

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **9 SEPTEMBER 2014**

REPORT BY: **CHIEF EXECUTIVE**

SUBJECT: **REFORM OF LOCAL GOVERNMENT AND THE
PUBLIC SERVICES**

1.00 PURPOSE OF REPORT

- 1.01 To review the current consultation papers of Welsh Government on the reform of local government and the public services and to agree a formal Council response.

2.00 BACKGROUND

- 2.01 At the beginning of July the Welsh Government published a trio of policy papers on the future of governance and the public services in Wales under the banner of Devolution, Democracy and Delivery.
- 2.02 The first, entitled *Powers to Achieve our Aspirations in Wales* responds to the UK Government's Commission on Devolution in Wales (known as the Silk Commission after its Chair). The second, *Improving Public Services in Wales*, sets out a programme of reform for public services in Wales. The third, *Reforming Local Government*, a white paper published as a formal consultation document, sets out the options for an intended reorganisation of local government. The second and third papers are direct responses to the Commission on Public Services Governance and Delivery (known as the Williams Commission after its Chair) which published its findings report in January.
- 2.03 The consultation period on the latter closes on 1 October. During the consultation period the Welsh Local Government Association (WLGA) has published a separate consultation paper on the concept of Combined Authorities as one solution to local government reform.
- 2.04 All four papers are appended to the report as reference material for a Council debate. Members are invited to read through the White Paper and specifically the structured consultation questions to prepare their thoughts for the debate.

3.00 CONSIDERATIONS

3.01 Of the trio of Welsh Government policy papers two are statements of intent and provide the wider context for specific proposals for the reform of local government and the public services. This report concentrates on *Reforming Local Government* which is a formal White Paper issued for consultation.

3.02 A presentation will be made at the Council meeting with an outline response to the consultation questions to inform and prompt debate. As an initial commentary on the White Paper:-

- The Paper does not present a compelling and reassuring vision for the future role and value of local government and local governance
- The fundamental questions which require answers for a fully informed debate on a local government reorganisation are arguably (1) what will be the benefits of a reorganisation (2) how will the transition costs of a reorganisation be funded (3) what are the aspirations for localism and thereby the future roles, functional basis and freedoms to operate for local government and (4) how will local government be funded sustainably, and to what level, in the longer-term as a basis for planning?
- The Paper is limited on its assessment of and proposals for wider public service reform and is too concentrated on local government. Parallel proposals for town and community councils as the most local form of democracy, and the pivotal role of local government within cross sector partnership working and joint service delivery, are absent. A total picture of planned public services reform is needed for full and informed debate
- The Paper is too concerned with the processes of internal governance and accountability and gives insufficient emphasis to the benefits and impact on community life of a lesser number of larger councils
- The work of the Public Services Commission leads with a negative set of conclusions and undervalues the strength and performance of local government, where it works well, as a model to build upon

3.03 The Paper sets out the legislative process for two intended bills for voluntary mergers and enforced mergers respectively. The Welsh Government will be publishing a 'prospectus' with details of the process and incentives for councils who wish to submit a business case in favour of a voluntary merger over the winter months. Welsh Government should be expected to answer the types of fundamental

questions posed above in this prospectus for councils to take an informed position on the benefits and the risks of opting for voluntary merger. No council in Wales has yet made a statement of intent to pursue voluntary merger.

3.04 The Welsh Local Government Association has published a parallel consultation paper on the concept of Combined Authorities. The concept is not presented as a direct alternative to local government reform but as a contributory option.

3.05 Informal feedback shared with the WLGA in the development of this concept and repeated here to inform debate follows:-

- a combined authority geographical area has to have coherence as a demographic and economic entity to work
- replication of the English model would require an urban centric model. This is not easily transferable to Wales by nature of its population dispersal and the absence of a principal conurbation
- the benefits of the English model are more strategic - particularly economy, transport and housing planning - and less so service integration and cost efficiency gain
- the English model capitalises on the combined use of significant national government funds for infrastructure and economy directly or via secondary routes e.g. LEPS for their success. Wales does not have a comparable model of national government investment availability, flexibility and innovation in contrast
- based on the above point the concept is not a direct alternative to meet the (1) cost efficiency and (2) performance improvement levelling objectives suggested by the Public Service Commission and pushed for by Welsh Government
- a combined authority model would add pace and structure to advanced collaboration/service integration but is not in itself required for this to happen voluntarily
- a combined authority model could facilitate a worthwhile expansion of services where forms of regional consortia are already in development both strategic (e.g. economic development, use of European Funds, transport planning both infrastructure and services) and service integration and provision (e.g. specialist education support, social services commissioning)
- North Wales is not a single entity with the North East being annexed to the North West England economy and not the North

West Wales economy

- six councils existing underneath a combined authority could add bureaucracy and cost. Major service integrations would be needed to make significant cost efficiencies to match the cost saving assumptions of an LGR. Sub-regional action on service integration arguably has a better history than full regional integrations of which there are few true examples in Wales. Full service integration could lead to remote leadership and management by virtue of having to cover such a large geographical area. For this reason sub-regional structures are either likely to be required at the outset or would inevitably develop - possibly adding layers and cost.

4.00 RECOMMENDATIONS

- 4.01 Council is recommended to agree a formal response to both the Welsh Government on its paper *Reforming Local Government* and the Welsh Local Government Association on its paper *An Alternative Approach to the Williams Report: The Creation of Four Combined Authorities in Wales?*

5.00 FINANCIAL IMPLICATIONS

- 5.01 None directly.

6.00 ANTI POVERTY IMPACT

- 6.01 None directly.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None directly.

8.00 EQUALITIES IMPACT

- 8.01 None directly.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None directly.

10.00 CONSULTATION REQUIRED

- 10.01 None directly.

11.00 CONSULTATION UNDERTAKEN

- 11.01 The Council Leadership, Chief Officers and senior managers have been consulted informally in the preparation of this report and the

thinking it advocates in response to the national consultations.

12.00 APPENDICES

- 12.01 Appendix 1 - Powers to Achieve our Aspirations in Wales
Appendix 2 - Improving Public Services in Wales
Appendix 3 - Reforming Local Government
Appendix 4 - The Creation of Four Combined Authorities for Wales
Appendix 5 – Combined Authorities: Frequently Asked Questions

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 **BACKGROUND DOCUMENTS**

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