

Agenda



Chair of Cabinet

Date: Monday, 4 June 2018
Time: Not required
Venue: Not required
To: Councillor D Willcox

| Item | | Wards Affected |
|------|---|----------------|
| 1 | <u>Welsh Government Green Paper: Strengthening Local Government</u> (Pages 3 - 20) | All Wards |

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Report

Chair of Cabinet

Part 1

Date: 5 June 2018

Subject **Welsh Government Green Paper: Strengthening Local Government**

Purpose To agree a response to the Welsh Government Green Paper 'Strengthening Local Government: Delivering for People'.

Author Chief Executive

Ward All

Summary The Green Paper 'Strengthening Local Government: Delivering for people' issued 20 March 2018 is the Welsh Government's statement of intent for a stronger, more empowered local government in Wales. The proposals in the document set out proposed changes to the delivery of local government services which would mean changes to the administrative and electoral boundary in Newport through a merger with Caerphilly County Borough.

The report outlines the proposed response to the consultation which must be submitted by 12 June 2018.

Proposal **To endorse the proposed consultation response as set out in the report.**

Action by Chief Executive

Timetable Response to be submitted by consultation close on 12 June 2018

This report was prepared after consultation with:

- Head of People and Business Change
- Strategic Directors
- Head of Law and Standards

Signed

Background

The Local Government Green Paper 'Strengthening Local Government: Delivering for People' was launched on the 20 March 2018 by Alun Davies, Cabinet Secretary for Local Government and Public Services.

The Green Paper builds upon previous proposals for local government reform contained within:

- White Paper – Reforming Local Government: Resilient and Renewed, January 2017
- Devolution, Democracy and Delivery- Draft Local Government (Wales) Bill, November 2015
- White Paper - Reforming Local Government: Power to Local People, February 2015
- Report of the Commission on Public Service Governance and Delivery - Williams Commission, January 2014.
- White Paper- Reforming Local Government, July 2014

Alongside regional working in key areas, Welsh Government have concluded, in line with the recommendations of the Williams Commission, that they need to create larger, stronger authorities to secure the financial viability of some councils, ensure the sustainability of services and provide a platform for transformation in delivery and outcomes for people.

In summary the paper seeks views on merging the 22 local authorities into 10 with three options:

1. Voluntary mergers by 2022
2. A phased approach with early adopters merging by 2022 followed by other authorities by 2026;
3. A single comprehensive merger programme by 2022.

Locally it is proposed that Newport would merge to become part of an authority with Caerphilly, while the expectations are that existing regional arrangements will continue around the education consortia, and the City and Growth Deals.

The current Green Paper sets out Welsh Government's vision to strengthen and empower communities and councils across Wales. It seeks views on strengthening local democracy, strengthening local government and finding agreement on a future footprint.

The Green Paper

Welsh Government set out their **case for change** as Wales needing strong democratically accountable councils, working at the right scale to protect local services. The future sustainability of local government is cited as the reason for the proposals. Issues such as the resilience of services, particularly in smaller councils, are described as lack of expertise and leadership, capability, capacity and greater administrative overheads (Williams, 2014). The Paper reflects upon the previous discussions and the views of local government in Wales that there is no appetite for mandated regional services. The view of Welsh Government is that continually increasing expenditure is not a solution and that the status quo is not an option.

The Paper recognises the City Deal and regional working through education consortia and social care but considers that this is not enough to address financial and service challenges. Changing the size and number of local authorities is described as providing a platform for radical transformation and long term sustainability.

The Paper suggests that larger, stronger local authorities are needed to ensure the sustainability of services and provide a platform for transformation in delivery and outcomes for people. The **options for strengthening local government** set out the future footprint: the change process- including elections to the proposed new authorities; the support and assistance Welsh Government intends to give; and an emergency power for merger with failing authorities.

In considering the costs for change the Paper references the Regulatory Impact Assessment of the 2015 Draft Local Government Bill but notes that an updated impact assessment would be needed. The paper

makes clear the view that there are significant costs but also anticipated financial benefits.

The Paper states in **finding agreement for a future footprint for local government** that it is important to have a clear template for the future which any mergers must be consistent with. It reports that reservations were expressed to the earlier consultation (Reforming Local Government, 2014) which proposed a Newport Monmouthshire merger. Further that the responses to a regional authority comprising Caerphilly, Blaenau Gwent, Torfaen, Newport and Monmouthshire Councils (Draft Local Government Bill, 2015) considered that the area would be too large to be democratically accountable. The Paper says that the proposed groupings for South East Wales are to be tested through consultation.

The Paper sets out a number of challenges in bringing local authorities together:

- staffing issues: including pay, structure, policies and pensions
- system and process alignment, including data sharing and ICT
- service reconfiguration and transformation: including understanding of capacity and capability
- workforce issues, including recruitment and retention.

It considers the status of other regional delivery including health boards, police forces, education consortia, fire and rescue services and city and growth deals. The Annexes to the paper consider some of the comparison data for demographics, budgets, council tax, number of staff, proportion of Welsh speakers, and Councillor to elector ratios.

In considering a **clear and democratically led process** the proposed transition is set out including elections to Shadow Authorities and the establishment of Transition Committees. The Local Democracy and Boundary Commission for Wales would be directed to undertake electoral reviews of the proposed new authority areas and make recommendations by August 2020. Transition Committees and Shadow Authorities would be tasked with setting the budgets and medium term financial plans of the proposed new authorities.

The section **strengthening local government and support through the process of change** states that the future of local government is dependent on local Councillors having a meaningful role. In it Welsh Government recognise the pressures on local elected members and that the role is unattractive to many people, that Councillors should reflect the diversity of populations and that the commitment given should be remunerated appropriately.

The Paper considers what additional powers and flexibilities would be of benefit to local authorities and also suggests that larger authorities would have the critical mass of expertise, skills and capacity needed to develop innovative and flexible services. The Paper sets out the offer of support that Welsh Government intend to give in terms of early practical support on issues such as workforce development, service integration and digital developments. Common systems and the shared use of public sector assets are also considered.

The role of **Community and Town Councils** is referenced, in particular the current cross-party review of their potential role. The review is due to report in October 2018.

Responses to this consultation need to be submitted by 12 June 2018. This report sets out Newport City Council's proposed response and endorsement of WLGA's response on the same.

Political Groups and individual Councillors are able to respond separately to the consultation.

Consideration of the proposals

Any proposal to strengthen local government must be welcomed, particularly restating the importance of local democracy and accountability. The Council would wish to engage constructively in developing a localist vision for the future of local government in Wales and the response should be considered in that light.

The messages around stronger, more sustainable and resilient public services, with better alignment with partners such as the police, health and with city region boundaries are welcomed. However the proposal for Newport does not support the principle.

The recognition of the importance of local government, the need for more freedom and powers to support better solutions for local communities, of local democracy and the importance of local government as an employer and the value of the local government workforce are all positive.

It is helpful that examples of collaboration are recognised (City Deal, Education Achievement Service) and this demonstrates that constructive partnerships develop where a clear business need is identified.

However the proposals represent a distraction from the challenge of delivering services, and meeting the needs of increasingly complex communities. There is a distinct lack of synergy between the Newport and Caerphilly administrative areas, and little shared identity from a community perspective. The proposals as outlined in the Green Paper would move democracy further away from local people.

It is the view of Newport City Council that Newport's identity as a developing city, and the challenges within the locality would not be best met by the proposals to merge with any other Council. The excellent work of the Newport Public Services Board (PSB) in developing a local partnership which meets the needs of the community supported by a Wellbeing Plan would be diluted in any wider authority. The Newport PSB set up is different to that of its neighbouring authorities, reflecting the very different community assessment, assets, demographic and need. The Future Generations Commissioner and Auditor General have recently spoken about the need for public sector bodies to develop place based solutions, which are best developed by local partnerships around community needs.

More widely there is a lack of evidence that increasing size benefits areas such as social care during times of austerity, and the significant savings outlined in the proposals could only be achieved through workforce reductions.

The proposals would add layers of complexity to local governance and accountability in already large, and in Newport's case growing, population areas. The differences in community needs from language, ethnicity, housing challenges and need, shape and size of the area with inherent transport challenges, and, as mentioned previously, community identity for the respective populations of Caerphilly and Newport. This is in part reflected by the different make up of community and town councils in the two areas.

The consultation paper asks a range of questions which are considered below.

WLGA response to the Green Paper

The WLGA has responded to the Welsh Government Green Paper and published a press release to this effect.

The WLGA view, supported by Newport City Council is that local government was already responding proactively to the previous reform programme of regional collaboration and is progressing with the City and Growth Deal agenda. Further that the announcement has caused disquiet and confusion as a shift in government policy midway through the Assembly term.

The WLGA continue to discuss reform and empowering local government with the Cabinet Secretary and are committed to the case for proper funding of councils. As current examples in England show scale is not an answer to the crisis in social care and deepening austerity and the WLGA view is that merging authorities without the necessary resources is not a sustainable solution to the problems councils face.

Wellbeing of Future Generations (Wales) Act 2015

The Green Paper identifies the Well-being of Future Generations (Wales) Act 2015 as providing the basis for driving a different kind of public service in Wales, and using the five ways of working to guide how public services should work to deliver for people. However the Future Generations Commissioner has championed the need for public sector bodies to develop place based solutions. These are best developed by local partnerships around community needs.

The Council has considered the Act and the sustainable development principle in the response to this proposal. The long term need for sustainable and resilient public services is important but must not overshadow the short term concerns for local services that have existed following a number of years of austerity. Prevention is also key to prevent problems getting worse therefore the potential loss of partnership working within communities needs to be acknowledged. In Newport there are extensive local partnerships to support community safety and resilience.

The individual organisations have already recently focussed on integration and collaboration in developing their well-being plans and objectives. The One Newport Wellbeing Plan for Newport was published by the partnership in May 2018 and sets out clear aims and actions based on community well-being profile for the area. Positive regional work already exists also through the establishment of the EAS and City Deal Region without the need for formal council mergers. Council's in the Gwent region work in partnerships, and the Gwent 'GSWAG' partnership group has made cited as an example of good practice for PSBs working together. Finally the importance of local people being involved in decisions moving forward is key and we must not allow their voices to be lost if priorities change.

Consultation response

In Annex C of the Green Paper there are a series of consultation questions requiring a response as part of the consultation process. The proposed view of Newport City Council to form a response to those questions is as follows.

A number of these questions assume a positive response to the proposal to reorganise local government in Wales and as such some of the answers repeat the Council's position.

Consultation Question 1 (Chapter 3)

In Chapter 2, we restated our commitment to regional working in key areas but recognised the need for this to be supported by further change. In chapter 3, we set out the broad options for moving toward fewer, larger local authorities and summarise features of the process which would be common to each option.

a) What practical steps could the Welsh Government take to make current regional working easier and more effective, for example in relation to education consortia, social services and the City Regions and City and Growth Deals?

Newport City Council is only in favour of regional working when it is supported by business cases, that make sense in terms of service improvement/efficiency and, importantly, where there are demonstrable benefits to the residents of Newport. The commitment to such work is evidenced through the Council's participation in the City Deal, Education Achievement Service partnerships and Shared Resource Service.

The current and previous proposals consider changes around the old Gwent region which would align with health and police boundaries, however the Council has developed strong partnerships with the five constituent local authorities in the area and our wider partners. We recognise the challenge for smaller local authorities, but as a growing city with a unique identity, and very different communities to our neighbours we continue to consider a standalone authority the best option for Newport and our communities.

In a time of reduced and reducing budgets, we do not consider that a wholesale local government re-organisation is best placed to meet the ongoing challenge, and we would question the financial benefits proposed in the Green Paper.

Economies of scale should be the driver for regional working. There are areas where scale has the potential to bring benefits to service delivery where resilience can only be achieved by bringing expertise together to support service delivery. Health and social care and educational achievement would be examples of this.

Regional working, partnership and collaboration should not be mandated by Welsh Government. As outlined in the proposals local government is best placed to determine solutions for communities and needs more freedom to do this.

b) What are your views on the common elements to the process of mergers we outline in this section?

We would agree that a structured, democratically-led change process would always be the best approach to ensure the impact on existing services, citizens and the workforce is managed.

The recognition of the importance of local government, the need for more freedom and powers to support better solutions for local communities, of local democracy and the importance of local government as an employer and the value of the local government workforce are all positive.

However, Newport City Council retains the position that remaining a stand-alone Authority is the best outcome for the city and our communities. We would propose that continuing to work in partnership where there is a demonstrable benefit to our citizens is the best approach for the city and our communities.

c) What are your views on the options for creating fewer, larger authorities which we have set out?

Newport City Council retains its position that a stand-alone Authority is the best outcome for our communities. There is a distinct lack of synergy between the Newport and Caerphilly administrative areas, and little shared identity from a community perspective.

The proposals as outlined in the Green Paper would also move democracy further away from local people.

It is the view of Newport City Council that Newport's identity as a developing city, and the challenges within the locality would not be best met by the proposals to merge with any other Council. The excellent work of the Newport Public Services Board in developing a local partnership which meets the needs of the community supported by a Wellbeing Plan would be diluted in any wider authority. The Newport PSB set up is different to that of its neighbouring authorities, reflecting the very different community assessment, assets, demographic and need. The Future Generations Commissioner and Auditor General have recently spoken about the need for public sector bodies to develop place based solutions, which are best developed by local partnerships around community needs.

More widely there is a lack of evidence that increasing size benefits areas such as social care during times of austerity, and the significant savings outlined in the proposals could only be achieved through workforce reductions.

The proposals would add layers of complexity to local governance and accountability in already large, and in Newport's case growing, population areas. The differences in community need from language, ethnicity, housing challenges and need, shape and size of the area with inherent transport challenges, and, as mentioned previously, community identity for the respective populations of Caerphilly and Newport. This is in part reflected by the different make up of community and town councils in the two areas.

d) Are there other options for creating fewer, larger authorities we should consider?

Not for Newport - as a city it should stand alone. However, there may be other opportunities for other smaller authorities to merge and this should be done on a voluntary basis. The proposals as outlined in the Green Paper would also move democracy further away from local people.

e) Do you have evidence on costs, benefits and savings of each option which can inform decision-making? If so, please provide details.

Since 2013-14 we have achieved cumulative savings of over £41m and more before this time. There is no recognition within the Green Paper of the efficiency journey that Councils have been on over the past eight years which will lower any previous estimates of savings. As such any revised assessment of cost and benefit must recognise the very different financial landscape.

As current examples in England show scale is not an answer to the crisis in social care and deepening austerity and the WLGA view is that merging authorities without the necessary resources is not a sustainable solution to the problems councils face.

Having just transferred staff into a shared service we are fully aware of the increase in costs and complexity which can negate any financial benefit, due to differences in terms of conditions of employment, grading and how pensions are dealt with.

Therefore, whilst further savings will accrue from mergers, we believe they will be lower than previously estimated as the 'cost to change' will be very significant and it should be recognised that there will be areas of increased on-going costs created from mergers, and in particular between Newport City Council and Caerphilly Council. Further savings will not be the single answer to the significant financial challenges facing the sector, financial resilience and securing service sustainability and therefore the rationale for mergers requires significant 'other benefits' to justify the costs and disruption created

Consultation Question 2 (Chapter 4)

Chapter 4 has explained the need for clarity on the future footprint for local government and the range of factors which should be taken into account to determine a new configuration. It sets out a suggested future footprint for local government, which could be reached via each of the options set out in the previous chapter.

a) Do you agree that providing clarity on the future footprint of local government is important?

Clarity on a future footprint is important for Councils, staff and the very many vulnerable people Councils deliver services to. We feel that the previous Cabinet Secretary had given that clarity.

Newport City Council would wish to continue to discuss reform and empowering local government as part of the WLGA dialogue with the Cabinet Secretary and are committed to the case for proper funding of councils. The Council would wish to engage constructively in developing a localist vision for the future of local government and would welcome clarity on the future of local government.

There may be other opportunities for some authorities to merge and this should be done on a voluntary basis. The Future Generations Commissioner and Auditor General have recently spoken about the need for public sector bodies to develop place based solutions, which are best developed by local partnerships around community needs.

The timescales set out would be unlikely to achieve a consistent and robust approach, as legislation and extensive preparation and support would be required prior to any merger by 2022. 2026 would appear a more realistic timescale for mergers, although Newport City Council maintain the position that the needs of our city and communities are best served as a standalone Council, working with our partners in the locality.

b) Do you agree with the factors we have identified to inform our thinking? Would you change or add any?

The data outlined in Annex B of the Welsh Government paper is selective and as such should be considered along with a range of factors.

Community identity and make up are a key consideration for any review of service delivery and administrative boundaries. It is the view of Newport City Council that Newport's identity as a developing city, and the challenges within the locality would not be best met by the proposals to merge with any other Council.

The excellent work of the Newport Public Services Board and other PSBs in developing local partnerships which meet the needs of the community supported by a Wellbeing Plan would be diluted in any wider authority, in areas where the needs are diverse. The Future Generations Commissioner and Auditor General have recently spoken about the need for public sector bodies to develop place based solutions, which are best developed by local partnerships around community needs.

The economic, identity, social and health challenges in the Newport area need a solution fit for this area. These needs are outlined in our community wellbeing assessment, a Welsh Government requirement for each area which has not been fully considered in the proposals.

Planning should ensure that 'form follows function' and issues that impact on public sector demand are considered. Factors include community cohesion, deprivation, community safety, housing need and delivery. Environmental factors should also be considered along with geographic differences.

c) What are your views on the new areas suggested in this section?

As outlined in the answers above, Newport City Council retains its position that a stand-alone Authority is the best outcome for our city and our communities.

d) Do you have alternative suggestions and, if so, what is the evidence to support these as an alternative?

The Council would wish to engage constructively in developing the vision for the future of local government and the development of local place based services and partnerships.

However as outlined in the answers above, Newport City Council retains its position that a stand-alone Authority is the best outcome for our communities.

e) In the context of these proposals, are there other ways we should simplify and streamline joint working arrangements at regional level and among public bodies within the new authority areas? If so, what are they?

The proposed model for the Gwent area would not facilitate joint working with our police and health boards as they would be working with two local authority areas, and, regarding community safety and police issues there are clear differences in need for our city and our communities which should shape local partnerships and service delivery.

The excellent work of the Newport Public Services Board in developing a local partnership which meets the needs of the community supported by a Wellbeing Plan would be diluted in any wider authority. The Newport PSB set up is different to that of its neighbouring authorities, reflecting the very different community assessment, demographic and need.

The Future Generations Commissioner and Auditor General have recently spoken about the need for public sector bodies to develop place based solutions, which are best developed by local partnerships around community needs and as such we would seek support for local, place based partnership service delivery. The PSBs across Gwent share practice and collaborate on delivery, although distinct variances

in the well-being assessments evidence how the local Boards need to be responsive to their local communities.

Regional economic development is working across a much wider footprint than Gwent and has proved that boundaries on a map are no barrier to shared commitment and delivery of outcomes.

Consultation Question 3 (Chapter 5)

Chapter 5 sets out the proposed approach to transition and implications for establishing Transition Committees and elections to Shadow Authorities under each option.

a) Do you agree with the proposed process of transition: namely establishing Transition Committees and ensuring elections to Shadow Authorities can be held ahead of vesting day for the new authorities?

The timescales set out would be unlikely to achieve a consistent and robust approach, as legislation and extensive preparation and support would be required prior to any merger by 2022. 2026 would appear a more realistic timescale for mergers, although Newport City Council maintain the position that the needs of our city and communities are best served as a standalone Council, working with our partners in the locality.

The proposals represent a distraction from the challenge of delivering services, and meeting the needs of increasingly complex communities.

The support that would be required from senior officers and corporate teams would reduce the Authority's capacity to deliver services and achieve further service efficiencies or partnership outcomes, including the city deal and Wellbeing Plan.

The creation of a shadow authority would be costly and time consuming and if not properly resourced introduces risks and instabilities to the existing authority, partnerships and service delivery. Assembly elections in May 2021 followed by elections to Shadow Authorities would also present an issue and confusion for our communities and the electorate.

b) Do you agree that, if option 1 were pursued, we should set a date by which voluntary merger proposals should come forward in each electoral cycle?

The timescales set out would be unlikely to achieve a consistent and robust approach, as legislation and extensive preparation and support would be required prior to any merger by 2022. 2026 would appear a more realistic timescale for mergers, although Newport City Council maintain the position that the needs of our city and communities are best served as a standalone Council, working with our partners in the locality.

We recognise that some smaller authorities may wish to enter into a voluntary merger to support resilience and sustainability. Any such proposals should also consider police and health board boundaries, and whether they strengthen local government provision in Wales.

c) Do you have any other thoughts on the proposed process?

The proposed process represents another change of policy from Welsh Government, and has insufficiently involved local authorities. Newport City Council would wish to continue to discuss reform and empowering local government as part of the WLGA dialogue.

The Council has considered the Wellbeing of Future Generations Act (Wales) 2015 and the sustainable development principle in the response to this proposal. The long term need for sustainable and resilient public services is important but must not overshadow the short term concerns for local services that have existed following a number of years of austerity. The individual organisations have already recently focussed on integration and collaboration in developing their well-being plans and objectives. Finally the

importance of local people being involved in decisions moving forward is key and we must not allow their voices to be lost if priorities change.

Consultation Question 4 (Chapter 5)

The consultation suggests holding any local government elections in June 2021.

Are there any reasons why June 2021 would not be a suitable date? If so, please suggest an alternative date with the reasons why that would be more suitable.

Please see answer to Question 3 a) above.

The timescales set out would be unlikely to achieve a consistent and robust approach, as legislation and extensive preparation and support would be required prior to any merger by 2022. 2026 would appear a more realistic timescale for mergers, although Newport City Council maintain the position that the needs of our city and communities are best served as a standalone Council, working with our partners in the locality.

The proposals represent a distraction from the challenge of delivering services, and meeting the needs of increasingly complex communities. The support that would be required from senior officers and corporate teams would reduce the Authority's capacity to deliver services, achieve further efficiencies, and deliver partnership outcomes including the city deal and Wellbeing Plan.

Assembly elections in May 2021 followed by elections to Shadow Authorities would also present an issue and confusion for our communities, the electorate.

Consultation Question 5 (Chapter 5)

The Welsh Government recognises that there are some plans or assessments, for example the preparation of assessments of wellbeing by Public Service Boards, which are linked to electoral cycles. We will make provision to make sure these tie into any new electoral cycles going forward. Are there any other plans or matters which might be tied into the electoral cycle which we need to consider?

It would be helpful if all the legislation was aligned to electoral cycles and even more helpful if requirements for strategic assessment and planning could be streamlined and further aligned. Requiring several sets of high level assessment and planning on the same timeline is a pressure on partnership resources and can be confusing for stakeholders.

The following Welsh Government legislation also has timelines tied to electoral cycles: Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015; Social Services and Well-being (Wales) Act 2014- population needs assessment to be completed per electoral cycle, and Area Plan to be produced within one year of the needs assessment.

Consultation Question 6 (Chapter 5)

What are your views on the approach which should be taken to determining the parameters of electoral reviews?

We are aware of reviews proposed by the Local Democracy and Boundary Commission for Wales as part of their regular programmed work. There would clearly be an increased resource required to undertake the electoral reviews of all proposed new authorities in Wales at the same time.

Consultation Question 7 (Chapter 6)

a) How can councils make more effective use of their elected members knowledge of, and connections in, their communities?

Members are key consultees on issues affecting their communities, they can often suggest solutions to problems, provide insight into the community and links to local groups.

In our area we have used the wellbeing (previously ward) profiles of each area of the Authority to ensure that ward members have an oversight of all of the data and intelligence for their wards, and can use that local knowledge to inform and challenge decision making. Further, member's local knowledge has helped to develop the profiles which are used by all partners including the third sector and the local community.

b) How could we better recognise the level of responsibility involved in being a local councillor? What changes to the remuneration and support councillors receive would enable a wider range of people to become involved in local democratic representation?

If the plans are to reduce the number of local councillors, but strengthen local democracy then elected members will need additional support. The workload of councillors is increasing, and improvements in the diversity of elected members will mean that more members have other commitments, such as employment, volunteer and community roles, and families. Improvements in remuneration would go some way to support this.

The proposals as outlined in the Green Paper would move democracy further away from local people.

Consultation Question 8 (Chapter 6)

a) Are there other powers which local government should have? If so, what are they?

We would refer to our and the WLGA response to the Cabinet Secretary January 2018, and highlight the following:

The WLGA has consistently argued that legislation and/or statutory guidance which introduce new duties or powers for local government should not be prescriptive. Whilst the Welsh Government should rightly set national objectives and outline the strategic framework, local authorities are best placed to determine local governance or delivery arrangements. Flexibility and maximum local discretion should therefore be provided with regards the discharge of any new duties, the design and delivery of local (or regional) services or any local accountability and governance arrangements.

Transfer of specific grants into Revenue Support Grant – local authorities require the maximum freedom and flexibilities to make spending and cost recovery choices locally, supported by transparent and equitable funding for all 22 authorities.

We would also like to move to three year financial settlements, notwithstanding the difficulties and uncertainties around national funding, to support medium term planning and managing within significant budget restrictions.

Devolution of permissive local tax-raising powers to local government such as green taxes to protect the environment, as previously outlined in the WLGA Manifesto 2016-21 and the Independent Commission on Local Government Finance Wales 2016.

Greater flexibility around fees and charges to allow local authorities wider scope to vary according to local needs and priorities including a review of those that are nationally regulated as recommend by the Wales Audit Office

Transfer some public health functions and funding into local government which would build on and enhance preventative services provided by Councils.

b) Are there other freedoms or flexibilities which local government should have? If so, what are they?

As outlined in a) above.

We would also welcome an alignment and reduction in duplication around the corporate planning, governance and reporting duties of the Well-being of Future Generations Act (Wales) 2015, Accounts and Audit (Wales) Regulations 2014, Draft Local Government Bill 2015 and current Local Government (Wales) Measure 2009.

Consultation Question 9 (Chapter 6)

a) Which areas offer the greatest scope for shared transactional services?

Newport City Council is only in favour of regional working when it is supported by business cases, that make sense in terms of service improvement/efficiency and, importantly, where there are demonstrable benefits to the residents of Newport.

This may apply to transactional services such as HR and payroll transactional; procurement; order processing and creditors; internal audit; training; housing benefits and council tax reductions; and IT provision.

However, having just transferred staff into a shared service for IT we are fully aware of the increase in costs and complexity which can negate any financial benefit.

b) How might such arrangements be best developed?

The future programme of Local Government reform needs to be rooted in a clear partnership with co-produced solutions. We believe that local government is able to determine which collaborative arrangements work best for its needs and those of the communities it serves.

However the challenge of increases in costs and complexity could be supported by all Wales work and Welsh Government support for this.

Consultation Question 10 (Chapter 6)

a) In ensuring we deliver a consistent approach across Wales, where consistency is important, how do you think the advice and support on each of these matters could be best provided?

We maintain that we have the ability and expertise to determine which collaborative arrangements work best for the needs of our communities. Welsh Government should set national objectives and outline the strategic framework, local authorities are best placed to determine local governance or delivery arrangements.

We note that the National Assets Working Group is in place to support asset review and rationalisation, more locally asset review forms part of our Wellbeing Plan.

b) Are there any other challenges or opportunities from structural change or providing additional powers and flexibilities that have not been identified above? If these areas require support, what form should this support take?

Local Government has a consistent record of improving services, even during times of severe financial constraint. The key to future improvement is greater certainty in terms of financial planning and expectations from Welsh Government. With a more stable planning environment and greater freedoms as suggested in the responses above, local government will be able to deliver even more improvement.

Further support would need to be in the form of resources to support change at a local level.

c) Which of the issues identified above or in your response should be prioritised for early resolution?

Covered in a) and b) above.

Newport City Council would maintain that the best outcome for our city and our communities is to remain as a standalone authority working with partners in the local area, and developing collaborations based on business need and outcomes for communities.

Consultation Question 11 (Chapter 6)

We would like to know your views on the effects that the proposals within this consultation would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

a) What effects do you think there would be?

We have supported our Welsh learners through the Welsh in Education Strategic Plan, and have committed to the development of the Welsh language in Newport in our 5 Year Welsh Language Strategy. We are mindful of our population needs and make up, and have fewer Welsh language speakers than Caerphilly.

Regardless of any reorganisation we remain committed to developing the use of the Welsh language in our City. We also have a partnership agreement for translation services with Cardiff City Council, evidencing our commitment to delivering collaborations based on business need.

b) How could positive effects be increased, or negative effects be mitigated?

Regardless of any reorganisation we remain committed to developing the use of the Welsh language in our City. We also have a partnership agreement for translation services with Cardiff City Council, evidencing our commitment to delivering collaborations based on business need. We have already stated within this feedback that any compulsory merger with another Local Authority would draw much needed resource from implementation of current plans and delivery of services to dealing with the matter of re-organisation. In the short to medium term this will obviously have a significantly detrimental effect on a range of service provision and supporting Welsh language development within the city will be no different. A merger with Caerphilly will do nothing but weaken the current position.

Consultation Question 12 (Chapter 6)

Please also explain how you believe the proposed policy within this consultation could be formulated or changed (if required) so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Local government has embraced the Welsh Government's 2050 ambition and strategic approach to the Welsh language and regardless of any reorganisation we remain committed to developing the use of the Welsh language in our City. A merger with Caerphilly will be detrimental to this work as outlined above.

Consultation Question 13 (Chapter 6)

The Children's Rights Impact Assessment published alongside the consultation outlines the Welsh Government's view of the effect of the proposals contained in the consultation on children and young people. The Welsh Government seeks views on that assessment.

a) Are there any positive or adverse effects not identified in the assessment?

None identified.

However we would reiterate the importance of local people being involved in decisions moving forward. We must not allow their voices, including the views of children and young people, to be lost if priorities change. Further we would note the extensive consultation with children and young people to develop our Wellbeing Assessment, which could be used for any further planning work.

b) Could the proposals be reformulated so as to increase the positive effects or reduce any possible adverse effects?

Use of the Wellbeing Assessment and views of young people as outlined above.

Consultation Question 14 (Chapter 6)

The Equalities Impact Assessment published alongside the consultation outlines the Welsh Government's view of the effect of the proposals contained in the consultation on protected groups under the Equality Act 2010. The Welsh Government seeks views on that assessment.

a) Are there any other positive or adverse effects not identified in the assessment?

There are very significant differences between black and minority ethnic populations in Newport, and Caerphilly (or any of our neighbouring authorities). 2.9% homes in Newport do not have English or Welsh as a main language, compared to 0.5% in Caerphilly. The density of black and minority ethnic groups is markedly higher in the Newport area than Caerphilly (or any of our neighbouring authorities).

Newport is also an asylum dispersal area. With the merger, dispersal will widen to include the whole local authority area and also increase the numbers of asylum-seekers Home Office can disperse into the area. The cap is based on 1:200 and the merge would result in the LA cap going from approximately 745 to approximately 1647. The increase is likely to end up being housed within the Caerphilly area due to the practice of housing providers for the Home Office contract procuring rental properties that are low-cost. Due consideration needs to be given on how this could impact local communities and services with the area.

Given the differences in the communities in the two areas, and the points made previously about a sense of belonging and identity which contribute to community cohesion, we would consider the proposals do not best serve either community area.

b) Could the proposals be reformulated so as to increase the positive or reduce any possible adverse effects?

The community needs and service user demands are considerably different in the two areas, as are levels of deprivation, housing need and other aspects which in part relate to the development of Newport as a city.

Newport City Council would maintain that the best outcome for our city and our communities is to remain as a standalone authority working with partners in the local area.

Consultation Question 15 (Chapter 6)

Please provide any other comments you wish to make on the content of this consultation.

The messages around stronger, more sustainable and resilient public services, with better alignment with partners such as the police, health and with city region boundaries are welcomed. However the proposal for Newport does not support the principle for the reasons stated in this response.

Financial Summary

There are no direct financial implications as a result of replying to the consultation. There would be significant financial implications as a result of the changes proposed in the Green Paper.

Risks

| Risk | Impact of Risk if it occurs* (H/M/L) | Probability of risk occurring (H/M/L) | What is the Council doing or what has it done to avoid the risk or reduce its effect | Who is responsible for dealing with the risk? |
|--|--------------------------------------|---------------------------------------|--|---|
| Not properly preparing for the implications of the local government reform programme | High | Low | Cabinet will receive update reports as the consultation and programme progresses and respond to consultations accordingly. | Chief Executive |
| The needs of Newport residents are not best served by the proposals | High | Medium | Response to the consultation as outlined in this report | Chief Executive |

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The Green Paper sets out the Cabinet Secretary for Local Government and Public Services vision for the future of local government, reference is made to the Well-being of Future Generations Act (Wales) 2015 within the consultation.

The proposed changes being considered will require changes to Council policies and priorities as outlined in the report.

Options Available and considered

- a) To endorse the proposed response to the consultation as outlined in this report.
- b) To amend the response to the consultation and respond to Welsh Government by the consultation deadline.

Preferred Option and Why

To endorse the proposed response to the consultation as outlined in this report.

Comments of Chief Financial Officer

There are no direct financial consequences of responding to the Consultation although, as stated in the body of the report – there are very significant financial consequences of embarking on a merger of Local Councils.

I have reviewed the detail contained in the report and in particular Question 1e pertaining to costs and savings and would agree with the general comments made re: significant 'cost of change' incurred in doing this, the reduced savings now compared to 4-8 years ago, the need for funding that reflects the significant challenges facing the sector and that this in-itself will not resolve the financial challenges and financial resilience issues of the sector.

Comments of Monitoring Officer

There are no legal implications at this stage as the Council is only responding to the consultation on the Green Paper. Although the Council is committed to the principle of strengthening local government and promoting greater democratic accountability, to improve the delivery of public services, there is no evidence that the proposed mergers would assist in delivering such improvements. On the contrary, there is no real synergy between the Newport and Caerphilly administrative areas, in terms of service delivery and community identity. Therefore, the proposals could have a retrograde effect and be counter-productive in terms of the on-going challenges facing local government. Therefore, the proposed response to the consultation is to be supported and Newport should retain its individual identity, whilst continuing to work on a regional collaborative basis with other partners.

Comments of Head of People and Business Change

There are no direct staffing implications arising from replying to the consultation, there would be significant staffing implications arising from any merger with another local authority arising from differences in pay and grading and structures between the organisations. As outlined within the response, there is an ongoing issue of creating further uncertainty for staff within all Local Authorities as we deal with yet another iteration of Local Government Reform. This is enhancing an organisational and service delivery risk for Newport City Council which we will need to mitigate further.

The Well-being of Future Generations Act (Wales) 2015 has been considered in the response to the consultation as outlined in this report.

Comments of Cabinet Member

As Leader of the Council and Leader of the WLGA, along with my colleague Councillors I support the proposed responses as outlined in the report.

Comments of Non-Executive Members

Councillor J Richards:

I support wholeheartedly the response to the Green Paper on Local Government Reform.

The report identifies in some detail the implications of reorganisation and I support the views and arguments.

At grassroots level in Wales, political connectivity works.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

The Green Paper is accompanied by Welsh Government's Equality Impact Assessment, a Welsh Language Impact Assessment and a Children's Rights Impact Assessment.

The proposals are at the discussion/consultation stage and the detail available is not yet sufficient to carry out an equalities impact assessment of specific policy and impact on protected groups.

Children and Families (Wales) Measure

Although no targeted consultation has taken place specifically aimed at children and young people, previous consultation responses would show that children and young people are concerned about sustaining local government services in the future.

Wellbeing of Future Generations (Wales) Act 2015

The Green Paper identifies the Well-being of Future Generations (Wales) Act 2015 as providing the basis for driving a different kind of public service in Wales, and using the five ways of working to guide how public services should work to deliver for people. The Paper references the Welsh Government and Future Generations Commissioners 'Framework for Service Design'.

The Council has considered the Act and the sustainable development principle in the response to this proposal as outlined in the report. The importance of local people being involved in decisions moving forward is key and we must not allow their voices to be lost if priorities change.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

Comments received from wider consultation, including the Senior Leadership team and comments from elected members, are included in the proposed response.

Background Papers

Cabinet Report: Welsh Government White Paper 'Power to Local People', 28 Apr 2015

[Welsh Government Green Paper: Strengthening Local Government: Delivering for People'](#).

WLGA Press Release 20 Mar 2018

Dated: 5 June 2018

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