview prepared and findings used to inform business planning
Duty to consult on performance	Annual survey undertaken with the following statutory consultees since 2022: <ul style="list-style-type: none"> • local people – through the Carmarthenshire Residents Survey; • other persons carrying on a business in the council’s area – through the Carmarthenshire Business Survey; • the staff of the council – through the Staff Survey; and • every trade union which is recognised by the council – through a performance survey with trade union lead representatives.
Duty to report on performance	<ul style="list-style-type: none"> • Council Annual Report based on Corporate Strategy and well-being objectives. • Corporate overview of self-assessment published as an Appendix of the Council Annual Report
Duty to arrange a panel performance assessment	First Carmarthenshire Panel Performance Assessment proposed to be undertaken during Quarter 1 of 2025-26.
Duty to respond to a panel performance assessment report	To be undertaken following completion of first Carmarthenshire Panel Performance Assessment.

The reminder of this briefing will focus on the Panel Performance Assessment but any further queries on the other duties can be made to the Data Insight and Performance Team, Chief Executive’s Department, Carmarthenshire County Council.

Panel Performance Assessment (PPA)

The Local Government & Elections Act places a duty on councils to arrange for a panel to undertake a corporate, organisational level assessment, at least once during the period between two consecutive ordinary elections of councillors to the council, of the extent to which the council is meeting its performance requirements.

The PPA will assess, as the council does through self-assessment, the extent to which the council is meeting the performance requirements. It is not about checklists, it is not a form of inspection, and it is not an audit. It is about supporting the council to achieve its aspirations through developing and deepening its understanding about how it is operating, and how it can ensure it is able to offer effective services for the long term. (paragraph 3.10, page 25: Performance and governance of principal councils; statutory guidance Part 6, Chapter 1, of the Local Government and Elections (Wales) Act 2021).

The assessment should follow three key stages:

Stage 1: Preparation

Setting the scope, identifying and commissioning the panel, establishing the terms of reference, sharing information with the panel, and making practical arrangements.

Stage 2: Assessment

Desk-based review, discussions with relevant stakeholders, verbal presentation of panel findings.

Stage 3: Follow-up

Production of final report, the council's response to it and involvement of the governance and audit committee.

Stage 1: Preparation

Before the panel is appointed the council will have set out the scope for their PPA taking account of any challenges that have been highlighted in their self-assessment including findings from recent audit, inspection or regulator reports.

The scoping document should cover the following key elements:

- Introduction
- Overview of Place
- Vision for the Area and Local Priorities
- Political and Organisational Leadership
- Governance
- Resource management and Culture
- Improvement Priorities and Planned Action.

The scope provides useful context for the panel and should serve as an introduction to the council and the council area, outlining the vision, the council's well-being objectives and how they contribute to achieving the vision for the council area.

The scope is a high-level overview and should not replicate detailed information contained in other documents. It would be expected that the scope should be concise and not exceed 20 pages.

The findings of the scoping document will help identify the skills and expertise required from the panel to maximise the impact of the assessment.

The Council, working with the WLGA, is responsible for appointing the independent panel to undertake the assessment. The panel should be peer-led and have a mix of experienced senior officers, councillors and others who work with local government including from the wider public and other sectors. The panel should include as a minimum:

- An independent panel chair – not currently serving in an official or political capacity within local government
- A peer from the wider public, private or voluntary sectors
- A serving local government senior officer, likely to be equivalent to chief executive or director, from outside the council to be assessed

- A senior elected member, from outside the council to be assessed.

To ensure independence and objectivity, the council will need to ensure that panel members have sufficient detachment from the council.

Once appointed the panel will consider the scope for the assessment presented by the council and then prepare a draft Terms of Reference to be agreed with the council. The WLGA Improvement Team will then work with the panel members and the council to agree arrangements for the onsite assessment which will take place over a 4-day period.

Stage 2: Assessment

The panel, acting jointly, is required to assess the extent to which the council is meeting the performance requirements, that is, the extent to which:

- it is exercising its functions effectively;
- it is using its resources economically, efficiently and effectively; and
- its governance is effective for securing the above.

The panel should look at the current situation based on the council's current self-assessment as well as a sufficient previous period to get a meaningful picture of how the council is performing including any trends.

The panel should not be seeking to undertake deep dives or in-depth service reviews, although a panel may draw on the findings of other peer reviews or in-depth service reviews in reaching their conclusions. The panel should not be looking to audit/check the council's own self-assessments, although the approach a council takes to self-assessment may inform a panel's view on the effectiveness of its governance arrangements.

As well as meeting with political leaders and senior officers the panel must consult the following about the extent to which the council is meeting its performance requirements:

- local people;
- local businesses;
- staff;
- recognised trade unions;
- partners; and
- inspection and regulatory bodies.

The approach to consultation will be agreed with the council in advance and is likely to involve a combination of interviews, focus groups and possibly digital surveys.

At the end of the 4-day on site visit, the panel will present their key findings and recommendations to the council (the audience to be determined by the council's Leader and Chief Executive).

Stage 3: Follow Up

Following the conclusion of the assessment, the panel must make a report setting out:

- Its conclusions as to the extent to which the council is meeting the performance requirements
- Any actions the panel recommends that the council could take in order to increase the extent to which it meets the performance requirements.

The panel should aim to deliver draft report to the council within 10 working days and the council will then be asked to consider and provide feedback on any factual inaccuracies in the draft report within a further 10 working days.

Once the final draft of the report and recommendations is agreed the council must prepare a response to the panel performance assessment report. In its response, the council is required to state:

- The extent to which it accepts the conclusions in the report
- The extent to which the council intends to follow any recommendations contained in the report; and
- Any actions it proposes to take to increase the extent to which it meets the performance requirements.

The council must make a draft of its response to the panel performance assessment available to its governance and audit committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.

If the council does not make a change recommended by the G&AC, it must set out in the final response the recommendation and the reasons why it did not make the change.

Once finalised the council must publish the report and council response and submit a copy to the members of the panel, the Auditor General for Wales, His Majesty's Inspector of Education and Training in Wales, and Welsh Ministers (including Care Inspectorate Wales).

The response to a panel assessment report must be published at least four months before the next ordinary election of councillors to the council is due to take place (currently May 2027).