

Report of the Chief Executive

Council – 28 April 2015

CONSULTATION ON THE WHITE PAPER 'REFORMING LOCAL GOVERNMENT – POWER TO LOCAL PEOPLE' – CITY & COUNTY OF SWANSEA RESPONSE

Purpose:	The purpose of this report is to agree a response to the consultation on the White Paper 'Reforming Local Government – Power to Local People'.
Policy Framework:	White Paper – Reforming Local Government.
Reason for Decision:	To provide the Council's response to the consultation.
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that: 1) The draft response to the consultation on the White Paper 'Reforming Local Government – Power to Local People' is agreed.
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1.0 Introduction

- 1.1 The White Paper 'Reforming Local Government – Power to Local People' is the Welsh Government's statement of intent about the future of Local Government in Wales. A briefing paper on the proposals set out within the White Paper is attached at **Appendix A**.
- 1.2 The Welsh Government has issued a consultation on the White Paper and invited responses. This report sets out for agreement by Council the City & County of Swansea's response to the consultation.
- 1.3 The draft response contained within this report is an overall view of the issues set out within the White Paper. Council is advised not to respond to the detailed questions set out within the consultation document –

- many of the proposals are wrong in principle, unduly prescriptive and unworkable in practice.
- 1.4 The proposals relating to community governance and local decision making are premature until the future shape of unitary authorities is known.
- 1.5 The City & County of Swansea's response draws upon the Council's original response to the Williams Commission and comments on the role of Welsh Government and makes the case for wider public service change. The Council's response to the Williams Commission is attached at **Appendix B**.
- 1.6 A response by the Democratic Services Committee to relevant questions set out within the Welsh Government consultation document is attached at **Appendix C**.
- 1.6 It is also proposed that Council fully supports the WLGA response to the White Paper consultation; a summary of the WLGA response is attached at **Appendix D**.

2.0 Chapter 1 - Welsh Government Vision for Local Government

2.1 Response

- 2.1.1 The City & County of Swansea believes that it is vital that a clear vision for local government in Wales is set out.
- 2.1.2 A Welsh Public Sector of the size, complexity and culture that we have today is unsustainable both economically and in terms of its ability to improve outcomes for the people of Wales.
- 2.1.3 There has been a strong focus on the implications for structures recently, particularly in Local Government. The City & County of Swansea believes strongly that this is entirely the wrong debate. A review of the public sector in Wales must start with a strong vision of where we want to be in say ten or twenty years' time. This vision must be expressed in terms of outcomes for citizens, clients, service users etc.
- 2.1.4 The positioning of services in any structure should be based on an objective analysis of what is best in terms of firstly outcomes and the economy on a local, regional and national level. Higher cost and specialist services are increasingly being delivered at a regional or national level.
- 2.1.5 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.
- 2.1.6 The current focus on inputs and processes will not deliver the transformational change that is necessary to make Wales a top

performing devolved administration equipped to meet the challenges we face.

- 2.1.7 In order to deliver a step change in terms of outcomes the vision and values must promote innovation and empower communities. The review should recognise the old adage that 'form follow function' and indeed both follow foresight.
- 2.1.8 New policies are formulated by Welsh Government without a focus on outcome measures or costed proposals.
- 2.1.9 The policy framework and commitments at Welsh Government level are very strong; however they are often silent on the change strategy. An expectation that we provide all that we do now and deliver improvements in all areas creates an undeliverable aspiration based programme.
- 2.1.10 The City & County of Swansea supports a general power of competence for all Welsh Councils and believes that the Welsh Government should immediately seek to devolve more powers and autonomy to local government in Wales so that local government can respond flexibly and innovate in order to meet the priorities and needs of the people that they serve.
- 2.1.11 There should be a radical review of the funding system. The aim should be a single unhypothecated funding stream to local government in Wales backed by strong outcome management.
- 2.1.12 A single accountability agreement should be in place describing outcome not process. A single and proportionate inspection regime should be established.

3.0 Chapter 2 - Balancing the responsibilities of National and Local Government

3.1 Response

- 3.1.1 The City & County of Swansea believes that an independent review is needed on Welsh Government and local government relations in Wales so that relationships are constructive and a clear distinction established between the Welsh Government as policy maker and the public sector delivery arm.
- 3.1.2 There should be a radical delayering of responsibilities and accountability, including partnerships. A revised system should ideally only have three parties:
 - a) Policy maker – Welsh Government.
 - b) Deliverer (there are a number of options).
 - c) An inspector focussed on service improvement.

- 3.1.3 There needs to be a simplification and alignment of the many different legislative and policy frameworks affecting local government in Wales.

4.0 Chapter 3 - Renewing Democracy

4.1 Response

- 4.1.1 The City & County of Swansea believes that the number of Councillors needs to be determined by the needs and characteristics of the local area and not be decided with reference to a 'one size fits all' number based upon the UK average.
- 4.1.2 The City & County of Swansea believes that the levels of remuneration of Councillors should continue to be reviewed annually by the Independent Remuneration Panel and that an additional review is unnecessary.
- 4.1.3 In terms of the proposal for term limits and the right of recall for Councillors, the City & County of Swansea supports the status quo based upon a lack of evidence to support any changes, particularly when the proposals would not be applied to other tiers of government. The City and County of Swansea does however support a 5 year fixed term electoral cycle.

5.0 Chapters 4 & 5 - Connecting with Communities and Empowerment

5.1 Response

- 5.1.1 We need a public sector committed to developing community capacity, managing and reducing demand, early intervention and customer focus.
- 5.1.2 The City and County of Swansea believes in direct public service provision through local government where this will deliver the best outcomes for our residents. However, in order to address the significant financial challenges facing the Council, we are already through our *Sustainable Swansea – Fit for the Future* programme looking at new and innovative models of delivery for services, focussing on preventative services and demand management and examining how communities can be enabled to help themselves, including co-operative forms of delivery.
- 5.1.3 The City and County of Swansea argues that any additions to the governance and partnership structures for local government in Wales should not be done without a fundamental review of the existing structures and a radical delaying exercise being undertaken aimed at reducing complexity.

6.0 Chapter 6 - Corporate Governance and Improvement

6.1 Response

- 6.1.1 The current regulatory regime attempts to bring together judgements of the WAO, Estyn and CSSIW, this is welcomed. But they still each promote excellence in their respective fields irrespective of the impact in other areas. A single inspection regime based on a small number of agreed outcome measures is needed.
- 6.1.2 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 built into this system. These organisations should be co-terminus with Health Boards.
- 6.1.3 The language of accountability is negative focussed on intervention and blame; instead it should be centred upon learning and improvement. A single accountability agreement should be in place describing outcome not process.
- 6.1.4 The City & County of Swansea supports self-evaluation through the use of Peer Reviews. Peer Reviews have been used in 11 Councils in Wales, and follow the English LGA model. The WLGA wants to offer every council in Wales a peer review once every four years, which is a proportionate approach.
- 6.1.5 The WLGA provided a peer review for the City & County of Swansea at the Council's request during autumn 2014. Key reasons for requesting the peer review included: being keen to learn from elsewhere and to improve what we do; we have identified self-evaluation as one of our priorities as part of the new performance improvement framework; to support the overall objective of sector led self-regulation and improvement in Wales.

7.0 Chapter 7 - Performance in Local Government

7.1 Response

- 7.1.1 The City & County of Swansea is already working to the performance framework that is being proposed and many of the proposals in the White Paper are unnecessary and unduly prescriptive. Therefore general observations are made together with concluding comments:
- a) There is no common accountability agreement for public services in Wales. For example Health and Social Care are inextricably linked, but the NHS and Local Government have completely different accountability and performance regimes.
 - b) Even within the Local Authority context different approaches are taken between core services and the requirements of a myriad of grant funded initiatives

- c) There is an over reliance on comparisons within Wales. Policy divergence has led to even greater insularity which stifles learning and improvement. Welsh Government must seek to understand through accredited research why other countries have, for example, higher levels of literacy and numeracy and what interventions will lead to improved outcomes.
- d) Few if any performance measures truly focus on outcomes that matter to residents. Most performance data is focussed on process, inputs and what can be measured
- e) New policies are produced with ever increasing key performance indicators with outcomes equally absent, no new money is provided to deliver the transformation
- f) The use of outcome agreements and grant regimes in an attempt to control/influence performance distorts effort and priorities in pursuit of relatively small sums of money
- g) Too much interference and central direction from government and regulators on the content of Council's corporate plans and priorities, inhibiting local discretion and innovation.
- h) Performance indicators and data are too extensive and detailed to be of use to citizens in assessing performance
- i) A standard response to a crisis (for example in Children's Social Care) is to devise more and more performance data, none of which deals with the root causes of the problem and outcomes
- j) There is a need to involve the public directly in the debate on role and outcomes. However, there is much evidence to suggest that high public satisfaction ratings are achieved by relatively few services being perceived as good. These mainly relate to 'Streetscene', dog fouling, litter, potholes. Little credit is achieved from the most important public services that deal with safeguarding and protection of the vulnerable.
- k) There can be no doubt that collaboration is making performance management and accountability more complex.

7.1.2 For the future it is suggested:

- a) Welsh Government set the vision and values for the public sector in consultation.
- b) Welsh Government devises a small number of outcome agreements that cover the whole public sector.
- c) These outcome agreements are derived from evidence based research from across the world focussing on small countries in a devolved environment.
- d) Local deliverer's have freedom to determine how their priorities, plans and outcomes are set out and are delivered.
- e) Regulators adopt a similar outcome focused, proportionate and risk based approach to their work.

8.0 Chapter 8 - Strengthening the Role of Review

8.1 Response

8.1.1 Some key issues arise from the questions in this section:

- a) Without the vision, values and outcomes that we are identifying as necessary it is difficult to conclude, despite best efforts, positively in this area.
- b) A simplified, delayed Public Sector would facilitate scrutiny and increase accountability across organisational boundaries which can focus on outcomes.
- c) A proportionate and single inspection regime must be introduced based on a small number of agreed outcome measures.
- d) There are examples of excellent political scrutiny driving service improvement. In our own case Child & Family services is a pertinent example. However to be truly effective scrutiny needs to be pan-public sector and truly engage residents and service users.
- e) Scrutiny by Ministers is negatively focussed and invariably uses the language of intervention. Once the vision and values are in place scrutiny driving learning and improvement needs to become the model.

9.0 Chapter 9 - Reforming Local Government Finance

9.1 Response

9.1.1 As indicated there is an urgent need for delayering and simplification. Austerity is the key challenge facing local government and also determines that fewer organisations can be afforded.

9.1.2 Overhead savings can be achieved but it is demand management, prevention, service change and community capacity which is needed to deliver the level of savings currently needed.

9.1.3 The role of the citizen and communities in dealing with demand management, changed service models and the creation of community capacity cannot be overestimated. Personal responsibility for Health, Well Being, the Environment and much else is a key to managing and reducing demand.

9.1.4 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 and funded unless through one organisation focussed on integrated pathways?

- b) Why have separate Fire Authorities, given that these simply comprise Local Authority members in a different guise?
- c) Wales must have a single economic regeneration strategy delivered via City Regions (where existing).
- d) Education improvement needs critical mass larger than the current individual Local Authority model.
- e) Back office services (property, ICT etc.) should be based on regions or hubs.

9.1.5 Funding and performance arrangements are, as indicated earlier, too numerous and too complex and grants need to be unhypothecated.

10.0 City & County of Swansea Summary Response

10.1 Key points from the City & County of Swansea's response can be summarised as follows:

- a) Welsh Government needs to set out a vision, backed by values and outcomes; too much of the White Paper is detailed, prescriptive and backward looking.
- b) The public sector needs delayering and complexity needs to be reduced.
- c) Accountability agreements should be simple, consistent and based on evidence.
- d) We need a public sector committed to developing community capacity, managing and reducing demand, early intervention and customer focus.
- e) It is meaningless responding to many of the proposals, for example on community governance, without a definitive view on the future structure of local authorities in Wales.

11.0 Equality & Engagement Implications

11.1 There are no equality and engagement implications associated with this report at the present time.

12.0 Financial Implications

12.1 There are no immediate financial implications associated with this report at the present time. There is however longer-term issues and consequences set out within the White Paper. 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 across the piece. 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.

13.0 Legal Implications

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

Background Papers:

White Paper – Reforming Local Government – Power to Local people.

Appendices:

Appendix A – Corporate Briefing Report 24th March 2015 ‘Briefing on the White Paper Reforming Local Government – Power to Local people’.

Appendix B – Council Response to the Commission on Public Service Governance and Delivery.

Appendix C – Democratic Services Committee response to the Welsh Government consultation on the White Paper.

Appendix D – Summary extract from the WLGA response to the Welsh Government consultation on the White Paper.