

To all Local Authority Leaders and Chief Executives, Chairs and Chief Officers of the Fire & Rescue Authorities, Chairs and Chief Executives of National Park Authorities in Wales

Dear Colleague

WLGA Draft Response to the Welsh Government's White Paper "Reforming Local Government: Power to Local People"

Following unanimous agreement at the WLGA Coordinating Committee meeting on March 27th 2015, it was agreed to seek the views of all WLGA members across Wales on WLGA's draft response to the White Paper "Power to Local People".

It was the view of members that the draft response represents an excellent and detailed summation of potential local government positions to the many and varied proposals in the White Paper. The vision set out by Welsh Government and the debate this has generated has been fully embraced in local government. Indeed, it is the view of members that this approach based on the possible form and functions of local government should have commenced before the discussion on structures.

Members were keen to stress the elements in the White Paper which were positive and are to be welcomed. These include a power of general competence, the push for greater diversity in Councillor membership, and the commitment to have a full examination of local government finance.

There are other elements of the White Paper, however, which are hugely controversial and have generated an adverse response amongst councils. These fall into key categories:

Communities – WLGA leaders agreed that the debate on more powers to councils that is currently happening across the UK is not occurring to a sufficient degree in Wales. The principles of devolution of power to our communities through local government, a localist philosophy and the principle of subsidiarity need to be at the heart of Welsh public policy.

Choice – WLGA leaders agreed that key principles of local democratic choice are at stake. Leaders believe for example that it is for communities through the ballot box to determine the length of time politicians are in post. They also believe that it is a fundamental principle that councillors select and appoint their own senior managers. These and many other examples are at the core of a localist approach.

Consistency - Many of the proposals in the White Paper apply exclusively to the local government sector. It is the view of WLGA leaders that for any debates on these matters to have credibility, and for councils to properly engage in a meaningful way, the potential reforms must apply to all levels of government in Wales.

Complexity – The White Paper adds more complexity into an already crowded public services landscape. The White Paper highlights reforms to community councils, a new system of area boards, new requirements around LSBs, the development of City Regions and a raft of other legislative proposals. These proposals appear to contradict the recommendations of the Williams Report, which sought greater clarity and significant reform. The proposals on a new improvement review framework also fall into this category.

Clarity – To properly answer some of the key issues in the White Paper this must be predicated on the need for a resolution to the debate on local government reorganization, for example, determining what is the appropriate number of councillors in Wales. The LGR debate has stalled and a further map is awaited. WLGA leaders repeat their call to be fully involved in the determination of the future shape of Welsh councils.

Commissioning – The White Paper proposes an accelerated model of local authorities commissioning services through mutuals, the third sector, social enterprises etc. The WLGA recognises that this is but one of many mechanisms to transform services and has severe limitations. It is the view of WLGA that the default model of direct public services, democratically accountable to local politicians and infused with a public sector ethos is the preferred operating model.

Councillors and Democracy - WLGA leaders want the debate on the future of local government to be based on the principles of respect, full engagement and partnership. WLGA is eager for Welsh councils to fully reflect the diversity of our communities. But we also want to ensure the contribution of all who stand for election in these difficult times is fully recognised and valued. They should be applauded for their dedication and commitment to serve communities across Wales often to the detriment of their family life and careers.

The WLGA draft response comes in the form of both an Executive Summary and a more detailed document setting out views on the many proposals in the White Paper. This is a long response but the debate generated by the White Paper is fundamental and it is important that WLGA, as the representative body of councils in Wales, seeks to address the issues contained therein. We are consulting councils on the contents of this and asking key questions:

1. Do you broadly support the approach taken and the contents of the response?
2. Do you think that the response sets the right tone and its recommendations can be fully supported?
3. Do you think there are issues or ideas that should be included in the response, which are currently missing?

Following our discussion at the last weeks Coordinating Committee we are using this period between now and the end of the Welsh Government consultation to seek authorities views on this draft. We would like to get a firm view on the direction of travel from each authority across Wales and all parts of the WLGA membership. It is hoped that this draft will in addition, assist councils in their formulation of views to the White Paper. Therefore we need your comments by **Tuesday 14th April 2015** to report back to our Management & Audit Sub Committee.

We would also urge those councils who are supportive of this response and thus not intending to submit an individual council submission to write to Welsh Government indicating their endorsement.

Yours sincerely **Councillor Bob Wellington CBE** Leader

Draft response to the Welsh Government's White Paper "Reforming Local Government: Power to Local People"

31st March 2015

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three fire and rescue authorities and the three national park authorities are associate members.

2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.

3. A draft Executive Summary is set out in pages (i) to (vii).

4. A full draft response to the White Paper is set out in pages 1 to 37.

5. WLGA would be grateful to receive any comments from the membership on the draft response to the White Paper and a response by 14th April 2015 would be appreciated.

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Executive Summary - WLGA Draft Response

Chapter 1 - Welsh Government Vision for Local Government in Wales

The Welsh Government vision for local government sets out the concept of an “activist” council which has derived from “the best international experience, and drawn on the experiences of the co-operative councils movement in the UK”. There is a welcome proposal of a power of general competence for all Welsh Councils. However many of the proposals to underpin this vision are qualified and conditional on creating larger reorganised councils.

Response

- WLGA welcomes the debate that has started on developing a vision for the future of local democracy in Wales and is committed to taking this forward in an open and constructive manner.
- WLGA members believe that the “activist” council model has real attractions but that it would require greater autonomy for local authorities than is afforded currently by central government and recognition that a public service ethos is fundamental.
- WLGA members are firmly of the view that the principles of localism and subsidiarity need to be embraced by all levels of government in Wales.
- WLGA and our colleagues across the UK support the concept of a Constitutional Convention following the general election with every nation and region in the country engaged in a dialogue with our communities about how power needs to be dispersed and how sub-national devolution can be strengthened.
- WLGA members believe that the Welsh Government should rapidly move forward to de-hypothecate all specific grants following the approaches in England and Scotland.

Chapter 2 - Balancing the responsibilities of National and Local Government

This chapter recognises that a new approach is needed to underpin central local relations in Wales and will be achieved by a review of the body of local government legislation. It also highlights that Welsh Government remains firmly of the view that both structural and organisational reform of Local Government is necessary.

Central local relations

Response

- WLGA repeats its call for clarity from Welsh Government on how local government reorganisation is to be funded and for an end to the current ambiguity on structures.
- WLGA calls for an independent review of central local relations in Wales aimed at producing clearer accountabilities and ensuring that the interface between devolved and local government drives priorities.

- WLGA calls for an annual meeting between all Welsh Government Cabinet Members and the 22 leaders to exchange ideas, plan implementation of legislation and test strategic direction of key policies. This can also be used as an opportunity to discuss new approaches.
- WLGA supports the review of the body of local government legislation and the recasting of local authority constitutions

Chapter 3 – Renewing Democracy

The proposals in this section deal with suggested reforms aimed at renewed democracy. These include reducing the number of councillors across Wales, term limits, right of recall, possible election by thirds etc. This chapter has proved the most controversial to date in the discussion around the White Paper. The tenor of discussions thus far has failed to recognise the time, commitment and service of existing councillors in relation to working in their communities and improving councils.

Councillor Numbers

Response

- WLGA proposes that a definitive view on council structures needs to be reached before the question of councillor numbers can be answered.
- WLGA advocates that any proposals must examine the optimum level of representation for a locality rather than focusing on averages across the UK.
- WLGA calls for the immediate formation of a Commission between Welsh Government, the Boundary Commission and WLGA to make progress on the way forward on levels of representation.

Remuneration

Response

- WLGA calls on Welsh Government to undertake a national review of comparative levels of remuneration beyond local government across the public sector, including non-elected bodies in Wales.
- WLGA does not feel that the case has been made for reducing allowances at a time when the size of authorities and the scale of responsibilities are increasing.
- WLGA believes that the work of the Independent Review Panel needs to be examined to understand why a system of allowances subject to objective evaluation and accumulated benchmarking since 2007 is now deemed not fit for purpose.

Term Limits

Response

- WLGA does not support the concept of term limits. While WLGA members are fully prepared to engage in a national debate on term limits this must be on the condition that it covers all levels of political representation in Wales.

Right of Recall

Response

- WLGA does not support the concept of right of recall. While WLGA members are fully prepared to engage in a national debate on the right to recall this must be on the condition that it covers all levels of political representation in Wales.

Diversity

Response

- WLGA fully supports the promotion of more diversity in Welsh Local Government and the provisions of the report “On Balance”
- WLGA believes that the promotion of diversity in local government must start with the selection processes of the political parties.

Electoral Cycles

Response

- WLGA fully supports a five year fixed term electoral cycle
- WLGA rejects the proposals for 3 year electoral cycles for the reasons highlighted in our response.

Senior Officers

Response

- WLGA believes that consideration should be given to initial fixed term contracts for Chief Executives so as to avoid the need to legislate in this area.
- WLGA is not persuaded by the case for a public services appointments commission and believes that it denies the key principle of local democratic choice in senior appointments.
- WLGA supports the idea of the Staff Commission having a role in commenting upon and reconciling salary levels for senior managers within a more consistent national framework across all public services.
- WLGA does not support lifting the electoral qualification for officers to stand as councillors in their own authorities.

Chapters 4 & 5 - Connecting with Communities and Empowerment

This section examines the potential role of area boards and reforms to town and community councils. It stresses the importance of member led community governance, however some of the proposals also add to the complexity of local governance frameworks which actually confuse and diminish the accountability of members at the local level.

Response

- WLGA supports fully the concept of member led community governance.
- WLGA believes that in some cases Area Boards can add value but only when there is local demand and not when imposed through national frameworks.
- WLGA calls on Welsh Government to implement the Williams Report recommendations on reducing complexity before any new localized structures are put in place.
- WLGA supports the proposal to give the new principal councils the power to lead reform of town and community councils.
- WLGA does not believe that a full review of governance and structures of Community councils can be completed by 2022
- WLGA is committed to public service provision through local government and, while accepting that alternative models of service delivery must be explored and considered, believes that the future sustainability of public services will rely on direct provision by councils.

Chapter 6 - Corporate Governance and Improvement

The White Paper outlines continued commitment to the concept of self-improvement, where councils themselves remain responsible for identifying their own improvement priorities, identifying and mitigating improvement challenges and risks and managing service performance. The White Paper therefore proposes a repeal of the more general improvement provisions in Part 1 of the Local Government (Wales) Measure 2009 and reaffirms an intention to retain Ministerial intervention powers, including a new power to commission an independent governance review of an authority in certain circumstances.

Response

- WLGA welcomes the Welsh Government's continued commitment to and strengthening of an improvement regime based on self-assessment and self-improvement.
- WLGA supports the general proposals to strengthen the role of Audit Committees, but the Welsh Government should also seek to clarify the distinct remit and roles of audit and scrutiny

- WLGA does not support the proposed reforms to ensure that the chair of Audit is an independent member or that Audit Committees should include a greater proportion of independent members.
- WLGA welcomes the White Paper's recognition of the value of peer review, but believes it should remain a sector-led, sector-owned and sector-commissioned model and should not be statutory or prescribed.

Chapter 7 - Performance in local Government

The White Paper further explores the key components of effective governance and self-improvement and outlines proposals for a requirement for councils to publish a corporate plan that covers the short, medium and long term, annual reporting arrangements covering performance for the previous year. The White Paper also clarifies Welsh Government intention to streamline the performance measurement regime in line with the Williams Commission recommendations and proposes the establishment of an online information portal including councils' performance information and performance documentation and reports.

Response

- WLGA supports many of the aims of the White Paper around seeking to streamline and more effectively and transparently measure, manage and report council performance.
- WLGA and Data Unit welcome the Welsh Government commitment to working with partners in developing the proposed new, streamlined approach.
- WLGA does not support proposals for 'financial penalties' and thinks it will unfairly undermine performance and attainment of standards. The White Paper does not explore the potential of minimum standards in detail.
- WLGA supports the proposal that councils should produce a comprehensive corporate plan, but is not convinced it will lead to clearer demarcation of the respective roles of councillors and senior managers and, given its comprehensiveness and complexity, it will not support or promote public engagement or accountability.
- WLGA supports the White Paper proposals around openness and transparency of council business and recognises the potential for increased service provision and customer contact through digital channels.

Chapter 8 - Strengthening the Role of Review

The White Paper outlines the Welsh Government's plans continued commitment to the concept of local democratic oversight and scrutiny of local government and, potentially, partner organisations. The White Paper outlines proposals to further clarify, support and strengthen local scrutiny, the relationship of scrutiny with external inspectorates and regulators and improved coordination of information and activities of such external bodies.

Response

- WLGA supports many of the principles and objectives that underpin the chapter on strengthening the role of review, many of the individual proposals are also endorsed.
- WLGA supports the introduction of 'Key Decisions' to clarify the key issues which scrutiny should consider and may be subject to call-in when appropriate. Similarly scrutiny forward work planning could be strengthened, but prescription should be proportionate.
- WLGA recognises the contribution and value of co-optees but it should be a matter for local determination regarding the role and voting rights of co-optees.
- WLGA does not support the proposal to legislate to ensure that collaborative or jointly commissioned services have a joint scrutiny committee. Local accountability arrangements should be left to the discretion of constituent authorities.
- WLGA supports the proposals around strengthening the links between external inspection and regulatory bodies.
- WLGA supports in principle the proposed joint 'whole system assessment' of authorities, but a biennial assessment does not appear to be proportionate and could place a significant burden on authorities.

Chapter 9 - Reforming Local Government Finance

This chapter highlights longer term proposals for reform of the finance system in Wales supported by changes to the way local services are funded and the mechanisms for distributing, raising, managing and accounting for the funding.

Response

- WLGA would argue that as the arena of local government finance is the key issue facing local government, reform should be given greater prominence within the White Paper.
- WLGA fully supports the White Paper proposals on council tax revaluation, reform of the local government funding formula and new approaches to local taxation.
- WLGA has commissioned an Independent Commission on Local Government funding to examine the crisis in local government funding and the Welsh Government is invited to participate in this work.