



Briefing 15-10 February 2015

Local Government (Wales) Bill

To: All Chief Executives, Main Contacts and APSE Contacts in Wales

For information only to England, Northern Ireland and Scotland.

The purpose of this briefing is to advise APSE members of the implications of the Local Government (Wales) Bill

This briefing includes:

- The general principles of the Bill
- The recognition for the need for legislation to bring about change
- The timescales proposed

Introduction

The overarching objective of the Bill is to enable preparations to be made for a programme of local government mergers and reform and to allow Principal Local Authorities to merge voluntarily by April 2018.

Background

The Bill follows on from the recommendations which came out of the Commission on Public Service Governance and Delivery which was tasked with producing an honest, independent and robust report on how public services in Wales are governed now, how this needs to change in order to meet the needs of people today and how to build a sustainable basis for the future. The report produced, known as the 'Williams Report' made a case for radical change to improve the ability of public services to respond to the growing challenges facing local government in Wales. A detailed commentary on the

report can be found in the APSE briefing note 14-07 'Commission on Public Service Governance and Delivery'.

In July 2014, the Welsh Government responded formally to the report of the Commission on Public Service Governance and Delivery through publication of *'Devolution, Democracy and Delivery – Improving Public Services for Wales'*, which set out the new agenda to transform public services in Wales. A key element of this reform agenda is the acceptance by Welsh Ministers of the Commission's recommendation for a reduction in the number of Principal Local Authorities in Wales through a process of merger.

Also in July 2014, Welsh Ministers published the 'Devolution Democracy and Delivery White Paper- Reforming Local Government', which stated the Welsh Ministers' intention to introduce legislation into the National Assembly for Wales to deliver Local Government reform in Wales. The White Paper preferred the Commission's recommendation which proposed for Local Authority mergers i.e. to reduce the number of Principal Authorities from 22 to 12.

Within the White Paper, Welsh Ministers stated that the principle for merger should ensure that the boundaries of merged Principal Local Authorities should support integrated service delivery through aligning with health board and police force boundaries and that the reforms should be based on mergers to avoid the upheaval involved in splitting existing Authorities. Any mergers which created a new Principal Area should be based on the merger of two or more whole existing Principal Areas; this would also prevent the need to redraw existing boundaries and avoid the complexities and challenges this would pose.

Timelines

Structural change involving the merger of local authorities will require thorough planning and comprehensive preparatory work. Therefore the White Paper has set out a timetable for two Bills which will move the agenda of local authority reform in Wales.

Consultation has already taken place providing the public, local authorities and others with the opportunity to comment on the proposals with the aim of presenting the Welsh Government which takes office after May 2016, with the opportunity to make an early decision on how it wishes to proceed, bearing in mind the results of the consultation. In the main, respondents commented on the wider merger and reform issues contained in

the White Paper and those policy proposals which may be taken forward under the second Bill to be introduced in 2016

The first Bill – the first Local Government (Wales) Bill has now been introduced (26 th January 2015). The Bill enables preparations to be made for a programme of local government mergers and reform, and includes provisions to facilitate the voluntary merger of two or more principal local authorities by April 2018.

The Bill puts in place safeguards to discourage and counter activities by existing principal local authorities which might bring reputational or financial harm on any new principal local authority created by future merger.

The Bill amends provisions in the Local Government (Wales) Measure 2011 (relating to the Independent Remuneration Panel for Wales and the survey of councillors and unsuccessful candidates) and the Local Government (Democracy) (Wales) Act 2013 (relating to electoral reviews) to ensure the effective operation of those statutes.

APSE Comment

Welsh Councils have been aware of the proposals contained within the Bill, via the recommendations contained within the findings of the Commission on Public Service Governance and Delivery. As such some have begun to develop possible mergers with other local authorities, investing valuable time and money at a time when financial cuts to local authority budgets are continuing unabated. Linked to this has been a general concern that there is a good deal of confusion still about what the Welsh Government is wanting from local authorities beyond broad statements about streamlining delivery, reducing complexity, increasing scale to sustain and improve services, strengthening governance and scrutiny, developing the right leadership/culture and values and improving performance management.

These concerns appear to be well-founded following the rejection of all voluntary merger proposals by Leighton Andrews MP who stated that he had not been persuaded that councils had set out a “compelling vision” for merger. As a consequence Welsh councils are concerned there are no clear plans to reform local government in Wales. Indeed there are now claims that there may be a view that there is a desire from Government to reduce the number of councils in Wales to six. There are now growing demands that Welsh

Ministers must provide clear information on exactly why the merger proposals had been rejected and what will happen next.

It is interesting to note that there has been little reference to the proposals suggested by the Welsh Local Government Association (WLGA) which proposed a combined authorities approach, where functions such as strategic planning, transport, commissioning of health and social care and the procurement of waste processing facilities etc. could be delivered via the creation of four regional authorities along the lines of Greater Manchester Combined Authority, which has proved successful in England. This approach would place a legal duty on local authorities to participate in the regional body and deliver specified functions through such a body, whilst retaining their local democratic independence and thereby ensure local people still have a close link to their elected members and the decisions they make on their behalf.

It is also noted that whilst the Local Government (Wales) Bill concentrates on organisational and structural issues a further white paper '**Devolution, Democracy and Delivery: White Paper: Reforming Local Government: Power to Local People**' was issued on the 3 February 2015 which proposes a range of measures including sweeping changes to the terms of office of local councillors. The white paper also proposes similar provisions to the Localism Act 2011, which generally applies to English local authorities and the Community Empowerment (Scotland) Bill, which is now passing through the second stages of parliamentary process in Scotland. Arguably some provisions proposed in the white paper are cross-cutting to the Local Government (Wales) Bill and may be best considered in tandem.

APSE also notes the WLGA's previous references to the consideration of the APSE Ensuring Council model. The APSE Ensuring Council model is built upon the principles of democratic accountability, stewardship, public value, social justice, civic entrepreneurship, financial capacity and empowering local communities, underpinned by a core capacity of in-house services delivered in collaboration, not competition, with other providers.

Whilst it is accepted that the Local Government (Wales) Bill concentrates predominantly on structural issues the Ensuring Council model provides a vision for local government in Wales, which would enable local authorities to join up strategic thinking with operational efficiency and give greater flexibility in responding to ever increasing demands on local services and challenges within local economies.

APSE will continue to monitor developments and keep members informed of any progress with the Bill and would equally welcome comments and observations from its member authorities in Wales. Please email any comments or suggestions to Wayne Priestley on wpriestley@apse.org.uk.

Wayne Priestley

APSE Principal Advisor