Report

![Newport City Council logo - Cyngor Dinas Casnewydd]

Cabinet

Part 1

Date: 20 March 2017

Item No: please see above

Subject **Consultation Response to Welsh Government white paper on Local Government – "Reforming Local Government: Resilient and Renewed"**

Purpose To agree the response prepared by the Chief Executive to the white paper on local government.

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Ward All

Summary Welsh Government published its white paper on reforming local government on 31st January, 2017. This is the latest in a series of plans from Welsh Government outlining proposals for the future of local government.

Consultation responses are required by 11th April 2017 which is of course within the purdah period for the local government elections. The white paper is a lengthy document which raises a number of key issues which require careful consideration. This meeting is therefore the first opportunity for a report to be presented for discussion. As there are a number of issues which may be politically contentious it would be inappropriate to discuss and submit a response within the purdah period. Therefore some questions have been left unanswered in the proposed response.

Proposal **To agree the response to the Welsh Government white paper on reform of local government.**

Action by Chief Executive

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors (People and Place)
- Heads of Service

Background

<u>Structure of White Paper</u>

The key themes covered in the document are as follows:

- Regional Working
- Voluntary Mergers
- Local Leadership
- Community Councils
- Elections & Voting

The consultation poses 33 questions for consideration. Attached at appendix 1 to this report are the suggested responses to the questions.

In many ways the white paper is a disappointingly traditional approach to reform. It focuses on structures with very little attention to the needs of the communities local government serves. It makes the assumption that the way to tackle future challenges lies in greater levels of collaboration between local authorities and across the public sector. Collaboration between authorities is already extensive and significant savings have already been achieved.

Whilst the creation of larger authorities now seems off the agenda, the thinking behind the white paper seems stuck in the thinking of structures. Local Government is now being urged and instructed to create regional, sub-regional and local structures with no thought given to how we can create local systems serving local communities using the social capital within places. Savings can be achieved through the sharing of senior staff but in overall terms, these will be marginal and reduce the capacity and capability to deal with possibly the most challenging environment local government has ever faced. Creating new structures also takes times and in some cases will be dependent upon the introduction of legislation. The danger is that time and energy is focused in the wrong place and ultimately new structures are just new ways of doing things the same way. What is needed is a fundamentally different approach to engaging with communities and a new approach to service design.

So this really is an opportunity missed. More innovative models are now being created which focus much more on developing local systems using the collective capacity within a place to help meet the challenge of creating sustainable service delivery to help people live well. This white paper was an opportunity for Wales to set itself apart as a country determined to create a new model for the delivery of public services. Unfortunately the white paper will not achieve this.

Nevertheless it is now appropriate to focus on the issues raised in the document and the proposed responses to the questions.

Set out below is more information about the key issues:

<u>Regional Working</u>

Following the demise of the reorganisation plans and the appointment of the new Cabinet Secretary, the focus has been on putting in place collaborative arrangements to ensure councils work more effectively together.

The white paper sets out a number of options with various levels of mandation from Welsh Govt. The rationale for closer regional working is clear and should be supported. However, as ever the devil will be in the detail.

So the white paper sets out a list of functions which WG think should require regional working and it covers a significant amount of functions:

- Economic Development
- Transport
- Land use planning and building control
- Social Services
- Education Improvement
- Additional Learning Needs
- Public protection

The paper then sets out 4 options for regional arrangements:

- Option 1: Mandating prescribed footprints for regional working
- Option 2: Mandating a framework – this would mean the geographical footprint wouldn't be set by WG but they would still mandate the service areas.
- Option 3: Framework & Footprint – some services would be prescribed to be delivered on a geographical footprint e.g. land use planning but others would be subject to more local negotiation informed by a WG framework for service delivery.
- Option 4: What the white paper describes as "deliberatively regional", which is really a return to discussions about how services should be delivered in the future.

The paper sets out option 3 as the preferred way forward and the proposed response supports this option, as it provides the most flexibility for future arrangements.

The challenge will be in the governance and from the service users perspective the new arrangements could be more confused. Some services will remain the responsibility of Newport City Council, some could come under the jurisdiction of a Gwent joint committee, e.g. social care and some could be under the jurisdiction of a Cardiff Capital Region committee, e.g. Economic Development.

Shared Services

Welsh Government is understandably pushing for greater collaboration in back office functions. Newport already provides a large number of services through collaborative arrangements. The latest example is the recent agreement to transfer our IT services into the Shared Resource Service (SRS) arrangement across Gwent.

The proposed response supports looking to extend the number of services provided through shared arrangements.

Voluntary Mergers

WG is proposing to maintain the option to consider proposals for voluntary mergers. NCC has already decided it wouldn't wish to pursue this option so this provision.

<u>Local Leadership</u>

There are some really important issues covered in this section:

1) Proposal to reduce the amount of specific grants and put the funding directly into RSG. We should support this as it increases our flexibility.
2) Commitment from WG to develop a more constructive relationship with local government and the WLGA.
3) Reduction of performance reporting requirements – again a step forward
4) Focus on importance of Future Generations and Well Being act – we would support this as the framework for future performance reporting.
5) There will be new duties on Leaders of political groups to ensure high standards of conduct amongst their members and recognition from WG that councillors have a central leadership role within their communities.
6) WG wants to promote better engagement with local communities.
7) Ability to return to the committee system – this doesn't seem to be a step forward.

<u>Community Councils</u>

WG wants to improve the impact of community councils, giving them a greater influence over local communities. The white paper however recognises the challenge here and this will require further consultation and further legislation.

<u>Elections & Voting</u>

Potentially big changes here such as the proposal to allow authorities to use the STV system for local elections and also to look at allowing 16 yr old to vote in local elections. There will be a further consultation on electoral matters during the summer. The proposed response makes no comment on these elements of the white paper as the timing of the consultation makes it inappropriate to do so.

Proposal
The proposed responses to the questions are set out at appendix 1 to this report.

Staffing issues

There are no staffing issues arising from this report.

Financial Summary

There are no direct costs or financial implications to the authority arising from this report.

Risks
There are no direct risks to be highlighted at this time as this is just a consultation document.

Links to Council Policies and Priorities

The Council's overall mission is "Improving People's Lives". The white paper is the beginning of a more detailed consideration of the future framework for the delivery of public services and as such will have a significant impact on the achievement of the mission in the future.

Options Available and considered

Option 1 – Consider and approve the consultation response to be submitted to Welsh Government by 11 April 2017.

Option 2 – Make no submission to Welsh Government.

Preferred Option and Why

Option 1 – The white paper is an important statement by Welsh Government about the planned framework for the future of local government. The only way to influence and shape the future framework is by being engaged in the debate, so submitting a response is important.

Comments of Chief Financial Officer
There are no direct costs or implications in responding to the consultation.

The White paper points to potential significant changes and will have, if implemented, very significant financial management impacts and will require appropriate and robust governance arrangements. These will need to be reviewed in due course.

Comments of Monitoring Officer
There are no specific issues arising from the Report at this stage as the Cabinet is simply responding to the consultative White Paper on reforming local government. It would not be appropriate for the cabinet to respond to specific questions relating to the electoral process and the STV system during the period of enhanced political sensitivity in the pre-election period. In general, the proposed regional/collaborative working framework is to be supported, although the White Paper is short on detail and does not contain anything new or innovative in terms of transforming the delivery of public services. Therefore, existing legal framework is probably sufficient for the purposes of delivering the range of shared-services being proposed, particularly through traditional models of Joint Committees and lead authorities. The proposals to relax specific grant funding and remove the continuous improvement duty and inspection regimes are to be welcomed. The previous prescriptive arrangements for standards of performance on the part of individual elected Members has also been modified and greater flexibility is now being proposed, which is again welcome.

Local issues
Not applicable

Scrutiny Committees
No consultation at this time. However this is just the first stage in a long debate and scrutiny will be involved in future discussions.

Equalities Impact Assessment and the Equalities Act 2010
The proposal does not require a Fairness and Equalities Impact Assessment.

Children and Families (Wales) Measure
Not applicable

Wellbeing of Future Generations (Wales) Act 2015
Not applicable

Crime and Disorder Act 1998
Not applicable

Consultation

Background Papers
Welsh Government White Paper: "Reforming Local Government: Resilient and Renewed" – published on 31st January 2017.

Dated: 3rd March 2017

APPENDIX 1: Responses to consultation questions

Q1:   The Welsh Government believes that it is appropriate to consider "tests" to frame thinking around regional working.

   a) Do you think the "tests" set out are helpful in guiding thinking?

      Response
      The "tests" set out are appropriate for the ambition set out in the white paper.

   b) Are there other tests or considerations that might also be used?

      Response
      There are no links back to the Future Generations Act or anything which judges community capacity to develop better service delivery.

Q2:   In this White Paper the Welsh Government has set out a number of areas which it believes should be required to be delivered on a regional basis.

   a) Do you agree that these areas should be delivered regionally?

      Response
      We would not support the delivery of public protection services or additional learning needs on a regional basis. We can see the logic for regional delivery for the other services but would wish to see the detailed proposals before making a substantive comment.

   b) What practical considerations should we consider in taking these proposals forward?

      Response
      The test for any regional arrangement is how responsive the structures can be to local needs, which are likely to be very different across the region.

   c) What other "ancillary" powers would be required to ensure the effective exercise of the functions exercised regionally?

      Response
      We would require further details on proposals to enable a substantive response to this question

3)   In this White Paper the Welsh Government has set out a number of areas which it believes could also be delivered on a regional basis.

    a) Do you think that local authorities should be required to work regionally to deliver these functions?

    <u>Response</u>
    We support the move to regional working and believe local government should be given the flexibility to make the most appropriate arrangements to suit their communities. Requiring particular structures to be put in place would not meet this flexibility test.

    b) Are there any other practical considerations we should be aware of?

    <u>Response</u>
    There are no further matters we would point out at this time.

4)   Are there any other functions that would benefit from a systematic approach to regional working?

    <u>Response</u>
    We believe all services could be delivered on a regional basis. However the focus shouldn't be on structures but on outcomes so the test should always be about whether new structural arrangements can improve people's lives.

5)   Welsh Government believes that, subject to engagement with local government and other partners, there should be flexibility to enable Welsh Ministers to mandate additional functions to be undertaken regionally. Do you agree or disagree? Why?

    <u>Response</u>
    We disagree with the approach of mandation as this undermines the principle of local decision making to reflect local circumstances.

6)   The Welsh Government believes that the new arrangements should not prevent Local Authorities using their existing powers to undertake additional functions regionally. Do you agree or disagree? Why?

    <u>Response</u>
    Agree. We support the principle of regional working to deliver better services.

7)   The Welsh Government believes that some back office and transactional services ought to be organised and delivered regionally or nationally. Which services do you believe could be best organised and delivered these ways?

    <u>Response</u>
    We would support all transactional services being delivered on a regional/national basis.

8)   The Welsh Government believes that overcoming data sharing issues is key to taking forward greater regional working of back office functions.
   a)   What legislative obstacles have made progress on sharing services difficult?
   b)   How have they been or could they be overcome?
   c)   What challenges does data sharing pose?

   Response
   We believe that problems with data sharing have too often been given as reasons to prevent greater regional working. The key issue here is leadership and a willingness to commit and then follow through. Clarity of objectives at the outset is also vital.

9)   The Welsh Government believes sharing more back office functions would be helpful.
   There are a number of options:
    Enable the NHS Wales Shared Service Partnership for providing services to
   local government (and others)
    Establish a similar model to provide back office services to local government
   (and others)
    Establish an alternative model to provide back office services to local
   government (and others)
   Which do you believe would be most appropriate to best support regional working?
   Why? What other alternative models could work effectively and what steps could the
   Welsh Ministers take to enable or encourage local government-led alternative models
   To be implemented?

   Response
   All the above should be considered. A local government service, based on the NHS Wales model would be our preferred staring point but any final decision needs to be informed by more detailed business case modelling.

10)   The Welsh Government believes that joint understanding and planning of public sector assets is essential to maximize their impact and that this requires regional mapping of estates assets and future intentions. How can this joint governance and decision making best be achieved? Is the larger economic footprint the right one?

   Response
   We agree this would be a very useful exercise and should be done on a city region basis. The oversight can be provided through the emerging city region governance structures.

11) The Welsh Government believes a strengthened joint committee (a 'Joint Governance Committee') offers an appropriate governance model for regionally delivered services and intends to set out a framework for local government to use to deliver this. What should the democratic accountability and scrutiny arrangements be for such a model? Should each participating Local Authority have equal voting rights? Or should they be weighted in some way?

Response
Local authorities should have equal voting rights. Regional scrutiny arrangements are already in place for some functions and this would seem appropriate for future regional structures.

12) The Welsh Government believes that in order to put in place arrangements which reduce complexity for Authorities and their partners the position for Bridgend needs to be considered. Although Bridgend is fundamentally concerned in this, other partners including other Local Authorities and the Local Health Boards also have valid interests. We are therefore seeking views on how best to address the issues set out here.

Response
This is really a matter for Bridgend Council.

13) The Welsh Government believes that 'Option 3: A framework and a footprint' is the most appropriate model for future regional working.

☐ What are your thoughts on the proposed mandatory economic development footprint for 'Joint Governance Committees'?
☐ How could a framework approach for sub-regional working in other services areas operate in practice?
☐ Is it appropriate for there to be flexibility for regional working to cross economic development boundaries in exceptional circumstances? Which circumstances would they be?
☐ How should the governance arrangements at the mandatory economic development 'Joint Governance Committees' have oversight of sub regional working?

Response
Newport City Council supports option 3 as the way forward for regional working.

14) The Welsh Government would welcome comments on the appropriateness of seeking powers to create a Combined Authority. In particular, views on what minimum expectations there should be in considering the appropriateness of creating a Combined Authority are welcomed.

Response
The ability to create a Combined Authority would ease some of the administrative arrangements around Joint Committees. We would support the move to put in place legislation to enable creation of Combined Authorities where appropriate.

15) The Welsh Government believes that a mandatory financial framework should be developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent Local Authorities.
☐ Should the expenditure of 'Joint Governance Committees' be met by constituent Local Authorities, in proportions to be agreed locally, to ensure the most flexible approach?
☐ Should the framework provide for a default position if local agreement cannot be reached, and how such a process might be triggered?
☐ What further considerations might relate to, or need to be included in, a financial framework?

Response
The financial framework should be developed by the authorities party to the Joint Governance arrangement.

16) The Welsh Government believes that to support organisations to move to a more consistent and regional approach to delivering services it will be necessary to issue statutory guidance where there is an identified need. Do you agree or disagree? If you agree, what types of advice, guidance and support on leadership and workforce matters might lead to greater local, regional and national consistency?

Response
We do not believe statutory guidance is necessary. Local Govt officers are very capable of developing a workforce framework to ensure regional and national arrangements deliver the best outcomes.

17) The Welsh Government believes it would be helpful if Public Services Boards could collaborate or merge across Local Health Board Boundaries. Do you agree or disagree? Why?

Response
We can see the sense in this proposal.

18) The Welsh Government believes Public Services Boards should be allowed to demerge as well as merge. Do you agree or disagree? Why?

Response
Agree. This should be a matter for Public Service Boards to discuss and decide.

19) The Welsh Government would welcome comments on what minimum expectations there should be in considering the appropriateness of voluntary merger.

Response
Voluntary mergers should be a matter for each local authority to consider. We would expect any proposal to be subject to a full business case process.

20) The Welsh Government would welcome comments on any of the proposals set out previously in the draft Local Government Bill and associated consultation paper, Annex One refers.

Response
No comments to make

21) The Welsh Government believes that Part 1 of the Local Government (Wales) Measure 2009 should be repealed for all 'Improvement Authorities'. Do you agree? Why?

Response
Agree. This will reduce the administrative burden on authorities. We will focus on working with WLGA on putting in place effective self-assessment and improvement across local government.

22) The Welsh Government believes there should be minimum expectations on Councillors for interacting with their local constituents. Do you agree or disagree? If so, what should these minimum expectations be?

Response
Further detail and discussion is required before a response can be provided.

23) The Welsh Government believes it could be helpful to make some minor changes to existing area committee legislation to increase their flexibility. What do you believe these changes should be?

Response
No comments to make

24) The requirement for Local Authorities to work on a regional basis will require Councillors, the Local Authority and employees to balance the responsibilities they have to their local area, with those for the larger region. How best could this be achieved?

Response
New arrangements will require a different way of working. This will depend on the specifics of new arrangements.

25) The Welsh Government intends to make a return to a form of the committee system available to Local Authorities where it best meets local circumstances. How would this option best work within the context of the proposals for new regional arrangements?

Response
No comments to make

26) The Welsh Government believes it may be appropriate to limit future designation of relevant statutory Senior Officer posts to a regional level where the functions are being delivered regionally. Do you believe this is appropriate? Why? If so, how might this best be delivered?

Response
This may be appropriate but should be left as a matter for partner authorities to determine.

27) The Welsh Government believes there are things that can be done now to help build resilience and renewal in the (community council) sector in the short to medium term and would welcome comments on the list of actions at paragraph 6.1.6 that could be taken in the short term to help the sector be more effective/ resilient views on any other actions which could be taken?

Response
No comments to make

28) The Welsh Government is seeking initial views on all of the proposals set out in Chapter 7 on elections and voting.

Response
It is not appropriate to consider this proposal during an election purdah period.

29) The Welsh Government would welcome any views on the potential financial and nonfinancial benefits and costs associated with the proposals in the White Paper.

Response
It is difficult to provide any detailed comments as the benefits will not be clear until new arrangements have been evaluated and put in place.

30) The Welsh Language Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on the opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language. The Welsh Government seeks views on that assessment. Are there any other positive or adverse effects not identified in the assessment? Could the proposals be reformulated so as to increase the positive effects or reduce any possible adverse effects?

Response
No comments to make. Newport City Council actively supports the Welsh Language Standards.

31) The Children's Rights Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on children and young people. The Welsh Government seeks views on that assessment. Are there any other positive or adverse effects not identified in the assessment? Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

Response
No comments to make

32) The Equalities Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on protected groups under the Equality Act 2010. The Welsh Government seeks views on that assessment. Are there any other positive or adverse effects not identified in the assessment? Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?

Response
No comments to make

33) Please provide any other comments you wish to make on the content of this White Paper.

Response
No comments to make