

SUBJECT: Local Government Reform: Green Paper Consultation

MEETING: Cabinet

DATE: 6th June 2018

DIVISIONS/WARDS AFFECTED: All

1 PURPOSE

- 1.1 To provide Cabinet with the opportunity to debate the Welsh Government's Green Paper "Strengthening Local Government: Delivering for People"
- 1.2 To seek views of Cabinet on a draft response to be submitted on behalf of the Council as there is no opportunity for a full council debate prior to the consultation closing on 12th June.

2. RECOMMENDATIONS

- 2.1 To consider the draft response, attached as appendix one, and suggest additions or deletions where consensus can be reached.
- 2.2 Subject to amendments agreed during the meeting, to endorse a draft response to the consultation be submitted on behalf of the council by the deadline.

3. KEY ISSUES

- 3.1 The Welsh Government published the 'Delivering for People: Strengthening Local Government' Green Paper on 20th March 2018. The consultation closes on 12th June.
- 3.2 This is the latest in a series of papers on local government reform that have been developed. The Welsh Government has actively explored different variants of local government reform since 2004. Successive positions have been predicated on the proposition that the structure of local government in Wales is not sustainable.
- 3.3 A merger programme was rejected by the Welsh Government following the 2016 Assembly elections and there then followed an assurance that there would no structural change for a decade while councils pursued a regional approach perhaps best encapsulated by the ten council Cardiff Capital Region City Deal.
- 3.4 The leader responded to a question on this issue at Council in April. With no time for a full Council debate it was subsequently suggested, and agreed with the chair, that Democratic Services Committee host a debate on the issue to which all members

would be invited. As that meeting takes place two days before Cabinet the draft response appended to this report does not reflect changes agreed by the Committee

- 3.5 The Green Paper calls for stronger, larger, more powerful local authorities and proposes merging the current 22 local authorities into 10 new authorities. This would see Monmouthshire merge with Torfaen and Blaenau Gwent. The paper proposed three options based on this footprint. These are:
- Option 1 - Voluntary mergers
 - Option 2 – A phased approach with early adopters merging first followed by other authorities by 2026
 - Option 3 – A single comprehensive merger programme by 2022.
- 3.6 The options are broadly a return to the Welsh Government’s proposals from 2015-16 and a change in direction to the regional agenda which had been put forward by the previous Cabinet Secretary. These were widely supported being progressed by Monmouthshire along with other councils.
- 3.7 The Cabinet Secretary for Local Government outlined his proposed reforms at the WLGA Council in March. At that time leaders overwhelmingly rejected the approach to mergers and questioned the rationale for reform which was identified in lacking in evidence and costings.
- 3.8 A draft response is appended to this report. The response is subject to amendment after Democratic Services Committee on 4th June with an updated copy being circulated to Cabinet as soon as possible after that meeting. It does not follow or respond to every question posed within the consultation. It is proposed that only those points on which there is clear agreement amongst members be included within the council’s response. Individual members or groups who wish to put forward additional detail may do so within individual or group responses to the consultation. A full list of consultation questions posed by Welsh Government is included as appendix 2.

4. OPTIONS APPRAISAL

An options appraisal was not necessary for this item.

5. EVALUATION CRITERIA

- 5.1 The response to the green paper will not be subject to an evaluation as it is not making a direct change to policy of service delivery

6. REASONS

- 6.1 To ensure that the voice of Monmouthshire’s elected councillors is heard within the debate on local government reform.

7. RESOURCE IMPLICATIONS

- 7.1 None at this stage

8. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)

8.1 This report does not propose any change in policy or service and so no assessment has been completed.

9. CONSULTEES

There has been no formal consultation on this report. All members have been invited to Democratic Services Committee to debate the response and an invitation has been sent to leaders of political groups to provide any views to inform the emerging draft.

10. BACKGROUND PAPERS

Green Paper - Strengthening Local Government: Delivering for People
<https://beta.gov.wales/sites/default/files/consultations/2018-03/180320-strengthening-local-government-consultation-v1.pdf>

10. AUTHOR

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Our Response

We have chosen not to respond to your specific questions. We have determined the areas in the Green Paper that we believe require our input and have included reference to paragraph numbering where appropriate.

The Case for Change (Chapter 2)

There has been much that is positive the papers that have been put forward by Welsh Government over the future of local government in recent years. We welcome the Cabinet Secretary's call for more powers and greater flexibilities for local authorities. However the Green Paper lacks sufficient detail on what these might be.

Pursuing mergers now would create new organisations setting back the progress that has been made on regionalisation where we have been making great strides. At the forefront of our concern is moving forwards with the Cardiff Capital Region City Deal. There is no guarantee that the new organisations would sign up for the deal which would jeopardise up to £4B in investment and the significant progress that is being made such as the investment in an industry-leading compound semi-conductor foundry in Newport.

Options for Strengthening Local Government (Chapter 3)

There seems to be a pre-occupation with putting the debate about form before function. Re-organising existing service models into new boundaries will not bring about the sorts of reform that will solve the complex societal challenges that councils in Wales are grappling with.

In 2016 the Welsh Government assured councils that there would no structural change for a decade. Less than two years on we have returned to the same debate.

Monmouthshire is proof that smaller authorities can deliver and can do well, creating a culture and operating model which encourages innovation and efficiency while continuing to deliver quality services.

We cannot solve these problems with yesterday's thinking. Bigger is not always better, we need new ways of meeting needs, creating public value and delivering better outcomes for local people. Delivering the exactly the same service models on different footprint will not deliver this. There will be some minimal economies of scale but these will be set against significant financial and non-financial costs of mergers. Paramount is the opportunity cost of inactivity in the years' leading-up-to mergers. We need public servants focused on meeting needs and making great leaps forward rather than spending hours seeking marginal efficiency gains.

There is insufficient detail on the arrangements for transition, council tax harmonisation, pensions and how potential redundancy costs could be met.

The foreword to the Green Paper argues that more money would not solve the problem and yet seems focused on financial gains as a result of economies of scale rather than addressing bigger questions about the purpose of local government, the need for innovation, opportunities for prevention and the allocation of resources to different parts of the public sector.

Finding agreement for a future footprint for local government (Chapter 4)

There is little evidence put forward that these proposals would deliver better outcomes or lower cost services than the current configurations. Indeed The Williams Commission Report in 2013 recognised that, based on academic research, there was no discernible relationship between scale and performance anywhere in the world. Subsequent evidence has confirmed this conclusion.

We believe that the Green Paper does not bring forward any new evidence to suggest that larger councils would deliver better services. The case for reform is not sufficiently clear to justify the costs and risks associated with pursuing a programme of mergers.

We believe that service provision in Wales should be based on the principle that decisions must be taken as closely as possible to the citizen and welcome the commitment to empower local government and to champion local accountability and local democracy. However the Green Paper is largely silent about the functions and powers that would be transferring to councils.

If we were to follow a path of voluntary mergers the potential partners for any such agreement should be a matter for local democratic discretion and negotiation rather than in accordance with a pre-determined option.

We are required to set balanced budget and have continued to do so against a backdrop of budgets real terms funding reductions. We are the lowest funded council in Wales and have achieved this by being innovative and efficient, looking to prevent problems arising rather than solving them when things go wrong, developing collaborative ventures, by working closely with local people and by focusing on the things that matter most to communities and by transforming services rather than closing them.

The debate should not be about the shape of lines on a map, it should be about the shape of services, how councils should be resourced and what powers they should exercise. We recognise that this is a challenging time for local government. We are up for that challenge providing we are given the space, flexibilities and powers to work with local communities and partners from all sectors on our own terms to tackle it head on.

A clear and democratically-led process (Chapter 5)

The numbers of councillors and areas represented will need to change as a result of these proposals. The number of electoral divisions would also vary. These issues would need to be factored in to any transition arrangements, with the work and timescales of the Local Democracy and Boundary Commission for Wales being a key consideration. The early mergers date could make this very difficult to achieve.

We would want to be involved in this discussion to ensure that issues of rurality etc. are appropriately considered when determining ward boundaries and constituent / councillor ratios.

We do not have any evidence on costs, benefits and savings of each of the options described by Welsh Government and would expect this to have been produced by Welsh Government itself prior to the Green Paper being published.

We are concerned about the implications of council tax harmonisation. Monmouthshire residents pay considerably lower council tax than one of the authorities we are proposed to merge with and the Green Paper on not sufficient clear on the implications of this for organisations or residents.

Strengthening local government and support through the process of change (Chapter 6)

We welcome the positive comments about the role of elected members in chapter 6. Elected members work hard for their community and under incredible pressure to balance their role with careers and the other responsibilities they have such as parents and carers.

The elected members and paid officers of Monmouthshire County Council will always be passionate about our county. We identify with this place and we serve its people and communities with pride and integrity.

We aspire to deliver the strategic direction set by Welsh Government where this is set legitimately, alongside meeting the needs of the local people who elected us. We recognise the role of Welsh Government but do not see ourselves as subservient to it. Councils are democratically elected bodies responsible to local people at the ballot box and thought the ward role of councillors.

We would welcome sight of any proposals to help councils make more effective use of their elected members' knowledge of, and connections in, their communities. This could include the development of digital tools to help members gather and process the wide range of statistical and qualitative evidence about their wards and to gather ideas from their local communities.

Conclusion

The Green Paper is silent on the core issues which are at the heart of the debate. When developing solutions we must understand the problem we are trying to solve. In this case the problem is not clearly understood. Whether or not 22 councils is the system that would be designed now is not the right starting point. We need to understand what it is that we want local government to achieve, how we want to work with communities and local people, the conditions needed for this to happen and the outcomes we expect. It is only when we understand these that we should consider pursuing the costly and distracting task of merging local authorities.

Full List of Welsh Government Consultation Questions

Chapter 3
<u>Consultation Question 1</u> In Chapter 2, we restated our commitment to regional working in key areas but recognised the need for this to be supported by further change. In chapter 3, we set out the broad options for moving toward fewer, larger local authorities and summarise features of the process which would be common to each option.
a) What practical steps could the Welsh Government take to make current regional working easier and more effective, for example in relation to education consortia, social services and the City Regions and City and Growth Deals?
b) What are your views on the common elements to the process of mergers we outline in this section?
c) What are your views on the options for creating fewer, larger authorities which we have set out?
d) Are there other options for creating fewer, larger authorities we should consider?
e) Do you have evidence on costs, benefits and savings of each option which can inform decision-making? If so, please provide details.

Chapter 4
<u>Consultation Question 2</u> Chapter 4 has explained the need for clarity on the future footprint for local government and the range of factors which should be taken into account to determine a new

configuration. It sets out a suggested future footprint for local government, which could be reached via each of the options set out in the previous chapter.

a) Do you agree that providing clarity on the future footprint of local government is important?

Yes. In 2016 Welsh Government assured councils that there would no structural change for a decade. Less than two years on we have returned to the same debate.

b) Do you agree with the factors we have identified to inform our thinking? Would you change or add any?

c) What are your views on the new areas suggested in this section?

d) Do you have alternative suggestions and, if so, what is the evidence to support these as an alternative?

e) In the context of these proposals, are there other ways we should simplify and streamline joint working arrangements at regional level and among public bodies within the new authority areas? If so, what are they?

Chapter 5

Consultation Question 3

Chapter 5 sets out the proposed approach to transition and implications for establishing Transition Committees and elections to Shadow Authorities under each option.

a) Do you agree with the proposed process of transition: namely establishing Transition Committees and ensuring elections to Shadow Authorities can be held ahead of vesting day for the new authorities?

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b) Do you agree that, if option 1 were pursued, we should set a date by which voluntary merger proposals should come forward in each electoral cycle?

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c) Do you have any other thoughts on the proposed process?

Numbers of Councillors and areas represented will change. The number of electoral divisions would also vary. These issues would need to be factored in to any transition arrangements, with the work and timescales of the Local Democracy and Boundary Commission for Wales (LDBCW) being a key consideration. The early mergers date could present problems here.

Consultation Question 4

The consultation suggests holding any local government elections in June 2021.

Are there any reasons why June 2021 would not be a suitable date? If so, please suggest an alternative date with the reasons why that would be more suitable.

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Consultation Question 5

The Welsh Government recognises that there are some plans or assessments, for example the preparation of assessments of wellbeing by Public Service Boards, which are linked to electoral cycles. We will make provision to make sure these tie into any new electoral cycles going forward. Are there any other plans or matters which might be tied into the electoral cycle which we need to consider?

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Consultation Question 6

What are your views on the approach which should be taken to determining the parameters of electoral reviews?

Chapter 6

Consultation Question 7

a) How can councils make more effective use of their elected members knowledge of, and connections in, their communities?

b) How could we better recognise the level of responsibility involved in being a local councillor? What changes to the remuneration and support councillors receive would enable a wider range of people to become involved in local democratic representation?

Consultation Question 8

a) Are there other powers which local government should have? If so, what are they?

b) Are there other freedoms or flexibilities which local government should have? If so, what are they?

Consultation Question 9

a) Which areas offer the greatest scope for shared transactional services?

b) How might such arrangements be best developed?

Consultation Question 10

a) In ensuring we deliver a consistent approach across Wales, where consistency is important, how do you think the advice and support on each of these matters could be best provided?

c) Are there any other challenges or opportunities from structural change or providing additional powers and flexibilities that have not been identified above? If these areas require support, what form should this support take?

d) Which of the issues identified above or in your response should be prioritised for early resolution?

Consultation Question 11.

We would like to know your views on the effects that the proposals within this consultation would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

a) What effects do you think there would be?

b) How could positive effects be increased, or negative effects be mitigated?

Consultation Question 12

Please also explain how you believe the proposed policy within this consultation could be formulated or changed (if required) so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Consultation Question 13

The Children's Rights Impact Assessment published alongside the consultation outlines the Welsh Government's view of the effect of the proposals contained in the consultation on children and young people. The Welsh Government seeks views on that assessment.

a) Are there any positive or adverse effects not identified in the assessment?

b) Could the proposals be reformulated so as to increase the positive effects or reduce any possible adverse effects?

Consultation Question 14

The Equalities Impact Assessment published alongside the consultation outlines the Welsh Government's view of the effect of the proposals contained in the consultation on protected groups under the Equality Act 2010. The Welsh Government seeks views on that assessment.

a) Are there any other positive or adverse effects not identified in the assessment?

b) Could the proposals be reformulated so as to increase the positive or reduce any possible adverse effects?

Consultation Question 15

Please provide any other comments you wish to make on the content of this consultation.