

Reason for Urgency: In order to allow the Council to submit its response to the Welsh Government before the end of November 2014 deadline.

Report of the Leader of the Council

Council - 4 November 2014

THE COUNCIL'S RESPONSE TO THE PROPOSED RE-ORGANISATION OF LOCAL AUTHORITIES IN WALES

Purpose:	The purpose of this report is to determine a response to the Minister for Public Services in relation to LA reorganisation.
Policy Framework:	White Paper – Reforming Local Government
Reason for Decision:	To indicate the Council's preferred model(s).
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	To authorise the Leader to respond to the Minister as indicated in this report.
Report Author:	Jack Straw / Joanne Portwood.
Finance Officer:	Mike Hawes
Legal Officer:	Tracey Meredith.
Access to Services Officer:	Phil Couch.

1. Background

1. The Welsh Government's White Paper – Reforming Local Government outlines a number of proposals relating to the reform of Public Services in Wales. The proposals also include a number of options related to re-organising and reducing the number of Local Authorities in Wales.
 - 1.1 The Cabinet and the Corporate Management Team of the City and County of Swansea, responded to the Commission on Public Service Governance and Delivery (the Williams' report) and their call for evidence in July 2014. The response contains a number of issues which are pertinent to the developments of Swansea's preferred models for Local Authority re-organisation.
 - 1.2 The Commission has established an ambitious review process and adopted a very demanding timetable- to report by the end of this year.
 - 1.3 There has been a strong focus on the implications for structures, particularly in Local Government, however the most significant factor in a review of the public sector in Wales is to start with a strong vision of where we want to be in ten or fifteen years time. This vision must be

expressed in terms of outcomes for citizens, clients and service users. The current focus on inputs and processes will not deliver the transformational change that is necessary to make Wales a top performing devolved administration.

1.4 Supporting this strong vision and focus on outcomes must be a common set of values that cover the whole of the public sector and are endorsed and understood by the public.

1.5 The greatest challenges in delivering public services in the future are;

- Demographics – e.g an ageing population
- The need to create jobs and wealth
- The need to adopt technology

But more specifically, it is vital to consider and embed;

- Sustainability as a central organising principle.
- The development of community capacity.
- The widening gap in terms of inequality both in health and economic well-being.
- Address the need to manage demand across a range of core services, as current models are doomed to failure.
- The input of UK Government policies on Welfare and Economics which will restrain our ability to develop a uniquely Welsh offer to citizens.
- The need to recognise the role of Wales as a region of the EU not an extension of England.

1.6 Welsh Government should facilitate the development of a vision for Wales with clear public sector values and a range of specific outcomes/indicators and make a clear distinction between the Welsh Government as policy maker and the public sector delivery arm.

1.7 Welsh Government should also undertake a radical de-layering of responsibilities and accountability. Take Education for a moment, we have:

- a) Welsh Government
- b) The Minister responsible
- c) Local Authorities
- d) Regional Consortia
- e) Governing Bodies
- f) The Head Teacher
- g) An Inspection System.

1.8 Each element has powers and duties, these invariably framed in negative terms like 'intervention'. A revised system would ideally only have three parties:

- a) Policy Maker - Welsh Government
- b) Deliverer (there are a number of options)
- c) An Inspector

- 1.9 There should be a radical review of the funding system and the development of a single funding stream to the delivery unit backed by strong outcome management.
- 1.10 A single accountability agreement should be in place describing outcome not process and the establishment of single inspection regime.
- 1.11 In pursuit of improved outcomes some key changes should occur:
 - a) Primary Care, Community Care and Social Care should be located in a single organisation with a common accountability framework and a single budget. There should be democratic accountability build into this system. These organisations should be co-terminus with Health Boards.
 - b) Economic Development should be led at an all Wales level and delivered via the City Region structure.
 - c) The positioning of services in any structure should be based on an objective analysis of what is best in terms of economy and outcome on a local, regional, national level. Higher cost and specialist services increasingly delivered at a regional or national level.
- 1.12 Whilst wishing to avoid falling into the 'structure trap', once the vision, values and outcomes are set some obvious changes/questions are likely to arise:
 - a) How can health/social care/well being be delivered unless through one organisation.
 - b) Why have separate Fire Authorities, given that these simply comprise LA members in a different guise.
 - c) Wales must have a single economic regeneration strategy (delivered via City Regions)
 - d) Education improvement needs critical mass larger than the current Local Authority model.

2. The Councils Preferred Model

- 2.1 In terms of responding to the challenges facing the Public Sector in Wales and specifically the re-organisation of Local Authorities in Wales, a seminar with Members concluded that the preferred models were as follows (in priority order);
 - (i) The Establishment of a Swansea Bay Authority which encompasses the natural boundaries of communities which would identify with the Swansea Bay City Region. This model would follow the industrial heartlands of South West Wales and would include the neighbouring regions of Llanelli and the Swansea Valley together with Swansea and Neath Port Talbot. This preferred model would be based around the economic development and regeneration of South West Wales.
 - (ii) A merger with Neath Port Talbot
 - (iii) For Swansea to remain as a stand alone authority.

3. Equality & Engagement Implications

- 3.1 There are no equality and engagement implications associated with this report at the present time. The potential impact of any reorganisation on service users and staff is recognised and will need to be assessed as early in the process as possible.

4. Financial Implications

- 4.1 There are no immediate financial implications associated with this report at the present time. However, the initial costs of local government reorganisation in Wales have been estimated to be between £80m to £200m. The wider proposals as they develop could have significant financial and operational consequences and risks for the City and County of Swansea, and for local government in Wales. At this stage it is too early to realistically assess with any certainty any additional specific costs, risks or opportunities for the City and County of Swansea.

4. Legal Implications

- 4.1 There are no legal implications associated with this report at the present time.

Background Papers: Welsh Government White Paper – Reforming Local Government

Appendices: None.