

To: Members of the County Council

Date: 5 June 2018

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Dear Councillor

You are invited to attend a meeting of the **COUNTY COUNCIL** to be held at **2.00 pm** on **MONDAY, 11 JUNE 2018** in **COUNCIL CHAMBER, COUNTY HALL, RUTHIN LL15 1YN.**

Yours sincerely

G Williams
Head of Legal, HR and Democratic Services

AGENDA

PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

3 LOCAL GOVERNMENT REFORM - GREEN PAPER (Pages 3 - 88)

To consider a report by the Head of Legal, HR & Democratic Services (copy attached) to inform Council of the contents of the Paper and obtain approval of a Council response to it.

MEMBERSHIP

Councillors

Councillor Peter Scott (Chair)

Councillor Meirick Lloyd Davies (Vice-Chair)

Mabon ap Gwynfor

Christine Marston

Brian Blakeley

Barry Mellor

Joan Butterfield

Melvyn Mile

Jeanette Chamberlain-Jones
Ellie Chard
Ann Davies
Gareth Davies
Hugh Evans
Peter Evans
Bobby Feeley
Rachel Flynn
Tony Flynn
Huw Hilditch-Roberts
Martyn Holland
Hugh Irving
Alan James
Brian Jones
Huw Jones
Pat Jones
Tina Jones
Gwyneth Kensler
Geraint Lloyd-Williams
Richard Mainon

Bob Murray
Merfyn Parry
Paul Penlington
Pete Prendergast
Arwel Roberts
Anton Sampson
Glenn Swingler
Andrew Thomas
Rhys Thomas
Tony Thomas
Julian Thompson-Hill
Graham Timms
Joe Welch
Cheryl Williams
David Williams
Eryl Williams
Huw Williams
Emrys Wynne
Mark Young

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Report To: Council

Date of Meeting: 11th June 2018

Lead Member / Officer: Councillor Hugh Evans/ Chief Executive

Report Author: Gary Williams

Title: Local Government Reform – Green Paper

1. What is the report about?

The report is about the Welsh Government's Green Paper Consultation Document on Local Government Reform entitled Strengthening Local Government: Delivering for People ("the Paper")

2. What is the reason for making this report?

To inform Council of the contents of the Paper and obtain approval of a Council response to it

3. What are the Recommendations?

That Council considers the content of the Paper attached as Appendix 1 to this report and approves the draft consultation response set out in Appendix 2 to this report for submission to Welsh Government.

4. Report details

The Welsh Government has published a consultation document, the Paper, setting out the Government's case for Local Government Reform and the options that it is considering implementing in order to achieve this.

The Paper is the ninth publication or consultation document issued by the Welsh Government on the topic of Local Government Reform since and including the Williams Commission Report in January 2014. Details of these publications and documents are set out in the annexes to the Paper.

The Welsh Government says that it has considered the results of these previous consultations in formulating the proposals set out in the Paper. The Paper is attached as Appendix 1 to this report.

Consultation responses are to be submitted to Welsh Government by the deadline of 12th June 2018.

Group Leaders were invited to discuss the Paper at a meeting on 15th May.

An all Member Workshop was held on the 24th May in order to obtain the views of the wider Council membership. Members of CET and SLT have also been consulted on the content of the Paper.

A draft consultation response has been prepared which tries to encapsulate the feedback given by officers and members following the work described above. The draft response is attached as Appendix 2.

Council is asked to consider the content of Appendix 2 and approve its submission to Welsh Government.

5. How does the decision contribute to the Corporate Priorities?

The decision does not contribute to the Corporate Priorities.

6. What will it cost and how will it affect other services?

The response to the Paper will not incur any cost

7. What are the main conclusions of the Well-being Impact Assessment?

An impact assessment is not required for this consultation response

8. What consultations have been carried out with Scrutiny and others?

CET and SLT have been consulted. The Paper has been considered by a meeting of Group Leaders, and has been discussed by all Councillors at a briefing workshop held on 24th May.

9. Chief Finance Officer Statement

The prospect of a major change to the shape of local government in Wales at the same time as managing ongoing budget cuts poses a significant risk. Hopefully, Welsh Government will recognise this if proposals are taken forward. The cost implications of any emerging proposals must be properly considered nationally and locally and should be robust enough to make a business case to support the final decision.

10. What risks are there and is there anything we can do to reduce them?

There is a risk, if the Council fails to submit a response, that the Welsh Government will make a decision on the future of Local Government without having the opportunity to take into account the views of this Council and its Members.

11. Power to make the Decision

S111 Local Government Act 1972



Welsh Government
Green Paper Consultation Document

Strengthening Local Government:

Delivering for People

Date of issue: 20 March 2018
Action required: Responses by 12 June 2018

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview	<p>‘Strengthening local government: Delivering for people’ is the Welsh Government’s statement of intent for a stronger, more empowered local government in Wales. The proposals in this document set out the desired approach for the future of local government to deliver stronger, more resilient and sustainable public services with democratic accountability at its core.</p>
How to respond	<p>To respond to the consultation please either complete the online form or complete the questionnaire at the back of the document and return it either by email to</p> <p>StrengtheningLocalGov@gov.wales</p> <p>Or by post to</p> <p>Strengthening Local Government Welsh Government Cathays Park Cardiff CF10 3NQ</p>
Further information and related documents	<p>Large print, Braille and alternative language versions of this document are available on request.</p>
Contact details	<p>For further information:</p> <p>Strengthening Local Government Welsh Government Cathays Park Cardiff CF10 3NQ</p> <p>email: StrengtheningLocalGov@gov.wales</p>
Data protection	<p>The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations.</p> <p>In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and</p>

address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

Names or addresses we redact might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

Your data will be kept for no more than three years.

Under the data protection legislation, you have the right:

- to access the personal data the Welsh Government holds on you;
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Telephone: 01625 545 745 or 0303 123 1113

Website: www.ico.gov.uk

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:
Welsh Government
Cathays Park
CARDIFF
CF10 3NQ

Data.ProtectionOfficer@gov.wales

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Foreword



I believe in local government.

I was brought up in a house where both my parents worked in delivering local services in Tredegar. For me local government is not simply about structures and lines on maps. For me this debate is about people. And it is about who we are as a people.

I want us to discuss and debate how we strengthen and empower communities and councils across Wales. I agree with those people who have argued that we need to devolve powers not simply to Wales but throughout Wales as well. I have already asked council leaders what new and additional powers they want to better deliver high quality services and to shape the future of the communities that they represent. I am committed to delivering more powers to Welsh local government than at any time since devolution. And I want to give those new powers to councils which are robust and sustainable enough to use them.

I hope that this will be an enriching and positive debate. All too often in the past we all have focussed solely on the challenges facing councils. Whether those challenges are financial or otherwise. I hope that we can now focus today on the opportunities that we can create for local authorities in Wales. Councils with more freedom and powers, which are bolder and more innovative, and which can deliver the best solutions for their areas and shape their futures.

We all want to see more people coming into local government to serve as councillors. We need councillors old and new who reflect the diversity of our communities and are value driven, capable, energetic and working hard to improve people's lives for the better. We all want to see strong democratic debate and accountability rooted in the communities we serve. And which includes community and town councils, which play an important part in the delivery of strong local government. While the role of councillors and their relationship with the communities they represent has changed dramatically in the last ten years, they remain the life blood of local government. Communities have high expectations for public services and councillors across Wales are having to make tough choices.

We need councils whose membership is fully representative of the local community and which are relevant to everyone. Councils where elected members are recognised and rewarded for their commitment and for the crucial role they play in our democracy.

I simply do not believe that this vision of powerful, robust and energised local government can be built without a serious debate about local government structures. Wales needs strong, effective, empowered local authorities which can weather continued austerity and build local democratic structures fit for future generations. Our local authorities need to be large enough to have the capacity and capability to

develop and implement the bold new solutions demanded by the increasing challenges they face. Continuing as we are will simply see more missed opportunities to modernise, integrate and transform the way things are done. And this will be a tragedy for all of us who not only depend on our local services but who want to see stronger local government in the future.

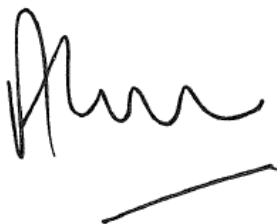
I know local government has made real efforts to change, adapt and invest for the future but I also understand that in the face of UK Government cuts, there are limited options for ensuring the future sustainability of local services. The clock is ticking and local government must do something radical in response to the challenges we all recognise to remain relevant to the next generation, rebuild its purpose and develop trust.

Working together regionally remains crucial. It is central to our model of delivery in education and social services and has been led proactively by local government through the City and Growth Deals. This must continue but it is not enough on its own.

The next step must be game-changing. I know that many people in local government understand this and I am committed to working with them to deliver this change. I have already announced proposals to increase participation and improve the democratic process for everyone in Wales.

This consultation sets out some options designed to create stronger and more powerful local authorities by bringing them together to create new authorities. Bringing local authorities together, while making a range of changes designed to reinvigorate the democratic process and strengthen the role of elected members, offers an opportunity to deliver democratically accountable, high quality and sustainable public organisations, which can address the many economic and social challenges our communities face now, and in the future.

I hope now that we can have that positive, constructive and optimistic conversation about how we empower and strengthen local government for the future.

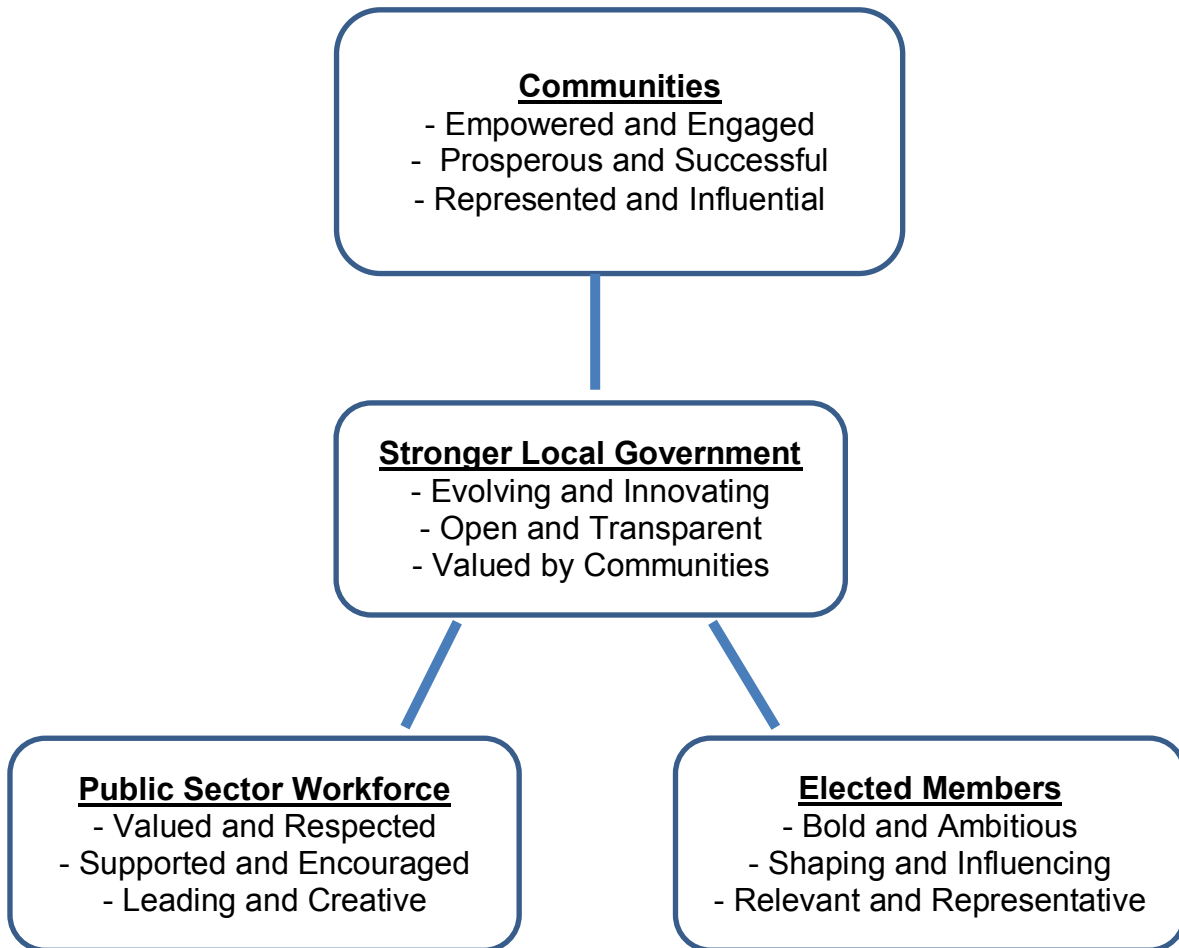
A handwritten signature in black ink, appearing to read 'Alun', with a horizontal line underneath it.

Alun Davies

Cabinet Secretary for Local Government and Public Services

1. The Future of Local Government

- 1.1 The Welsh Government wants strong and empowered local government which can provide bold, determined and focused local leadership. We believe local government, its elected members and officers should be respected by and be representative of their communities. We want councils which are valued by their communities and are the first port of call for those wanting to connect with local communities whether they are from the private, public or third sector.
- 1.2 Our vision is for empowered local authorities which have the freedom, powers and values that drive them to look to the future, learning from the past but not stuck in it. Success will be measured by how much is being done better and the positive difference this makes to people's lives.
- 1.3 Our vision for local government builds on the strengths local government already has. This is about reinvigoration not reinvention. It looks forward to councils with the strength and scope to work in the best interests of the communities they serve. Councils which work with others to make a difference and use public money effectively for the public good. A local government system where the workforce are valued, respected and influential in improving services – supported and encouraged to be advocates for the people they serve. A system in which social partnerships underpin the relationship between local authorities and their staff and are recognised and valued as a strength. In turn, larger, empowered, local authorities will empower communities and town and community councils to be bold and ambitious.
- 1.4 The Welsh Government believes that to achieve this vision, the current structure must be revisited. This consultation explores potential approaches to achieve this vision.



2. Case for change

- 2.1 Local government reform is not an end in itself. It is about ensuring the effectiveness and sustainability of public services for the future and ensuring we have strong democratically accountable councils working at the right scale to be empowered to protect public services. It is strong local government working with and for communities which will help us build prosperity for all.
- 2.2 Local democracy is a core part of Welsh identity. Our heritage and traditions of public service are based on the values born out of the struggles for social justice in many of our communities in the late nineteenth and early twentieth centuries. The late twentieth century again saw communities coming together to fight for their beliefs, for their values, for jobs and for a future for their children.
- 2.3 We now face new challenges, made more acute by the impact of globalisation. A new generation is looking to public service leaders to provide direction, preserve the fabric of communities and provide opportunities for involvement in democratic decision making. Strong and empowered local democracy will be vital in addressing the challenges we face, in finding the best local solutions and in delivering sustainable public services.
- 2.4 At present, as the Leader of the Welsh Local Government Association (WLGA) has said:
- "services are wearing down to the point of collapse and the public are rightly growing frustrated in terms of paying council tax and yet seeing key community functions cut or closed ... The whole position is unsustainable. Local authorities cannot go on to be expected to make the harshest of cuts whilst continuing to provide the same breadth and level of service; in short, something has got to give."*
- 2.5 The Welsh Government agrees we cannot carry on as we are if local government is to be sustainable and provide the foundation on which future generations and their communities can prosper. This challenge is complex and requires a long term approach which is about more than money alone. We must look at the role of local government, how it works, what people expect – transforming service delivery and giving local authorities the tools to lead their communities.

The need for change

- 2.6 The rationale for change is simple and urgent. Wales needs stronger local government which is equipped to address the challenges we face. Councils with the powers, capability and capacity to deliver the public services our

citizens need. Local authorities which support communities by using public money efficiently and effectively. We have explored a number of different solutions to this challenge over the last four years¹.

- 2.7 The Commission on Public Service Governance and Delivery (the Williams Commission) in its report published in January 2014², made the case for structural reform of local authorities in order to ensure the continued delivery of high quality and sustainable public services. The report stated that the creation of larger authorities:

“..appears to be the best option for addressing the risks of small scale and indeed the only one which is both viable and deliverable in the short to medium term. Such a programme is necessary to maintain local democracy, deliver cost savings and create local authorities that are resilient and better able to withstand the challenges ahead. It is also the only option that will allow for timely implementation and the least possible impact on the delivery of front-line services.”

- 2.8 The Williams Commission identified that smaller council areas were significantly challenged in delivering consistently, securing the resilience, expertise and leadership capable of transforming their organisations and supporting their communities in a complex and changing world. The Commission also believed that smaller local authorities were further limited by proportionally greater administrative overheads.
- 2.9 This was not a criticism of those who worked in or led those organisations. On the contrary, it recognised that their achievements, especially in the years since 2008, had been delivered in a very challenging context. The Williams Commission concluded that reform was essential if local authorities were to be financially resilient and able to maintain and improve the quality of services to meet the needs of the citizens of Wales in the future.
- 2.10 The then Welsh Government accepted these arguments and, in November 2015, published the *Draft Local Government (Wales) Bill and Explanatory Memorandum* which proposed achieving structural reform through merging a number of authorities, with eight or nine local authority areas as the preferred structure. Responses to the proposals were mixed. Many stakeholders welcomed the proposals but local government stakeholders indicated their preference was a more concerted, flexible, collaborative approach to joint working based on existing or emerging regional ways of working. Following the Assembly elections in 2016, the new Welsh Government, therefore, embarked on a conversation with local authorities and stakeholders to find a

¹ Annex A provides a summary of previous publications / consultation which have informed and underpin the options presented in this consultation

² <http://gov.wales/docs/dpsp/publications/psgd/140120-psgd-summary-report-en.pdf>
<http://gov.wales/docs/dpsp/publications/psgd/140120-psgd-full-report-env2.pdf>

consensus on how best to deliver the resilient and sustainable public services that our citizens want, need and deserve.

- 2.11 In January 2017, the *White Paper, Reforming Local Government: Resilient and Renewed*³ was published. Informed by discussions and engagement with local government, this contained proposals to take forward regional working by local authorities in a mandatory and systematic way. The regional working proposals were based firmly on the arrangements local authorities already had in place, using them as the foundations for further regional working.
- 2.12 Local government has said it is broadly supportive of the case for reforming local government and greater levels of regional working – and point to progress made in recent years through voluntary approaches, for example, the city deals. However, local government has also been clear there is no appetite for comprehensive *mandated* regional working as outlined in the *White Paper, Reforming Local Government: Resilient and Renewed*. They look instead to negotiate voluntary ‘regional deals’ with the Welsh Government.
- 2.13 It is clear from the conversations we have been having⁴, there is consensus that maintaining the status quo is not an option. WLGA representatives have themselves said that some services are wearing down to the point of collapse⁵. This is in an environment where the Welsh Government has protected funding for local government in Wales, against a backdrop of reducing budgets from the UK Government. Current spending on local services in Wales increased by over 4 per cent between 2010-11 and 2017-18 (in cash terms). In England, it fell by 12 per cent. In these circumstances, continuing with 22 authorities often doing the same things in different ways 22 times over is not sustainable. These issues are not new, neither is the fact that funding for public services will continue to be challenging for the foreseeable future.
- 2.14 However, as the Williams Commission set out, and the Welsh Government agrees, continually increasing expenditure is not the solution – even if it were possible. The Williams Commission outlined significant issues around performance, resilience, capability and capacity that have not disappeared in the last few years and, despite the best efforts of many, have often worsened as austerity has begun to bite and demand for services continues to grow. This is not solely a result of increasing cost pressures, it also reflects the need

³ <https://beta.gov.wales/reforming-local-government-resilient-and-renewed>

⁴ Annex A: Previous publication and consultations which have informed and underpin the options presented in this consultation.

⁵ <http://www.bbc.co.uk/news/uk-wales-politics-41557214>

to transform services and do things differently. These challenges persist and are likely to continue well into the next decade.

Fewer, larger local authorities with the powers and flexibility to make a real difference in their communities

- 2.15 The need for radical change is urgent and pressing. The Welsh Government believes we now need to explore options for achieving this – and this needs to encompass a sustainable future structure and stronger local authorities with powers and scope to deliver for their communities. Annex A demonstrates how we have explored a range of solutions over the last four years.
- 2.16 Our most recent proposals were for mandatory and systematic regional working but the WLGA confirmed as recently as 7 March 2018 they did not support mandated regional working. Their proposition is to work co-operatively on a regional agenda and to negotiate ‘regional deals’ with the Welsh Government. We have considered this suggestion carefully and recognise the positive steps made through the City and Growth Deals. However, we have also given careful consideration to the long history of attempts to promote collaborative working in local government on a voluntary or negotiated basis. These include the Beecham report and Making the Connections and the Simpson report and the Compact, all of which saw a significant amount of effort expended but benefits were patchy and inconsistent. It has also been challenging to make progress on joint working in other areas since then. For example, pooling budgets in social services got off to a slow start and there is no appetite to develop joint local development plans.
- 2.17 While regional working will continue to play a crucial role in our overall approach, the Welsh Government does not believe that, on its own, it offers a sufficient answer to the challenges we face.
- 2.18 We see regional working playing a central role in those areas where the topic lends itself to scale or where there are benefits from multiple local authorities being engaged. Effective action on strategic land use planning, transport and economic development should be looked at across large regions in Wales, with the Economic Action Plan setting out the footprint for future work. In education, the Consortia will retain responsibility for school improvement and have the potential to do more. In social services, the task of integrating health and social care and implementing the vision set out in the Parliamentary Review of Health and Care is ever more pressing. This means regional working on the health board footprint for social services will remain central to our approach and is enshrined in legislation.

- 2.19 However, this will not be enough to address the financial and service challenges the current model of local government faces – and we need to consider the options for what sits alongside ongoing regional working.
- 2.20 The Welsh Government believes that it is time to seriously examine creating fewer, larger local authorities. We have considered other alternatives, such as a long-term boundary review, two-tier local authorities, creating combined authorities or taking some services out of local control, as well as continued voluntary regional working. However, in the context of the Williams Commission’s recommendations to address the risks to governance and delivery within local government, of low capacity, a lack of resilience and unsustainable costs and overheads, none of those other options address the challenges in as rounded and consistent a way as bringing local authorities together. Additionally some of those options would cut across our objective of retaining local government with broadly the same form and range of functions – or even expanding these.
- 2.21 Changing the size and number of local authorities is not an end in itself. Its purpose is to provide a platform for radical transformation and long term sustainability and retain the functions and responsibilities of local government, which have been widely accepted and agreed as the best for Wales. Creating new stronger, more sustainable local authorities, supported by appropriate regional delivery, will build on the advantages of our current system while addressing the challenges it faces.
- 2.22 There are a number of approaches which could be adopted to create fewer, larger authorities. This consultation explores these options:
- Option 1 – Voluntary mergers
 - Option 2 – A phased approach with early adopters merging first followed by other authorities
 - Option 3 – A single comprehensive merger programme.
- 2.23 In each of these options we think it is necessary to have a clear template for the future footprint of local government, which any mergers must be consistent with. This is important to ensure we do not cut across other service boundaries, for example health board or police boundaries. It would also provide clarity for decision making and long term planning which is important to ensure that decisions on long term projects and service planning can be made on a sound basis. It would avoid significant effort being expended to develop proposed groupings which would ultimately not be supported. This consultation therefore suggests a possible future footprint for discussion.
- 2.24 We also recognise that the process of bringing local authorities together, if we proceed on that basis, will have a cost – as well as benefits. This consultation

explores the support which could be made available to assist with the process of mergers and we will use the process of consultation to update the evidence on costs and benefits to help inform final decisions.

- 2.25 Finally, we have always recognised structures are only one part of the answer to strengthening local government. Local authorities need the powers and the flexibility to make decisions and take action to improve people's lives. Local authorities also need to be underpinned by healthy local democracy where local councillors having a meaningful role, which is understood and valued by the public and attracts a wide range of people to get involved. This consultation also, therefore, explores these issues in themselves and as part of a package available to authorities following a decision to merge, where that is an option available to them.

3. Options for strengthening local government

- 3.1 Alongside regional working in key areas, we have concluded, in line with the recommendations of the Williams Commission, we 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.
- 3.2 We recognise this is a subject we have consulted on previously and one on which the views of principal local authorities have generally been at odds with the response from the wider public service and the public. However, local government has continued, since we last consulted on mergers, to highlight the substantial pressures they face and be clear the current situation cannot be sustained. As a Government, it is our responsibility to hear those messages and to find a way to address them. We lack a credible alternative proposition, apart from providing more money that we simply do not have, so we must return to the recommendations of the independent Williams Review.
- 3.3 There are different ways in which we can arrive at larger, stronger authorities and each has its own benefits and disadvantages. These options and the considerations relevant to them are set out in this chapter.

Common features for each option

- 3.4 In considering the options, we need to be clear that certain features would be common to the process of creating fewer, larger authorities regardless of the option adopted. These are:
- A clear future footprint which any mergers must be consistent with to reduce uncertainty – this is discussed in chapter 4
 - A structured, democratically-led change process to ensure the impact on existing services, citizens and the workforce is managed and puts the new authorities in the best position to start work on vesting day – this is discussed in chapter 5
 - Appropriate support and assistance with the process of bringing authorities together and greater powers and flexibilities and other opportunities for the new authorities – this is discussed in chapter 6.
 - Separately there would also need to be provision, as there is now, to deal with very serious failure in a local authority, which other support and intervention approaches cannot address. These would be emergency powers to be used only as a last resort to amalgamate the authority in very serious difficulties with another authority or authorities.

Option 1 – Voluntary mergers

- 3.5 This option would see the Welsh Government make provision to enable local authorities to come forward with merger proposals if they were within a specified future footprint which defined new authority areas. Where, for example, two existing authorities within a proposed new local authority area wished to merge, but the other authority or authorities did not, we think there is a case for enabling the willing authorities to proceed on their own.
- 3.6 The advantages of this approach are that it enables local government to determine the pace at which it moves towards consolidation into larger authorities. It would allow proposals to come forward when the necessary support was in place and would enable change to happen ‘with the grain’ rather than against it. This should provide for smoother transition and minimise the risk of energy being dissipated in fighting the process. Where change occurred, it would see overall capacity increase and savings emerge over time. It would also enable merged authorities to access new powers and flexibilities and other opportunities outlined in chapter 6.
- 3.7 The disadvantages of this option are that there is no certainty of change – and where there was no change, the financial and service pressures would continue to grow. It would not realise the savings and wider benefits of a more comprehensive approach. It would extend the uncertainty for the local government workforce and citizens, potentially for an indefinite period. It would provide scope for a ‘blocking’ authority to prevent a merger, with no alternative available to the other authority or authorities. It would see change continuing in different parts of Wales over a potentially highly extended period, which might impact on delivery of other priorities. It would also see the Welsh Government having an ongoing commitment to support the process and reduce the scope to switch to a focus on supporting transformation. It would be difficult to find ‘once for Wales’ solutions to common challenges. It would, potentially, see increasing divergence in the model of local government in Wales with the scale and powers of local authorities varying more widely.
- 3.8 It would also be possible to either make provision for comprehensive mergers at some future date, which could be set subject to further consultation, or to plan on the basis comprehensive mergers might follow and be provided for in a future Bill.
- 3.9 We have considered whether, in this option, a specified future footprint is desirable in principle. The case for not having a specified future footprint is the additional flexibility it would offer local authorities to find a willing partner and move forward. The rationale for having a specified future footprint is set out in chapter 4 and centres around ensuring alignment with other public

services, providing certainty for services and staff and avoiding abortive work. We reflected on the voluntary merger process in 2014/15, where the lack of clarity of the desired future map was an important factor in seeing proposals come forward which were ultimately not accepted. No-one would wish to go through a similar experience again and, on balance, we think the case for setting out a future footprint is stronger than that for allowing broader flexibility.

Option 2 – A phased approach with early adopters merging first followed by other authorities

- 3.10 This option would see the Welsh Government make provision for local authority mergers in 2026, in line with a specified future footprint for local government, but also enable local authorities to choose to move more quickly and come forward in time for new authorities to be vested in 2022.
- 3.11 The advantages of this approach are that it offers a comprehensive solution and a clear end point when the new structures would be in place. It allows flexibility within that to enable local authorities to choose to move more quickly towards consolidation into larger authorities. Where authorities choose to move more quickly, this would be based on there being the necessary support which should provide for smoother transition. Although potentially extended over a period of around six years, it would see overall capacity increase and savings emerge by 2026. It would reduce the uncertainty for the workforce and citizens compared to a purely voluntary approach. It would also enable early adopters to access new powers and flexibilities and other opportunities outlined in chapter 6.
- 3.12 The disadvantages of this option hinge on the potential delay before change occurs, during which the financial and service pressures would continue to grow. This would also delay some of the savings and wider benefits, although it would spread costs over a longer period too. It would provide scope for a 'blocking' authority to prevent an early merger but this would be resolved in 2026. It would see change continuing in different parts of Wales over an extended period, which might impact on delivery of other priorities, although there would be a clear end point to this. There would be a longer period during which the Welsh Government would need to support the process. It would allow, for a period of four years, some divergence in the scale and powers of local authorities.

Option 3 – A single comprehensive merger programme

- 3.13 This option would see the Welsh Government make provision for local authority mergers in 2022, in line with a specified future footprint for local government.

- 3.14 The advantages of this approach are that it addresses the sustainability challenge quickest and potentially offers a more cost effective way of arriving at the future footprint. It offers a single, clear solution and minimises the length of the change process. It provides for a timely response to the financial and service pressures local authorities face. It would see capacity increase and savings emerge more quickly than the other options. It offers the greatest certainty for the workforce and citizens. It does not allow a 'blocking' authority to prevent progress, although authorities which were hostile to change could make the process more challenging. It keeps to a minimum the period the Welsh Government has to provide support to the process and would allow the focus to switch to transformation. It would offer more scope to find 'once for Wales' solutions to common challenges. It allows all authorities to access new powers and flexibilities and other opportunities outlined in chapter 6 and minimises divergence in scale and powers.
- 3.15 The disadvantages of this approach are that it provides no choice for local government on the pace of change. It means mergers would happen regardless of the level of support in a local authority. There are likely to be places where there is opposition and the transition process will be variable. In places where there is opposition, there is a risk of service delivery suffering as a result of the distraction of trying to resist change.

Establishing the costs of change

- 3.16 The services local authorities provide face increasing challenges. Budgets are reducing, demand is increasing and it is difficult to recruit and retain the skilled workforce needed. With more time, more capacity and shared objectives, more could be achieved with the money available – this is the opportunity that creating fewer, larger authorities offers the people we all serve.
- 3.17 This does not deny the reality of austerity. It continues to be a defining feature of public expenditure. It impacts on our ability as a Government to provide longer-term financial certainty for public services. The Final Budget for Wales for 2018-19 published in December 2017 clearly sets out the challenges we all face in delivering sustainable services for the future. Delivering the efficiencies available through bringing local authorities together will allow the funding available to local government to go further and deliver more.
- 3.18 Austerity was a challenge even when the Williams Commission published its report in 2014. In this context, Williams recognised structural change is potentially costly and disruptive. However, the Commission concluded the cost of doing nothing would be greater and the value of the missed opportunities much greater again. The Commission was clear: the current structure of 22 local authorities was not sustainable and the long-run savings

would quickly outweigh the short term costs. The Commission was also clear that it believed that creating fewer, larger local authorities could be undertaken in a timely manner and was the least disruptive option.

- 3.19 The Regulatory Impact Assessment (RIA)⁶ accompanying the Draft Local Government (Wales) Bill detailed a range of potential costs and benefits associated with merging local authorities. The RIA identified that merging the current 22 local authorities into between eight or twelve local authority areas would cost between £97m and £246m, but would yield estimated savings between 2020-21 and 2029-30 of between £430m and £915m.
- 3.20 We accept that since the RIA was published, and faced with ongoing austerity, local authorities have not stood still. Some of the benefits associated with creating fewer, larger local authorities, such as reduced management numbers and reductions in staff costs, may have already been realised (as potentially will the associated one-off costs). We believe, however, there are still significant financial benefits to secure.
- 3.21 There are also implications for the relationships between organisations. The Williams Commission identified over 900 public sector organisations in Wales and a substantial overhead in complexity, duplication and significant administrative burden. In their report, the Commission identified that fewer local authorities would mean a reduction in the interactions required and would result in considerable savings for local authorities. It would also enable more time to be spent on delivering and improving services rather than on managing relationships between organisations.
- 3.22 We will produce an updated regulatory impact assessment with revised costs and benefits to accompany the legislation we propose to introduce into the National Assembly for Wales. We will use this consultation process to establish up-to-date costs and savings for each of the options to inform final decisions on the way forward.

Consultation Question 1

In the previous chapter, we restated our commitment to regional working in key areas but recognised the need for this to be supported by further change. In this chapter, 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.

⁶ [http://gov.wales/betaconsultations/localgovernment/draft-local-government-\(wales\)-bill-consultation/?lang=en](http://gov.wales/betaconsultations/localgovernment/draft-local-government-(wales)-bill-consultation/?lang=en)

- a) What practical steps could the Welsh Government take to make current regional working easier and more effective, for example in relation to the education consortia, social services and the City Regions and City and Growth Deals?
- b) What are your views on the common elements to the process of mergers we outline in this section?
- c) What are your views on the options for creating fewer, larger authorities which we have set out?
- d) Are there other options for creating fewer, larger authorities we should consider?
- e) Do you have evidence on costs, benefits and savings of each option which can inform decision-making? If so, please provide details.

4. Finding agreement for a future footprint for local government

- 4.1 For each of the options explored in this consultation, we think it is important to have a clear template for the future footprint of local government which any mergers must be consistent with. This will:
- ensure alignment with the boundaries other public services operate on, for example Local Health Boards
 - provide clarity for long term planning which is important to ensure that decisions on projects and service planning can be made on a sound basis
 - avoid significant effort being expended to develop proposed groupings which would ultimately not be supported.
- 4.2 A number of approaches to determining a future footprint for local government have previously been taken⁷. These have included several attempts to define a map of potential new authorities, including in the Williams Commission's report (proposing ten to twelve local authorities) and in the Draft Local Government (Wales) Bill⁸ (proposing eight to nine local authorities).
- 4.3 In presenting the approach in this consultation, we have taken into consideration previous consultation responses and stakeholder views, particularly in relation to the Draft Local Government (Wales) Bill. Stakeholders told us that clear accountability and representation were important and that it was necessary in any proposals to reduce the number of local authorities to ensure we secured these as well as the economic and social benefits of scale.
- 4.4 On specific geographic issues, stakeholders told us that joining the six principal local authorities in North Wales to form three new authorities would be the best approach and better reflect the cultural and economic strengths of the constituent areas. An earlier consultation on Reforming Local Government in October 2014, proposed that the South East area be split into two: with Newport and Monmouthshire brought together and Caerphilly, Torfaen and Blaenau Gwent becoming a single local authority area. Responses expressed reservations about this option. In responding to the Draft Local Government (Wales) Bill however, stakeholders also told us that they thought joining five local authorities in the South East into one would result in a single authority which might have difficulty in effectively meeting the local needs and maintaining democratic accountability.

⁷ Annex A: Previous publication and consultations which have informed and underpin the options presented in this consultation

⁸ Published November 2015

- 4.5 We have listened to this. The approach within this consultation presents a possible future structure for local authorities based on responses to previous consultations including offering a further alternative grouping for the South East which can be tested through consultation.
- 4.6 There are many challenges associated with bringing local authorities together. These include:
- 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.
- 4.7 We recognise these challenges and consider them further in chapter 6. However, we believe these challenges can be managed and should not deter us from moving forward with these proposals.
- 4.8 In thinking about how to construct a way forward for creating fewer, larger authorities we have had a number of key factors in mind. These include how any new authority areas relate to and take account of their communities, ensuring democratic accountability is maintained, creating a sufficient scale to empower any new authority to protect public services and placing local government in a position of strength and sustainability for the future. Our proposals also align with the intention outlined within the Williams Commission recommendations, ensuring changes can be implemented as quickly as possible and with the minimum disruption to frontline services.
- 4.9 Based on this, we have proposed for discussion indicative new authority areas which are illustrated in the table below.

Current local authorities	New Area	Current local authorities	New area
Isle of Anglesey	1	Bridgend	7
Gwynedd		Rhondda Cynon Taf	
Conwy	2	Merthyr Tydfil	8
Denbighshire		Vale of Glamorgan	
Flintshire	3	Cardiff	9
Wrexham		Newport	
Powys	4	Caerphilly	10
Ceredigion	5	Torfaen	
Pembrokeshire		Blaenau Gwent	
Carmarthenshire		Monmouthshire	
Swansea	6		
Neath Port Talbot			

- 4.10 These groupings are aligned with the current health board boundaries, except in the case of Bridgend. The Welsh Government has consulted on supporting

effective partnership working in the Bridgend area by changing the health board boundary to align decision making across health and local government. This consultation closed on 7 March 2018 and the approach is consistent with the proposition which has been consulted on and is underpinned by the same principles for simpler, more effective public services that are better aligned to existing regional partnerships.

Working together

- 4.11 As we have already said, we acknowledge that local authorities have not stood still. We recognise some joint working arrangements are in place. These approaches, whilst not consistent across Wales, have demonstrated that service reconfiguration and critical mass can help to address the service delivery challenges we face today and will face in the years to come.
- 4.12 It is also true that, in a number of service areas, benefits for people, businesses and other public sector partners can only be realised and services sustained by working together on a much larger scale than our proposed new authorities. In those areas, regional or collaborative working should continue. Bringing local authorities together would provide the opportunity to streamline these regional arrangements with fewer players around the table and a more coherent sense of purpose. This should enable faster decision making, clearer accountability and better services for the public.
- 4.13 In *Prosperity for All: the national strategy*⁹, we commit to a regionally focussed model of economic development and this theme is further developed in the *Economic Action Plan*¹⁰. Our aim is to enable productive regions and more balanced growth through a regionally-focused model of economic development, which recognises that different areas of Wales have distinct economic profiles and routes to greater prosperity. Developing a regionally focussed model of economic development will require the active participation of local authorities, who in many cases are already working together within a wider geographical area, for example within regeneration area programmes, the City Deals, Growth Deal and Growing Mid Wales Partnerships. We expect the regional model of economic development to continue in north, south east and south west and mid Wales, helping us to maximise opportunities wherever people live. Moreover, through building effective working relationships with English councils and others, larger and stronger Welsh local authorities will have greater capacity to exploit cross-border opportunities for the benefit of Wales.

⁹ <http://gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf>

¹⁰ <http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf>

- 4.14 Table 1 of Annex B shows the alignment of the proposed local authority areas with the existing regional arrangements. We recognise that our approach to creating new authorities may impact on the boundaries of existing city deals or emerging growth deals. Having fewer authorities would provide an opportunity to simplify regional working and we will work to ensure we take forward these regional arrangements as part of building the new authorities.
- 4.15 Table 1 of Annex B also shows the alignment of the proposed local authorities with currently regionalised local authority services and other public sector organisations. This clearly shows the potential for the creation of new local authorities to simplify the complexity of regional and cross public sector working. These benefits, including the reduced administrative burden and demands on staff and councillors' time, will extend beyond local authorities to their partners.

Public Services Boards

- 4.16 The opportunity to simplify public sector working also applies to Public Services Boards. Public service bodies that sit on multiple boards have consistently called for fewer Public Services Boards. In some cases, Conwy and Denbighshire; Rhondda Cynon Taff and Merthyr Tydfil; Anglesey and Gwynedd, the Public Services Boards currently in place already largely reflect the proposed new local authority areas. For others, it would make sense to move to the new footprint at an early, appropriate, point ahead of new authorities coming into being. Our intention would be to make the transition to new Public Services Board areas as smooth as possible, to enable the boards to focus on making a demonstrable difference to their areas.
- 4.17 Public Services Boards would continue to be able, and encouraged, to work on a regional and national basis with other Public Services Boards on areas of common interest. Larger local authorities working as part of larger Public Service Boards should also support effective parallel working with regional partnership boards, which operate on the health board footprints.

The characteristics of the new areas

- 4.18 It is not our intention to determine the 'perfect' size for a complex, multi-functional, democratic local authority. However, we do believe it is possible to have a better balance, helping to achieve the critical mass and scale required to deliver high quality services for the future.
- 4.19 Annex B provides some statistical data on the proposed new areas.

Population

- 4.20 The average population of these new areas, as shown in table 2 of Annex B would be just over 311,000. There will be some variation, particularly between more urbanised areas, (Vale of Glamorgan and Cardiff with 489,931 and Bridgend, Rhondda Cynon Taf and Merthyr Tydfil with 441,293) and more rural areas (Powys with 132,160 and Anglesey and Gwynedd with 193,350). These differences are also reflected in the population density data in table 3 of Annex B, although even in those areas with high population densities, the challenges of delivering to dispersed rural populations are also present albeit to a lesser extent. Likewise more rural areas have urbanised areas with higher concentrations of population.
- 4.21 These dynamics are not new to local authorities, but the scale provided by our proposed areas gives the opportunity for more innovative approaches to service delivery and a greater ability to attract and retain the skills needed to deliver these services. These opportunities do not always exist within the smaller service areas of the current local authorities.
- 4.22 Table 4 in Annex B provides estimates of the average ages of the population within the new authority areas. This is important because it helps us identify where potential service challenges may lie in the new authority areas. The proportion of 0-15 year olds are broadly similar across all proposed areas, at or near the Welsh average of 17.8%.¹¹ The 16-64 age range show more variance to the Welsh average of 61%. Those proposed areas with lower population densities show a lower than average proportion of 16-64 year olds; whereas those with higher population densities have a slightly higher proportion. For the 65 and over age group the opposite is true, with lower population density areas being above the Welsh average of 20%.
- 4.23 In terms of numbers of households, the average household size in the new areas would be roughly the same, averaging at 2.2 to 2.3 individuals per household, as can be in seen in table 5 of Annex B. The percentage of single person households as a proportion of all households does vary.
- 4.24 Powys is the clear outlier within the population data. We have thought very hard about the approach for Powys in developing this suggested footprint. As stated in the Williams Report, Powys is among the largest (in terms of area) and most sparsely populated unitary authorities in the UK. This creates distinctive patterns of demand and challenges to service delivery, which argue in favour of maintaining it as a separate authority. However, we are open to suggestions of an alternative approach.

¹¹ Population estimates by local authority and age, Stat Wales

Consultation Question 2

This section 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?
- b) Do you agree with the factors we have identified to inform our thinking? Would you change or add any?
- c) What are your views on the new areas suggested in this section?
- d) Do you have alternative suggestions and, if so, what is the evidence to support these as an alternative?
- 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?

5. A clear and democratically-led process

Transition process

- 5.1 A well-planned transition from one structure of local government to another is essential. Our intention is there would be a Transition Committee for each new authority and its task will be to pave the way for the Shadow Authority by gathering information, establishing baselines and starting to bring systems and staff together.
- 5.2 The Transition Committee would consist of at least five executive members from each of the local authorities coming together to create the new authority and have to include each constituent authority's Leader and the Cabinet Member for Finance. The Transition Committee's primary role would be to facilitate a smooth transition with a gradual handover to the Shadow Authority upon the latter's election.
- 5.3 However, subject to consideration of their operation, the Transition Committee could also have a role in the operation of the Restraints on Financial Transactions Regime which we propose to establish as part of the Local Government (Wales) Bill. This would be the same as that provided for by the Local Government (Wales) Act 2015.
- 5.4 The transactions regime would help to promote the most effective use of public money during the transition period. Certain financial transactions or appointments of chief officers by a merging authority may require an opinion from the relevant Transition Committee or the consent of a designated person such as the Welsh Ministers themselves or, once elected, the relevant Shadow Authority. The Welsh Government would intend to work with local government and launch a consultation later this year on statutory guidance on the exercise of functions of Transition Committees.
- 5.5 It is our intention to include our final proposals for mergers as part of a Local Government (Wales) Bill to be introduced into the National Assembly in the autumn of this year.
- 5.6 The Welsh Government would introduce regulations to establish statutory Transition Committees as early as possible. The timing of introduction of these regulations would depend on which option for creating fewer, larger authorities was being followed.
- 5.7 In the case of option 1 (voluntary mergers), there is a decision to make as to whether to permit voluntary mergers to come forward at any time or to set a date by which they need to come forward during the local government

electoral cycle. The advantage of not setting a deadline is that it provides maximum flexibility for local government. The disadvantage is the potential impact on election dates in the affected local authorities and the possibility of needing a Grand Council of all members of the existing authorities rather than being able to hold elections to a Shadow Authority ahead of vesting day. The advantage of setting a deadline is that it would enable clear planning and permit a transition process which provides for an elected Shadow Authority. It would also allow for a degree of synchronisation of any merger proposals which did come forward. The Welsh Government's preference would be for an elected Shadow Authority to be in place and to make decision on budgets, appointment of staff and so on ahead of vesting day, rather than a Grand Council. On this basis, if this option were pursued, we would propose to set a date by which any proposals for voluntary mergers had to be submitted in any local government electoral cycle.

- 5.8 Similarly, in the case of option 2 (phased mergers in 2022 and 2026), we would set a date by which early adopter authorities need to come forward with a proposal to merge ahead of local government elections in 2021. The date would be set to ensure the transition process would enable elected Shadow Authorities to be established ahead of the new authority or authorities being vested in 2022. For the remaining authorities, which would be merged in 2026, we would make regulations to establish Transition Committees following the 2021 elections and in sufficient time to provide for elections to Shadow Authorities in 2025 ahead of vesting day for the new authorities on 1 April 2026.
- 5.9 If option 3 (comprehensive mergers in 2022) were pursued, we intend that the first elections to the new councils would take place in June 2021 to create Shadow Authorities. The new authorities would assume the full range of local government functions and responsibilities on vesting day of 1 April 2022. We would make regulations to establish Transition Committees soon after the introduction of the Local Government (Wales) Bill to the National Assembly for Wales.
- 5.10 We would be open to considering other dates in 2021 for the first elections to the new councils, subject to the elections being early enough to allow elected Shadow Authorities to have sufficient time to carry out their tasks. We would not be able to hold the shadow council elections in May 2021 to avoid a clash with the next scheduled elections to the National Assembly for Wales. Our preferred date is June 2021, but other dates would be considered if a case can be made for an alternative.
- 5.11 Elections to current principal authorities not merging in 2022 would be held in June 2021 also. To avoid an ongoing clash with elections to the National

Assembly the subsequent ordinary elections for new and continuing authorities would be in May 2025. From 2025 members for all principal authorities in Wales will be elected on a five year term.

- 5.12 Our intention is that elections to community councils continue to mirror those for principal authorities and also take place in 2021 and 2025, subject to the outcome of the independent review of the Community and Town Council Sector.
- 5.13 The councils elected at the first elections to the new authorities would serve as 'Shadow Authorities' until vesting day. These Shadow Authorities would be the new councils 'in waiting' and their job would be to focus on laying the foundations for the new authorities. They would also provide a direct democratic mandate for making key decisions in the year preceding vesting day, in particular the budget and the appointment of senior officers.
- 5.14 For the period from the first elections to vesting day, the Shadow Authorities would work alongside the existing local authorities; the existing local authorities would retain responsibility for the day-to-day running of local government services until vesting day. Existing authorities subject to merger would be abolished on 31 March 2022 or 31 March 2026 (depending on the option pursued) and the Shadow Authorities would take over on the following day.
- 5.15 We are not proposing to combine Powys with another principal local authority, although we are open to alternative suggestions as noted in the previous chapter. It would not therefore be part of the procedures set out in this section. However, Powys would be an important part of the new generation of local authorities in Wales we would be creating and would benefit from all of the wider provisions in the Bill and be able to access support for service transformation.

Consultation Question 3

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

Consultation Question 4

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.

Consultation Question 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?

Electoral Reviews

- 5.16 If we were to proceed on the basis of one of the options in this consultation, the Local Democracy and Boundary Commission for Wales (LDBCW) would need to be directed to undertake electoral reviews of the proposed new local authority areas set out in specified future footprint for local government discussed in the previous chapter¹². The electoral reviews will be the process whereby the LDBCW would consider and make recommendations for the electoral wards, the number of councillors for each ward and the size of council for each of the new authorities.
- 5.17 The Welsh Ministers would want to direct the LDBCW to begin an electoral review for the confirmed new authority areas as early as possible. This could be as soon as Ministers have formally published their final proposals for the future footprint for local government.
- 5.18 Based on that, it is anticipated that the LDBCW would submit its recommendations by August 2020 to allow Ministers to make the necessary electoral arrangements orders for each new authority in good time for political parties to select candidates and all the necessary preparations made to hold the first elections. There might be some variation in the timings depending on the options being pursued for example option 1 and 2 would provide scope to extend the period available to the LDBCW and allow for prioritisation of which reviews to complete first.

¹² The Local Democracy and Boundary Commission is required to conduct electoral reviews of principal councils to ensure effective and convenient local government (see s21(3) Local Democracy Act (Wales) 2013)

Consultation Question 6

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

Budgets

- 5.19 If we were to proceed with one of the options set out in this Green paper, the Local Government (Wales) Bill would include technical changes to finance that are required to support the mergers process. These include the legal joining together of revenue and capital budgets and the amalgamation of local tax-bases and assets.
- 5.20 The current variation in spending power and tax-raising ability across Wales is partly a product of the 1996 reorganisation, which created a number of smaller authorities with high relative need and lower tax-raising ability. These imbalances have an impact on equity and fairness in service provision.
- 5.21 There are opportunities to create a finance landscape with less variation between areas by bringing together the financial levers, especially in areas where service delivery is more consistent. Tables 6 and 7 of Annex B show substantial reduction in the variation in key financial indicators across Wales as a result of bringing local authorities together. Table 6 in particular indicates the scale of combined spending power available to fewer, larger authorities.
- 5.22 In relation to the setting of budgets, and the consequential impact on the council tax requirement, we would expect Transition Committees and Shadow Authorities to carefully assess the characteristics of the proposed larger authority to inform medium term budget plans. In seeking to consolidate the range of financial levers available to authorities, any direct financial impact on households must be fully assessed and balanced with the funding need for services.
- 5.23 Local authorities are experienced in doing this as well as engaging with communities about their budget plans. The types of evidence that would inform this process include local economic indicators, service demand projections, price inflation, employee and pension costs and other cost pressures, assumptions about income generation, information from the Welsh Government (and wider UK) budgets and the information provided through local government settlements. The amount of council tax to be raised by the new authorities would be a direct consequence of early planning.
- 5.24 Tax-payers living within the same local authority can expect to contribute equivalent amounts (relative to their circumstances) towards the provision of

services in that area. This is a core principle of both local taxes – council tax and non-domestic rates. We recognise that this could be a more challenging consideration in some areas than in others, although it is unlikely to be of the same magnitude experienced during the 1996 reorganisation. In the local government reorganisation between 1994 and 1996, council tax harmonisation was an issue which had to be addressed because of large variations between the county and district councils being amalgamated and disaggregated.

- 5.25 Table 8 of Annex B shows current levels of band D council tax across the 22 local authorities. This illustrates that over time, there has been convergence and in the majority of places the differences today are small and this should not be an insurmountable issue. Transition Committees and Shadow Authorities could use the transition period to consider preparatory movements towards an appropriate new arrangement ahead of merger. At the very least, we would expect existing authorities, Transition Committees and Shadow Authorities to safeguard against further divergence in the period running up to merger.
- 5.26 Harmonisation applies to other finance arrangements too, such as local policies about charging for services, reserves strategies and revenue provision for future borrowing and investment.
- 5.27 We would discuss the full range of finance matters with local government and other stakeholders, but the detailed work of undertaking comprehensive, evidence-based medium term financial planning, including making preparatory movements towards consolidation of local authority finances prior to merger, would be a core role of the Transition Committees and Shadow Authorities.
- 5.28 Our ambition is that any process of change should be a local government-led. Our intention, if we proceed, would be to enable political leaders and officers in local government to work alongside us in the designing the future. A Local Government Leadership Reference Group has already been established with local authority Leaders representing each of the main political groupings in WGLA joining us in an open and constructive dialogue about the future.

6. Strengthening local government and support through the process of change

- 6.1 Local government reform is about more than structural change – it is about culture change. It is about strengthening local democracy and equipping the new local authorities with the powers and flexibilities they need to make a real difference for their communities.
- 6.2 This chapter explores these broader aspects of our reform proposals and sets out the offer which will be available to those local authorities which choose to come forward for merger, where that option is available to them.

Valuing councillors

- 6.3 The future of local democracy is dependent on local councillors having a meaningful role, which is understood and valued by the public and which can attract a wide range of people who have the skills and enthusiasm to inspire trust and confidence. We have made some progress in improving diversity but there is more to be done. We have an opportunity to recognise the huge commitment and professionalism of local elected representatives.
- 6.4 Councillors work hard to improve life in their communities but many are frustrated and would like to do more. They want the opportunity to work with their communities to shape and influence services and decision making. Committed councillors are at the heart of local democracy and local communities. Local authorities should look to maximise the contribution elected members can make and harness their contribution more effectively.
- 6.5 Elected members are under increasing pressures not only in terms of managing the challenges austerity presents but also in providing effective scrutiny of council cabinets. Their representational role is under pressure from increased workloads, the demands of social media and the press and the impact on their personal lives.
- 6.6 The pressures on elected members, combined with the level of remuneration, makes the role unattractive to many people who would make excellent councillors. They cannot afford either in financial or personal terms to make the commitment needed. We want councillors to fully reflect our communities and be representative of the diversity of experience, interests and priorities in those communities. The Welsh Government believes we should recognise the commitment involved in being a councillor and ensure they are properly remunerated, respected and recognised for the work they do in their communities.

- 6.7 Equally, it will mean providing councillors with the support and resources necessary to undertake their role. They should have access to information and be kept abreast of decisions being taken on behalf of their council – and have support to fulfil their scrutiny role effectively. It will also mean ensuring the basics are in place, including the access to ICT facilities, which is sadly lacking in some places at present.
- 6.8 The creation of new authorities offers an opportunity to review the support for elected members to ensure that they can effectively undertake their roles as representatives of the electorate and responsible members of the local authority.
- 6.9 Councillors' knowledge of their communities' strengths and needs, challenges and aspirations should feed into the work of their council. Elected members, whether or not they are part of the executive, should be at the heart of the authority.
- 6.10 We know that trust in politicians in all of our democratic institutions is at an all-time low. Our proposals will provide an opportunity to have a conversation with the people of Wales about restoring that trust by making our new councils as open and transparent as possible and by engaging and involving their citizens in their work. The Welsh Government will work with local government to champion the role of elected members and help communities understand, and value, the important part councils play in their lives.

Consultation question 7

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

More power and greater flexibility

- 6.11 We need to ensure that the contribution of elected members is more widely recognised and valued. Alongside this, we want to empower them and the councils they form part of. We must make sure that councils have the powers and flexibilities they require. Local government has consistently asked for a genuine debate about additional powers for councils, and where Government should step back and give them much greater freedom to act.

- 6.12 We can look to the example of the European Charter of Local Self-Government to provide the principles to guide us.
- 6.13 There has been progress in some areas but it is clear that there is more to do. The challenge of austerity, and the call to action represented by *Prosperity for All*, means we need to think radically. We cannot afford to have two tiers of Government trying to do the same job. We need to be much clearer about the boundaries between the roles of the Welsh Government and local government and respect these.
- 6.14 We are committed to ensuring that local government is equipped with the powers it needs to make life better in our communities. The consolidation of capacity which comes with mergers is part of this but we intend to go further for those authorities which embrace this agenda. We intend to legislate for the general power of competence for principal councils which merge and community councils which meet eligibility criteria. This will enable them to adopt more innovative approaches in meeting the needs of their communities.
- 6.15 We are also prepared to address more specific limitations or constraints. The Cabinet Secretary for Local Government and Public Services therefore wrote to local government Leaders asking them to set out the additional powers and freedoms they needed.
- 6.16 In response local government suggested a number of areas where further powers or flexibilities would be helpful. For example in relation to land use planning, housing, skills, transport and environment. In addition, local authorities also highlighted a number of issues in relation to funding, finance and taxation.
- 6.17 We are committed to an ongoing conversation about these proposals from local government to ensure that structural change and increased powers move forward hand in hand. Welsh Government would intend to make a further statement on specific additional powers.

Consultation Question 8

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

Transforming Services

- 6.18 Creating new authorities with additional powers and greater flexibilities would provide an opportunity to reconfigure and redesign services. The consolidation of local authorities would help to provide the capacity to develop innovative and flexible services capable of meeting the needs of the 21st Century.
- 6.19 There is scope to harness digital to enable change and to use the process of creating new authorities to roll out more shared platforms for common activities.
- 6.20 Larger local authorities would have a greater critical mass of expertise, skills and capacity. This is particularly relevant for smaller services and specialist roles where resources are often very thinly spread. The creation of merged authorities with bigger budgets, larger asset portfolios and tax-bases and greater leverage and purchasing power should make them more resilient to fluctuations in economic and social conditions and increase their capacity to engage in more strategic financial and investment opportunities.
- 6.21 As austerity continues, the case for shared transactional and expert services grows ever stronger. We propose to bring forward proposals to make progress in this area and will invite those authorities which show a willingness to work together through mergers to be a part of the process of designing regional and 'once for Wales' solutions. Those who do not come forward, where the option is available to them, would need to recognise they will be expected to adopt arrangements shaped by others.

Consultation Question 9

- a) Which areas offer the greatest scope for shared transactional services?
- b) How might such arrangements be best developed?

Getting the best from people

- 6.22 The dedicated workforce that delivers local public services is our most valuable public service asset, with skills and experience that we must harness more effectively. The workforce data in table 9 of Annex B shows the local authority workforce capacity is significant across Wales. If we think about a single public service for Wales, we can open up opportunities for our workforce.
- 6.23 Across Wales, local authorities are valued employers and are often significant in local labour markets. When jobs are lost in a local authority, they are often

difficult to replace. Employment in local government means fair work where individuals have a voice, are valued and serve their communities. For many, working for the council still has a resonance beyond the detail of the job or the name of the employer.

- 6.24 If we proceed with one of the options in this consultation, we recognise that change will be unsettling for those working in local government and will have implications for most if not all of them. Although local authorities share a common base of pay and terms and conditions, there are still differences between authorities. Bringing together different employment practices will also reveal cultural differences in the workplace.
- 6.25 Resources and capabilities are naturally different across each of the current local authorities. For example, table 10 of Annex B highlights the variance in numbers of staff in social service departments within the principal local authorities. There will be challenges in identifying these differences, and developing plans which make the best use of the skills and capabilities of the staff available to the new authorities.
- 6.26 It will be important to understand the existing capacity and capabilities of each local authority and to make the most of the available skills and capacity. Our commitment to social partnership will guide the approach we take.
- 6.27 All local government officers have a leadership role and bringing local authorities together to form new authorities will provide the opportunity to unleash this capacity at every level. There will be opportunities for people to develop new skills, to seek out the best ways of doing things and to apply them in their new authorities. Senior leaders will have a responsibility to support their staff and to face up to the challenge of change with optimism and creative leadership. Our objective is for change to protect jobs, particularly in most deprived communities, and minimise the impact of ongoing salami slicing.

The offer to support change

- 6.28 We have set out proposals for strengthening and building the resilience of local authorities in Wales by creating fewer, new authorities in place of the current ones and increasing the powers and flexibilities available to those new authorities. Change of the nature we are proposing is a once in a generation opportunity and it is important that we get it right.
- 6.29 In the *Invitation to Principal Local Authorities in Wales to submit proposals for voluntary merger* (2014) we broadly outlined some of the challenges which local authorities faced in considering mergers. These challenges were

considered further in the Regulatory Impact Assessment (RIA)¹³ accompanying the Draft Local Government (Wales) Bill in November 2015. Some of the main challenges and opportunities identified in both the *Invitation to Merge* and the RIA included:

- Staffing issues including, pay, structures, employment policies and pensions
- Understanding organisational and workforce capacity and capability
- Leadership, recruitment and retention
- Assets and estates management
- Internal systems and processes including ICT services
- Financial and budget structures
- Service reconfiguration and transformation.

6.30 These challenges are not insurmountable. They are potentially complex, and overcoming them will require commitment and leadership at all levels of Government. They are not reasons for avoiding delivering the changes needed to help transform and sustain our public services for the future.

6.31 The RIA suggested that mergers of principal local authorities could cost between £97m and £246m depending on the number of mergers. It was clear in previous responses to consultations and wider feedback from local authorities that they were concerned to know how these costs would be met.

6.32 If, following this consultation, we proceed with one of the options for creating fewer, larger authorities, we will provide early practical support to local authorities. This might include workforce development, service integration and digital developments and would focus on assisting local authorities and elected members with the challenges they may face in bringing services together, and to identify opportunities to transform services.

6.33 In shaping a shared programme of support, we would need to identify when different issues need to be addressed and where issues can safely be left until later. There would be a natural phasing of support through the transition process and as decisions are made ahead of new authorities being vested. This phased approach would help make the scale of the work manageable and enable us to make the most of the funding available. We would want to work with local authorities to explore innovative options for delivering support and in resourcing some of the areas, for example using capital receipts from asset disposals to support transformation costs.

¹³ [http://gov.wales/betaconsultations/localgovernment/draft-local-government-\(wales\)-bill-consultation/?lang=en](http://gov.wales/betaconsultations/localgovernment/draft-local-government-(wales)-bill-consultation/?lang=en)

6.34 It is inevitable in creating new organisations that there will be demands on the time and resources of the existing authorities in order for them to manage the process. The reduced level of disruption and the relative speed with which new authorities could be created was why the Williams Commission recommended the approach of bringing together whole authorities in the first place. We believe that the proposals in this consultation, which sees whole local authorities coming together with other whole local authorities, is the simplest and least disruptive form of true structural change and we would want to work with local authorities to minimise any disruption and support a smooth transition.

Investing in people

6.35 Investing in organisational development and change, and in leadership at all levels, will be vital to create the necessary cultures to underpin the innovative, creative and sustainable local authorities we all want for the future.

6.36 This must essentially be a task for the new authorities, and we recognise that there are many in local government with the skills and vision to achieve this. We also know that it will be a challenge and that in response to the financial challenges of recent years some authorities may have reduced their capacity to respond, particularly in corporate areas such as human resources (HR).

6.37 If we proceed with one of the options in this consultation, we will look to agree how we can best support local government to fill such gaps in capacity to help the new authorities get off to the best start. Academi Wales is the national centre for leadership excellence to support the delivery of efficient and effective public services in Wales. It provides access to opportunities for all public service leaders and managers, building capability, capacity and collaboration to deliver the best public services for Wales – it will form a key part of our offer to local government.

Protecting people

6.38 We believe that we should minimise duplication of effort and make the best use of the capability and expertise we have. There is a spectrum of approaches from ‘once for Wales’ to bespoke solutions on each issue – neither is appropriate as a blanket approach, but it is difficult to justify significant differences in treatment of people doing similar work in different parts of Wales.

6.39 As a matter of principle, there should be advice and guidance to protect the interests of staff, to provide assurance and make sure there is consistency and fair treatment.

- 6.40 The Public Services Staff Commission, working in social partnership and through the Workforce Partnership Council, has developed a proposed *National Model Framework Organisational Change Policy* on managing change in the public sector. More detailed work on developing more consistent approaches to HR policies has also been undertaken. These should provide a sound foundation.
- 6.41 The Welsh Government and public service employers are committed to working together in social partnership with recognised trades unions to deliver the best possible public services for the people, the public service staff and the economy of Wales¹⁴. There are a range of approaches which could be taken to put in place such support. In the past, statutory Staff Commissions have provided advice to Government and to authorities on local government reorganisations. That is one option. Another is to use our existing social partnership arrangements including the Workforce Partnership Council and the Local Government Joint Council. We have agreed that a social partnership approach is right for Wales and we believe that this, rather than a new staff commission should be the basis of any mechanism to secure expert, consistent advice and support on the workforce aspects of reform, including implementation. The approach we adopt will be one where recognised trade unions have a key role to play.

Transforming services and systems, and making the most of assets

- 6.42 Creating the new authorities provides an opportunity to reconfigure, redesign and transform service delivery across the range of local authority service areas. Coupled with new powers and greater freedoms, there is a real opportunity for this to have real impact for citizens.
- 6.43 In bringing services together across local authorities and exploring new powers and freedoms, the focus must be on an early intervention and people-centred approach. *Prosperity for All: the national strategy* requires us to do things differently and involve people in shaping the services they use every day. The Well-being of Future Generations (Wales) Act 2015 provides the basis for driving a different kind of public service in Wales, with five ways of working to guide how public services should work to deliver for people.
- 6.44 The Welsh Government and the Future Generations Commissioner have been working together to produce a tool to support service design and reconfiguration. The Future Generations Framework for service design¹⁵ will help to embed the five ways of working throughout the design and delivery of

¹⁴ [Workforce Partnership Council: Partnership and Managing Change \(2012\)](#)

¹⁵ <http://gov.wales/topics/improvingservices/future-generations-framework-for-service-design/?lang=en&askdfjkajdf>

services, and can be used by those who design and oversee provision to help ensure services are resilient and are seeking to improve the well-being of people now and in the future.

- 6.45 The framework is intended to support the development of a more equal partnership between services and the users of those services, recognising that the role of public services should be to support people to live independent lives, intervening only when necessary and only for as long as required. This may be helpful in framing thinking and starting to identify how to reshape existing services so they are more effective.
- 6.46 There is also a huge role for digital to enable transformation in services, to make new local authorities more resilient organisations and to enable more effective integration with other public services.
- 6.47 All local authorities face common challenges from digital – or can use digital to address shared challenges. These shared challenges include: building expertise, response to cyber threats and generating intelligence from data which can help improve services; harnessing digital to support high quality services in Welsh and in English; and, a common system to authenticate citizens. These challenges – and more familiar opportunities in terms of building a common taxation system or a common system for pensions – offer the scope for a single platform or service (or combination of both) to be developed for Wales. We set out our commitment to progress on this earlier in this consultation.
- 6.48 As *Prosperity for All: the national strategy* makes clear, there is a need for the public service as a whole to work together in a much more integrated way. There are already some shared systems in place, for example the Community Care Information System (CCIS) which allows health and social services to share information and provide a better, more integrated service to people. There is potential to do more of this, for example in mental health services. Structural change can provide the catalyst to implement these systems.
- 6.49 The Williams Report focused in particular on the potential for sharing of ‘back office’ services such as payroll. One of the challenges to this general shared service agenda has always been that there are established arrangements in place and, in the absence of an external catalyst, there is limited incentive to change.
- 6.50 There is now a chance to revisit these opportunities – but to do so in a considered and realistic way. We recognise that there is a good deal of evidence that creating shared services to deliver routine administrative tasks can release efficiency savings; free staff up to undertake higher quality

frontline tasks and bring a degree of quality and consistency to services otherwise not possible in smaller business units.

- 6.51 This is not about creating anonymous shared services, remote from people but about determining whether this is the right time to develop new, common systems rather than adopting existing legacy systems. Work is already in hand with local government to create a new digital team and leadership capacity. Aligning this with a local government led shared services arrangements which could take on tasks for the new authorities offers a real opportunity to create modern, effective and efficient common back office functions.
- 6.52 As well as exploring the scope to develop new platforms to support core administrative functions, we need to establish where getting common systems in place is essential and where there is more time to move more slowly to an integrated system.
- 6.53 There is already a need for local authorities to make the most effective use of their own assets, and to work with public service partners to make good use of other public assets. This is not simply to realise efficiencies but also to support wider policy priorities. In the case of estates assets, the *Cwm Taf Pilot Study: A Regional Approach to Collaboration*¹⁶ provides a good example of existing work in this area.
- 6.54 Our proposals for strengthening local authorities should over time, allow the release of estate assets. However, without a full understanding of the nature of the estate, it is difficult to identify the full extent of the opportunities. Many local authorities are working with other public bodies to develop improved estate mapping to understand the extent of the public sector estate. The Welsh Government set aside funding in the 2017-18 budget to support this agenda. This could be further developed to offer consultancy support to authorities to develop estate utilisation plans for establishing sustainable capability and capacity in this area for the longer term.

Working together

- 6.55 We have outlined areas where there are existing structures, advice and support which could support local authorities in taking forward the proposals set out in this consultation.

¹⁶ <http://gov.wales/topics/improvingservices/assets-cymru/regional-approach-to-collaboration/?lang=en>

- 6.56 We are committed to working with local authorities and the WLGA and recognise they are the experts on how local government operates, the challenges these proposals would pose and how they might be overcome.
- 6.57 The Welsh Government believes that expert advice may be needed to help build the stronger and empowered local authorities set out in this consultation so issues can be taken forward consistently, fairly and transparently. This may include advice and support on workforce matters, capacity and capability assessments, service transformation and reconfiguration and financial accounting and budgeting.

Consultation Question 10

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

Welsh Language

- 6.58 We have given careful consideration to the impact of our proposals on the Welsh language. The Welsh Government established a Working Group on the Welsh Language and local government to consider the role of the Welsh language in local government administration and as the language of the workplace, and local government's role in supporting the Welsh language through its economic development functions. The *Language, Work and Bilingual Services*¹⁷ report was published in June 2016 and the Welsh Government accepted the majority of the recommendations¹⁸.
- 6.59 We believe that the creation of new authorities, if we proceed, will present an opportunity to strengthen the use of the Welsh language in the delivery of services and as the language of internal administration in local authorities. The creation of larger authorities will provide the opportunity to pool capability and capacity and build on strengths in the new authorities.
- 6.60 Table 11 in Annex B shows the proportion of Welsh speakers in each current local authority and for the proposed new authorities. It will be important to

¹⁷ <http://gov.wales/docs/dsjlg/publications/160614-language-work-bilingual-services-en.pdf>

¹⁸ <http://gov.wales/docs/dsjlg/publications/161021-welsh-government-response-en.pdf>

ensure that, where there are skills and competencies in delivering Welsh language services, these are protected and further developed for the benefit of all citizens within the new local authority areas. Where existing local authority business is conducted in Welsh, both within local authorities themselves and with their communities and stakeholders, this has informed our proposals.

Consultation Question 11

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

Consultation Question 12

Please also explain how you believe the proposals 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.

Equalities and Children

6.61 As we have stated throughout this document, it is our intention to create strong, sustainable and ambitious local authorities, which bring expertise and skills together to deliver the public services that our communities want, need, and deserve. This will need to have a particular focus on those with protected characteristics to ensure they can both represent, or be represented, effectively in their communities and to ensure that they get the services which they need to participate in society.

Consultation Question 13

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

Consultation Question 14

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

Consultation Question 15

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

7. Community and Town Councils

- 7.1 Community councils are an integral part of local government. They are often closest to people and local communities, and therefore uniquely placed to see, and provide, services which can have a significant impact on people's lives. Where community councils exist in an area, local authorities and other public services, will look to them to be a voice of communities. Like elected members within local authorities, community councillors must represent, and be representative of, their communities. They should actively engage to help identify the ambitions and needs of local communities and to understand the strengths and assets that their communities have.
- 7.2 There is enormous variation in current arrangements, not only in terms of coverage but in responsibilities, budgets, and ambition. An independent, cross-party review is underway to identify how community councils can be strengthened so they are best able to support their communities and care for their areas, shaping everyday lives.
- 7.3 The review is exploring the potential role community councils can play, drawing on best practice; advising on the most appropriate model(s) or structure(s) to deliver this role; and considering how these models and structures should be applied across Wales. It is important that the review takes time to gather a range of views, and receive evidence, to inform their recommendations. The review panel will be providing their emerging findings in July 2018, and submitting their final report by October 2018.

8. Conclusion

- 8.1 In this consultation we outline the arguments that Wales needs larger, stronger, more capable local authorities with the powers, skills and capacity to protect, preserve and deliver the high quality public services that our citizens need. We are also clear that local authorities must be more than just service delivery factories – that their broader role of representing a place and providing leadership for our communities is vital and has been undervalued for too long.
- 8.2 We recognise that we have been in an ongoing dialogue with our stakeholders over a number of years to address these issues. In fact it is the outcomes of these conversations, starting from the Williams Report, which underpin the proposals we are putting forward here.
- 8.3 We want and need more resilient and sustainable local authorities, empowered to support communities through efficient and effective use of public money. The changes in the demography in Wales combined with ongoing fiscal uncertainty are placing significant pressures on our local authorities and the services that they provide. These pressures are not new, but they have become more acute and will continue for the foreseeable future. There is an urgent need for radical change which can help bring about the transformation of our services and deliver the strong and capable local government we need to drive prosperity for all.
- 8.4 We recognise that structural change alone would not deliver the sustainable public services which are required for a modern and prosperous Wales. Our proposals for structural change would be delivered in combination with offering further powers and freedoms to local government, proposals to reinvigorate local democracy, increase transparency, provide more effective scrutiny and a new approach to performance management. This would form part of a broader approach which includes strengthened regional working in key areas. Ongoing regional working is crucial in its own right and a smaller number of authorities would help overcome some of the challenges currently faced in working together across a number of local authorities.
- 8.5 Our proposals would provide the catalyst to create a new kind of local government in Wales, delivering alongside stronger town and community councils, providing a sustainable model for local public services and democracy.
- 8.6 The rationale for change is simple and pressing. However, the Welsh Government cannot make change happen alone. Delivering structural change

effectively will require the leadership of local government, its elected members and its workforce to deliver strong and sustainable local authorities.

Annex A

Previous publications / consultations which have informed and underpin the options presented in this consultation.

The Report of the Commission on Public Service Governance and Delivery (January 2014)

In April 2013, the First Minister established the Commission as an opportunity for those who are involved in delivering services, those who are politically accountable for them, and users of them to examine how public services were governed: that is, held accountable for their performance and delivered most effectively to the public. The Commission reported on its findings on 20 January 2014.

The report examined all aspects of public service provision in Wales under five themes; complexity; scale and capability; governance, scrutiny and delivery; leadership and culture; and performance and performance management. The report presented a number of wide-ranging recommendations including on the future structure of local government in Wales.

Devolution, Democracy and Delivery. White Paper – Reforming Local Government (July 2014)

The White Paper set out the Welsh Government's intent about the future of local government and invited a wide engagement on the challenges faced by public services. The White Paper also responded to the local government aspects of the report on the Commission on Public Service Governance and Delivery.

Invitation to Principal Local Authorities in Wales to submit proposals for voluntary merger (September 2014)

The invitation for voluntary mergers delivered on a commitment within *Reforming Local Government* to issue a prospectus for voluntary mergers. The paper invited local authorities to submit expressions of interest for voluntary, early merger ahead of any potential statutory programme. The invitation also set out the Welsh Government's proposals to support voluntary mergers.

National Assembly scrutiny of the Local Government (Wales) Bill (the "Paving Bill") into the National Assembly for Wales (from January 2015)

As part of the proposed package of reforms, the first Local Government (Wales) Bill (now the 2015 Act) made provision for voluntary mergers and put in place preparatory legislation for further mergers and reform. The legislation includes provisions relating to transition committees, electoral arrangements, remuneration arrangements, and restrictions of transactions and recruitment.

Devolution, Democracy and Delivery. White Paper – Reforming Local Government: Power to Local People (February 2015)

This White Paper set out the Welsh Government's more detailed proposals for the reform of local government in Wales. The White Paper set out proposals for reform in the following fields: local democracy; the roles and remuneration of elected members and senior officers; community governance and community councils; corporate improvement; service improvement; scrutiny; audit, inspection and regulation; and finance.

Over 700 responses were received to the White Paper and over 3,000 responses to the short online opinion poll. A summary of the consultation responses was published on 17 July 2015.

The Welsh Government's preference for the future configuration of local government in Wales (June 2015)

On 17 June 2015, the Welsh Government's revised proposals for the future configuration of local government in Wales was announced based on eight or nine new authorities.

The announcement set out the Welsh Government's preference for the future structure in South, Mid and West Wales while facilitating further discussion around North Wales.

Devolution, Democracy and Delivery. Draft Local Government (Wales) Bill and Explanatory Memorandum (November 2015)

A Draft Bill based on the proposals in the *Reforming Local Government: Power to Local People* White Paper and the Welsh Government's revised proposals for structural reform was published for consultation on 24 November 2015. It welcomed views on all proposals for local authority mergers. The overarching objective of the Draft Local Government (Wales) Bill was to:

- establish new counties and their councils by the merger of two or more existing county or county borough councils;
- establish a new and reformed legislative framework for local government democracy, community governance, accountability, performance and finance; and
- establish a statutory Public Services Staff Commission.

An accompanying consultation paper explained where proposals in *Power to Local People* had been modified (or were not proceeding) and contained additional proposals including matters not included in the Draft Bill which were intended to be included in the Bill for introduction.

White Paper – Reforming Local Government: Resilient and Renewed (January 2017)

This White Paper published on 31 January 2017 set out a new relationship between national and local government. It set out a new approach to reform based on greater regional working, allowing local authorities to undertake service planning, commissioning and delivery at an appropriate scale. Through mandated and systematic approaches to regional working, the White Paper described a strengthened role for councils and councillors, provided a framework for future voluntary mergers and set out a role of community councils. The White Paper also outlined initial proposals for 'electoral' reform within local government.

Annex B - Tables

Table 1 – Alignment of indicative new local authority areas with regionalised public service delivery

Principal Local Authority	Health Boards	Police	Fire and Rescue	Education Consortia	City and Growth Deals	Indicative LA Areas				
Isle of Anglesey	Betsi Cadwalader University Health Board	North Wales Police	North Wales Fire and Rescue Service	North Wales - GwE Gogledd	North Wales Growth Deal Region	1				
Gwynedd						2				
Conwy						3				
Denbighshire						4				
Flintshire						5				
Wrexham						6				
Powys	Powys	Dyfed Powys Police	Mid and West Wales Fire and Rescue Service	ERW - South West and Mid Wales	Growing Mid Wales	7				
Ceredigion	Hywel Dda					8				
Pembrokeshire						Swansea Bay City Region	9			
Carmarthenshire							10			
Swansea	Abertawe Bro Morgannwg*					South Wales Police	South Wales Fire and Rescue	Central South Consortium - Joint Education Service	Cardiff Capital Region City Deal	11
Neath Port Talbot										12
Bridgend	13									
Rhondda Cynon Taf	Cwm Taf	14								
Merthyr Tydfil		15								
Vale of Glamorgan	Cardiff & Vale	16								
Cardiff		17								
Newport	Aneurin Bevan	Gwent Police		Education Achievement Service for South East Wales		18				
Caerphilly						19				
Torfaen						20				
Blaenau Gwent						21				
Monmouthshire						22				

*Consultation on boundary changes for Bridgend closed on 7th March 2018

Table 2 – Population analysis of indicative new authority areas

Principal Local Authority	Population*	Indicative LA Areas	Population*	Projected population 2024**	Projected population 2039**
Isle of Anglesey	69,723	1	193,350	196,300	186,500
Gwynedd	123,627				
Conwy	116,538	2	211,343	214,600	215,500
Denbighshire	94,805				
Flintshire	154,419	3	291,129	299,100	305,900
Wrexham	136,710				
Powys	132,160	4	132,160	130,600	122,400
Ceredigion	74,146	5	383,710	390,400	393,200
Pembrokeshire	123,954				
Carmarthenshire	185,610				
Swansea	244,513	6	386,101	393,200	405,600
Neath Port Talbot	141,588				
Bridgend	143,177	7	441,293	446,100	452,900
Rhondda Cynon Taf	238,306				
Merthyr Tydfil	59,810				
Vale of Glamorgan	128,463	8	489,931	517,300	572,800
Cardiff	361,468				
Newport	149,148	9	329,610	334,500	340,400
Caerphilly	180,462				
Torfaen	92,052	10	254,523	255,200	250,000
Blaenau Gwent	69,628				
Monmouthshire	92,843				

* Mid year population estimates Stats Wales, June 2017

** Projected total population by local authority (Wales), 2014-2039. Source: Welsh Government

Table 3 – Population density

Principal Local Authority	Land Area sq. km	Population density (2016)*	Indicative LA Areas	Land Area sq. km	Estimated population density**
Isle of Anglesey	711	98.02	1	3,246	59.57
Gwynedd	2,535	48.77			
Conwy	1,126	103.51	2	1,963	107.66
Denbighshire	837	113.30			
Flintshire	437	352.97	3	941	309.38
Wrexham	504	271.37			
Powys	5,181	25.51	4	5,181	25.51
Ceredigion	1,786	41.52	5	5,775	66.44
Pembrokeshire	1,619	76.58			
Carmarthenshire	2,370	78.31			
Swansea	380	643.95	6	821	470.28
Neath Port Talbot	441	320.84			
Bridgend	251	571.04	7	786	561.44
Rhondda Cynon Taf	424	561.84			
Merthyr Tydfil	111	536.67			
Vale of Glamorgan	331	388.01	8	472	1037.99
Cardiff	141	2565.46			
Newport	191	782.83	9	468	704.29
Caerphilly	277	650.58			
Torfaen	126	732.32	10	1,084	234.80
Blaenau Gwent	109	640.39			
Monmouthshire	849	109.34			

* Source: Stats Wales

**Combined population data from Table 2 divided by combined land area

Table 4 – Population statistics by local authority and age

Principal Local Authority	Indicative LA Areas	Aged 0-15	Aged 16 to 64	Aged 65 and over	aged 0-15 as % of overall pop	aged 16-64 as % of overall pop	aged 65 and over as % of overall pop
Isle of Anglesey	1	32,895	115,216	45,239	17%	60%	23%
Gwynedd							
Conwy	2	36,051	121,474	53,818	17%	57%	25%
Denbighshire							
Flintshire	3	54,673	178,590	57,866	19%	61%	20%
Wrexham							
Powys	4	21,264	76,165	34,731	16%	58%	26%
Ceredigion	5	65,093	227,387	91,230	17%	59%	24%
Pembrokeshire							
Carmarthenshire							
Swansea	6	66,711	243,378	76,012	17%	63%	20%
Neath Port Talbot							
Bridgend							
Rhondda Cynon Taf	7	81,473	275,542	84,278	18%	62%	19%
Merthyr Tydfil							
Vale of Glamorgan	8	90,282	322,873	76,776	18%	66%	16%
Cardiff							
Newport	9	64,282	205,357	59,971	20%	62%	18%
Caerphilly							
Torfaen	10	44,355	155,452	54,716	17%	61%	21%
Blaenau Gwent							
Monmouthshire							

Source: Mid -2016 population estimates Stats Wales

Table 5 – Number of households by local authority

Principal Local Authority	Number of households	Indicative LA Areas	Number of households	Average household size	No of Single person households as proportion of total households
Isle of Anglesey	30,930	1	84,767	2.22	35.40%
Gwynedd	53,837				
Conwy	52,296	2	93,586	2.21	33.10%
Denbighshire	41,290				
Flintshire	65,489	3	124,096	2.33	29.10%
Wrexham	58,607				
Powys	59,153	4	60,616	2.20	32.40%
Ceredigion	31,389	5	166,537	2.25	31.70%
Pembrokeshire	54,754				
Carmarthenshire	80,394				
Swansea	107,469	6	168,941	2.25	33.00%
Neath Port Talbot	61,473				
Bridgend	60,894				
Rhondda Cynon Taf	103,277	7	188,891	2.31	29.90%
Merthyr Tydfil	24,720				
Vale of Glamorgan	55,334	8	206,577	2.31	33.40%
Cardiff	151,243				
Newport	63,265	9	139,351	2.35	29.70%
Caerphilly	76,086				
Torfaen	39,431	10	109,724	2.29	30.10%
Blaenau Gwent	30,865				
Monmouthshire	39,428				

Stats Wales (2016 household data)

Table 6 – Relative size of revenue and capital budgets of indicative new local authority areas

Principal Local Authority	Revenue budgets 2017-18 (£,000)	Capital budgets 2017-18 (£,000)	Indicative LA Areas	Revenue budgets 2017-18 (£,000)	Capital budgets 2017-18 (£,000)
Isle of Anglesey	£154,393	£44,344	1	£438,091	£70,400
Gwynedd	£283,698	£26,056			
Conwy	£264,385	£32,248	2	£501,910	£74,998
Denbighshire	£237,525	£42,750			
Flintshire	£314,881	£47,179	3	£600,107	£120,666
Wrexham	£285,227	£73,487			
Powys	£303,257	£86,358	4	£303,257	£86,358
Ceredigion	£169,580	£13,372	5	£853,054	£190,064
Pembrokeshire	£259,050	£85,762			
Carmarthenshire	£424,425	£90,930			
Swansea	£549,194	£106,984	6	£895,880	£166,257
Neath Port Talbot	£346,686	£59,273			
Bridgend	£328,028	£63,854	7	£1,071,654	£182,930
Rhondda Cynon Taf	£595,430	£107,245			
Merthyr Tydfil	£148,197	£11,831			
Vale of Glamorgan	£289,922	£64,546	8	£1,098,752	£207,595
Cardiff	£808,830	£143,049			
Newport	£358,275	£36,724	9	£773,008	£103,380
Caerphilly	£414,733	£66,656			
Torfaen	£219,104	£17,262	10	£573,350	£68,910
Blaenau Gwent	£175,461	£16,965			
Monmouthshire	£178,785	£34,683			

Table 7 - Relative council tax raising ability of indicative new local authority areas

Principal Local Authority	Council tax-base 2017-18	Amount to be raised in 2017-18 (£,000)	Indicative LA Areas	Council tax-base 2017-18	Amount to be raised in 2017-18 (£,000)
Isle of Anglesey	31,137	£34,735	1	81,873	£99,066
Gwynedd	50,736	£64,331			
Conwy	50,662	£57,496	2	90,535	£106,117
Denbighshire	39,873	£48,621			
Flintshire	64,185	£72,833	3	118,162	£131,093
Wrexham	53,977	£58,260			
Powys	62,483	£73,049	4	62,483	£73,049
Ceredigion	32,379	£38,236	5	162,697	£176,771
Pembrokeshire	56,884	£51,113			
Carmarthenshire	73,434	£87,422			
Swansea	91,759	£109,060	6	140,344	£178,320
Neath Port Talbot	48,585	£69,259			
Bridgend	53,836	£72,509	7	149,559	£202,449
Rhondda Cynon Taf	76,901	£103,888			
Merthyr Tydfil	18,822	£26,053			
Vale of Glamorgan	59,120	£68,679	8	204,281	£226,256
Cardiff	145,161	£157,576			
Newport	58,646	£58,387	9	120,182	£119,483
Caerphilly	61,536	£61,096			
Torfaen	33,467	£40,659	10	100,769	£127,726
Blaenau Gwent	21,304	£30,707			
Monmouthshire	45,998	£56,360			

Table 8 - Average council tax charge for a band D property in 2017-18

(County Council element only, excluding precepts for police and community councils)

Principal Local Authority	Band D council tax charge
Isle of Anglesey	£1,088
Gwynedd	£1,241
Conwy	£1,113
Denbighshire	£1,191
Flintshire	£1,104
Wrexham	£1,052
Powys	£1,133
Ceredigion	£1,169
Pembrokeshire	£883
Carmarthenshire	£1,146
Swansea	£1,208
Neath Port Talbot	£1,443
Bridgend	£1,335
Rhondda Cynon Taf	£1,361
Merthyr Tydfil	£1,441
Vale of Glamorgan	£1,142
Cardiff	£1,100
Blaenau Gwent	£1,507
Caerphilly	£1,012
Torfaen	£1,183
Newport	£1,009
Monmouthshire	£1,183

Table 9 – Average number of full time equivalent staff by local authority

Principal Local Authority	Full Time Equivalent (FTE) Staff - March 2017	Indicative LA Areas	Potential FTE Staff
Isle of Anglesey*	2,339	1	7,279
Gwynedd	4,940		
Conwy	3,785	2	7,346
Denbighshire	3,561		
Flintshire	5,092	3	9,314
Wrexham	4,222		
Powys	4,406	4	4,406
Ceredigion	2,431	5	12,856
Pembrokeshire	4,178		
Carmarthenshire	6,247		
Swansea	8,765	6	13,598
Neath Port Talbot	4,833		
Bridgend	4,379	7	14,052
Rhondda Cynon Taf	7,837		
Merthyr Tydfil	1,836		
Vale of Glamorgan	3,513	8	14,102
Cardiff	10,589		
Newport	4,695	9	10,866
Caerphilly	6,171		
Torfaen	3,205	10	8,142
Blaenau Gwent	2,264		
Monmouthshire	2,673		

SOURCE : Local Government Association, * is estimated

Table 10 – Staff of local authority social services departments by local authority (2014-15 onwards)

Principal Local Authority	Total staff	as a % of all FTE*	Indicative LA Areas
Isle of Anglesey	556	24%	1
Gwynedd	1235	25%	
Conwy	843	22%	2
Denbighshire	549	15%	
Flintshire	1153	23%	3
Wrexham	759	18%	
Powys	829	19%	4
Ceredigion	622	26%	5
Pembrokeshire	582	14%	
Carmarthenshire	1461	23%	
Swansea	1725	20%	6
Neath Port Talbot	1100	23%	
Bridgend	1160	26%	7
Rhondda Cynon Taf	1892	24%	
Merthyr Tydfil	329	18%	
Vale of Glamorgan	708	20%	8
Cardiff	1110	10%	
Newport	873	19%	9
Caerphilly	1425	23%	
Torfaen	415	13%	10
Blaenau Gwent	757	33%	
Monmouthshire	595	22%	

Source: Stats Wales

Table 11 - Proportion of Welsh speakers in the principal local authorities and for the indicative new authority areas

Principal Local Authority	Proportion of Welsh Speakers	Indicative LA Areas	Estimate of Proportion of Welsh Speakers**
Isle of Anglesey	57.2%	1	62%
Gwynedd	65.4%		
Conwy	27.4%	2	26%
Denbighshire	24.6%		
Flintshire	13.2%	3	13%
Wrexham	12.9%		
Powys	18.6%	4	18.6%
Ceredigion	47.3%	5	37%
Pembrokeshire	19.2%		
Carmarthenshire	43.9%		
Swansea	11.4%	6	13%
Neath Port Talbot	15.3%		
Bridgend	9.7%	7	11%
Rhondda Cynon Taf	12.3%		
Merthyr Tydfil	8.9%		
Vale of Glamorgan	10.8%	8	11%
Cardiff	11.1%		
Newport	9.3%	9	10%
Caerphilly	11.2%		
Torfaen	9.8%	10	9%
Blaenau Gwent	7.8%		
Monmouthshire	9.9%		

* Proportion of Welsh Speakers by Local Authority, 2011 Census

** Estimated as proportion of new population based on current LA data

Table 12 - Average Councillor to Elector Ratio

Principal Local Authority	Number of electors	No of Councillors	Councillor to Elector Ratio (1:#)
Isle of Anglesey	52,576	30	1,753
Gwynedd	86,506	75	1,153
Conwy	92,354	59	1,565
Denbighshire	76,292	47	1,623
Flintshire	120,669	70	1,724
Wrexham	102,311	52	1,968
Powys	106,765	73	1,463
Ceredigion	55,166	42	1,313
Pembrokeshire	94,431	60	1,574
Carmarthenshire	144,246	74	1,949
Swansea	180,241	72	2,503
Neath Port Talbot	106,227	64	1,660
Bridgend	107,717	54	1,995
Rhondda Cynon Taf	176,360	75	2,351
Merthyr Tydfil	43,914	33	1,331
Vale of Glamorgan	98,323	47	2,092
Cardiff	252,069	75	3,361
Blaenau Gwent	51,941	42	1,237
Caerphilly	133,842	73	1,833
Torfaen	70,777	44	1,609
Newport	108,249	50	2,165
Monmouthshire	71,936	43	1,673

Source: LDBCW

Note: Within these headline figures there are large differences. For example, Gwynedd has a ward where one councillor represents 531 electors, while in Cardiff there is a ward where one councillor represents 7,591 electors.

Annex C

Consultation Questions

Your Name	
Organisation (if applicable)	
E-mail / Telephone	
Your Address	

Chapter 3
Consultation Question 1
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?
b) What are your views on the common elements to the process of mergers we outline in this section?
c) What are your views on the options for creating fewer, larger authorities which we have set out?
d) Are there other options for creating fewer, larger authorities we should consider?
e) Do you have evidence on costs, benefits and savings of each option which can inform decision-making? If so, please provide details.

Chapter 4

Consultation Question 2

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?

--

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

--

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

--

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

--

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?

--

Chapter 5

Consultation Question 3

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?

- 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?

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

Consultation Question 4

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.

Consultation Question 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?

Consultation Question 6

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

Chapter 6

Consultation Question 7

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

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?

Consultation Question 8

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

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

Consultation Question 9

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

b) How might such arrangements be best developed?

Consultation Question 10

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?

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?

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

Consultation Question 11.

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?

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

Consultation Question 12

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.

Consultation Question 13

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?

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

Consultation Question 14

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?

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

Consultation Question 15

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

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

Strengthening Local Government: Delivering for People

Consultation Response

Denbighshire County Council does not believe that a credible case for change has been made in the Green Paper Consultation Document. Denbighshire's consistently high standard of service delivery demonstrates that it is delivering to residents and other service users. The Council is also actively engaged in existing and developing regional and sub-regional collaborations. Some collaborations, for example, the school effectiveness and improvement service for North Wales (GwE) are providing excellent services across the region. Local authority joint committees are not a suitable vehicle for some other regional collaborations and this would remain true after a local government reorganisation. Legislative provisions to enable existing or future local authorities and their partners to successfully collaborate are needed.

The transition process would inevitably become a central focus for all local authorities in the lead up to the mergers. This would undermine their ability to deliver services to their residents and other service users over a number of years even if the transition period and mergers were fully funded and allowed an appropriate timescale in which to take place. The Council disagrees with the Green Paper's timescales relating to having new merged authorities from April 2022; the work involved over so short a timescale would be too disruptive to services and could not be adequately supported alongside a programme of managing budget reductions.

The effects of austerity are well-noted and although a combined Denbighshire and Conwy could potentially achieve some savings in management, support services and elected member costs, there would likely be a weakening of links between local communities, their elected representatives and decision making. It must be noted that the public are not expressing any desire for local government reorganisation. Most local authority spend is targeted at services such as education and social care which are unlikely to produce significant cost savings as a result of having larger merged authorities. Many other services from waste collection and recycling to leisure facilities will not see obvious opportunities for savings that cannot be delivered by the existing local authorities either by themselves or through collaborative efforts.

The experience of the last local government reorganisation indicates that the new merged authorities would face serious challenges especially during their first few years, but potentially for an even longer period. The reduced service provision over this extended period is not in the interests of our service users or local democracy and accountability.

The Council has agreed the following response to the consultation questions as set out in this document. It is noted that no question was asked, or view expressly sought, as to the case for change. It is therefore to be assumed that Government has decided to pursue a policy of merger and is seeking views solely as to the process by which this is to be achieved. The response to the consultation questions is framed on this basis.

Consultation Question 1

- a) **What practical steps could the Welsh Government take to make current regional working easier and more effective, for example in relation to the education consortia, social services and the City Regions and City and Growth Deals?**
- b) **What are your views on the common elements to the process of mergers we outline in this section?**
- c) **What are your views on the options for creating fewer, larger authorities which we have set out?**
- d) **Are there other options for creating fewer, larger authorities we should consider?**
- e) **Do you have evidence on costs, benefits and savings of each option which can inform decision-making? If so, please provide details.**

Response

a) The current regional working arrangements could be made more effective by creating appropriate structures for them to be governed and operate in a way that is appropriate to the functions that they are seeking to discharge.

The question cites three examples of regional working. Taking these three examples in turn, in North Wales the education consortium is governed by a traditional joint committee arrangement with the partner authorities each being able to delegate functions to and appoint representatives to sit on the committee. This appears to be an appropriate model for this service.

The regional working in respect of Social Services is to a large part under the auspices of the Regional Partnership Board. This is a body created by statute yet it has no real decision making powers and consists of not just the local authorities but also the health board. If it is to be effective it should be a body that is able to take decisions appropriate to its function. Given that it is not a solely local government body it would appear necessary for there to be legislative action to create an appropriate governance vehicle to which power can be delegated by the constituent members and decisions taken by that vehicle.

The regional growth board is trying to negotiate a regional growth deal and will then need to implement the projects within that deal across a number of functions that are not solely local authority functions and with partners from other parts of the public sector and the private sector. The model of governance is a joint committee, yet the law does not entitle non local authority membership of an executive joint committee resulting in governance arrangements that are having to be adapted to try and make them fit the existing legislative requirements. The creation of an appropriate statutorily based governance vehicle enabling all partners to participate would be more effective.

The previous White Paper regarding mandatory regional working did at least recognise the need to create an appropriate governance vehicle even if the proposals were muddled and didn't

seem to always recognise the extent to which there would need to be amendments to existing legislation.

b) The common elements appear to be sensible. It is agreed that there should be a clear future footprint upon which any merger proposals, under any of the options put forward, are based.

It is agreed that there should be a structured, democratically led process to enable proper preparation and give any new authorities the best chance of succeeding. The concerns that arise from the processes described in the Paper are that in terms of Option 3, the timescales are incredibly tight especially those relating to the determination of electoral arrangements for the new authorities.

Appropriate support and assistance to enable local authorities to manage the process of merger will be crucial. There needs to be a recognition by Government that the process of merger will be hugely disruptive to the work of local authorities and a massive drain on resources and capacity both at officer and political level. It will not be possible for local authorities to deliver mergers at the same time as trying to transform services and manage cuts due to austerity, as well as engaging in ambitious regional projects. The financial pressures that have been experienced by local authorities since Government first proposed structural change mean that senior management capacity across all authorities has been reduced. If Government believes that local government re-organisation is as important as the Paper suggests, then local authorities need to be given the time and space to manage it properly without increasing financial pressures during that transition. The Government will need to provide the necessary funding to enable merging authorities to build the capacity to deliver the change, invest in new systems and cover the costs of redundancies and retirements.

It is to be welcomed that Government expresses the view in the Paper that local authorities are the experts in running local government and that there should not be an overlap or duplication of activity between central and local government. Appropriate support and assistance should be just that, and not a mechanism by which Government issues directions and seeks to assert overt control.

The suggestion that there should be greater powers, flexibilities and other opportunities is to be welcomed, however, it is difficult to comment without further clarity as to what is actually being proposed.

It is agreed that there should be backstop intervention powers for Government. It is understood that there is already a process and a power in existence under the Local Government Wales Measure 2011. It is not clear whether the suggestion in the Paper is intended to replace or augment this power, or whether it is concerned solely with the process of merger.

c) There are benefits and disadvantages to all three of the options set out in the Paper.

Option 1 would appear to be the least effective option. If Government is confident of the case for change then Option 1 appears to do little to deliver the change that is described. There is no clear vision or a realistic timescale for what is to be achieved. It assumes that local authorities would wish to merge voluntarily. The past experience of some authorities with regard to voluntary mergers and Government's response to them is hardly encouraging. There would inevitably be a lengthy period during which many authorities were undergoing the transition,

diverting resources and capacity from the achievement of service transformation and regional working. Changes to the size of local authorities on an ad hoc basis will lead to an imbalance of political representation and influence on regional bodies and a long period of time during which one or more of the regional partners will be distracted from that work by the merger process.

Option 2 describes a phased approach. This option appears to recognise the sheer volume of work required to merge all 22 authorities within a short period of time, not least by the Local Government Democracy and Boundary Commission which is already involved in a review of the electoral arrangements of existing local authorities, work which will presumably be aborted if these options are progressed. The advantage of this option is the time to prepare properly for merger and the fact that there is a definite end date. The disadvantage is that the process will be stretched out over an eight year period during which it may be that there is drift in terms of service transformation and regional working given the impending change. The distraction of re-organisation will be present for a longer period. If there are early adopters there will be a potential for imbalance in regional arrangements.

Option 3 is the most ambitious of the proposals. It would appear sensible that if change is to be made it should be made at the same time across the whole of Wales. This minimises the period during which local authorities are unable to devote resources and capacity to service transformation and regional working. It also avoids an imbalance in the size and scale of local authorities particularly in respect of regional arrangements. The major disadvantage is the timescale in which this option is to be achieved. Senior political and management capacity will inevitably be almost entirely taken up by the process for merger. The review of electoral arrangements seems the least likely to be achieved within the timescale described given the likely reduction in councillors required across Wales to meet the current Council Size Policy of the Commission. Presumably any changes to that policy will need to go through a consultation process before the reviews can begin, resulting in a further reduction in the time available to complete the reviews by August 2020.

In summary, the most sensible option would be single comprehensive merger programme but one that is delivered on a realistic timescale. Government would need to consider extending the current term of the existing Councils to enable this to be achieved.

d) If the policy objective is to create fewer, larger local authorities covering the same broad scope of functions, then there do not appear to be any other options save for the amendment of the timescales of Options 2 and 3.

e) The Paper refers to cost and savings estimates which cover a very broad range and are several years out of date. There will be one-off transition costs as well as ongoing costs of harmonising pay and contract rates. The policy over council tax harmonisation could be costly depending how it is approached. Contribution rates to pension schemes and pension deficits may be an issue as would the equalisation of spend on services per head. There should be savings in management, the support infrastructure and democracy but given the above costs, these may take a significant period to achieve a payback on the decision.

Consultation Question 2

- a) Do you agree that providing clarity on the future footprint of local government is important?
- b) Do you agree with the factors we have identified to inform our thinking? Would you change or add any?
- c) What are your views on the new areas suggested in this section?
- d) Do you have alternative suggestions and, if so, what is the evidence to support these as an alternative?
- 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?

Consultation response

- a) It is agreed that providing clarity on the future footprint of local government is important.
- b) The identified factors appear to be appropriate and sensible.
- c) The Council is pleased that the responses provided in respect of previous consultation exercises have been listened to and that Government accepts that if mergers are to take place that 3 authorities is the appropriate number for the North Wales region.
- d) There are no alternative suggestions.
- e) The Council would repeat the observations made in respect of question 1 that there should be some thought given to designing and then legislating for an appropriate governance vehicle or model for regional working that involves partners other than local authorities.

Consultation Question 3

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

Consultation response

a) It is agreed that there should be a process involving Transition Committees and elections in sufficient time to allow Shadow Authorities to make necessary decisions and arrangements prior to vesting day. It is also appropriate for there to be a regime of restrictions on financial and other transactions in the lead up to merger. It is suggested that this regime be as light touch as is appropriate and does not become overly burdensome and bureaucratic. If there is to be prior approval of these transactions it is suggested that this is done as locally as possible and that it would be preferable for the Transition Committee to be the approving body rather than an organ of Welsh Government. There would need to be recognition too of the potential impact on regional projects of a succession of approvals being required for decisions being taken by authorities across the region on matters that may be connected. There would need to be a system of exceptions and urgency provisions.

b) Yes

c) The comments made previously regarding the timescales of Options 2 and 3 are repeated, as are those pertaining to capacity and resources. Cabinet members will be expected to sit on their own Cabinets, Transition Committees and often, one or more regional bodies during this period. Transition Committees will also bring their own resource and support requirements at a time when those very resources are or have been reduced. There will need to be a recognition of resource and capacity demands to support these additional structures.

There does not appear to be any mention of the Scrutiny arrangements for Transition Committees. By whom will decisions of these committees be scrutinised? It is suggested that it should be for the merging authorities to agree and implement the arrangements considered, locally, to be the most appropriate.

There appears to be insufficient time to properly undertake electoral reviews to Shadow Authorities for 2021.

Consultation Question 4

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.

Consultation response

The combination of a National Assembly election followed extremely closely by a UK Parliamentary election in 2016 proved very challenging and stressful for electoral staff. The Local Government elections are the most complex and demanding of all of the elections that we administer given the number of separate contests across unitary, town and community councils. Holding these elections in such close proximity to Assembly elections is a considerable burden. Consideration should be given to extending the period of time between the two elections. If

possible, consideration should be given to moving the Assembly election either forwards or backwards to allow a greater period between the elections.

The assumption of the question is that the Assembly elections should come first. Given that the Shadow Authorities will need sufficient time to make the necessary decisions and appointments in preparation for vesting day, the election of these bodies should be the priority and they should be held first, unless it would be impossible for the reviews of electoral arrangements to be completed in time. If the elections must be held in May and June, then the local government elections should be held first as it would be easier logistically to manage the two elections in that order than it would be to try and administer the local government elections whilst in the middle of an Assembly election.

If Option 3 were pursued, consideration should be given to extending the timescale to allow for elections in 2022 and vesting in 2023.

Consultation Question 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?

Consultation response

Councils have a duty to set Well-being objectives under the Future Generations Act. This is the same legislation as the Public Service Board example given in the Paper, and is tied to the electoral cycle in the same way. We set these as our 'corporate plan' as do most organisations.

The Council is also still subject to the Local Government Act (Wales) 2009, which requires us to publish 'Improvement Objectives' annually and is again linked to the electoral cycle. This element of the Act has not yet been repealed despite previous consultations suggesting that this would happen.

Consultation Question 6

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

Consultation response

The current programme of electoral reviews began in Quarter 1 of 2017 and is planned to finish in Quarter 1 of 2021 according to the information published by the Local Democracy and Boundary Commission for Wales. This programme involves reviews of single authorities only and does not involve cross border reviews.

The reviews suggested by the Paper are more complex than those currently being undertaken and, it would appear, would need to be made under a new policy on Council size which is yet to be consulted upon or determined.

The Paper suggests that this could be commenced in late 2018 and be completed by August 2020 which appears to be in stark contrast to the current timetable. If Option 3 were to be pursued it is of some concern that the electoral reviews will either not be completed in sufficient time, or, will be completed on the basis of rushed and potentially flawed consultation.

Serious consideration should be given to the appropriateness of the timescale described for Option 3 since it appears to be the option favoured by the Paper.

Consultation Question 7

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

Consultation response

a) The creation of fewer, larger authorities which in turn will have fewer, larger wards, coupled with increased regionalisation of functions and services will potentially mean that there is an increased distance between individual citizens, communities and decision makers. Individual Councillors will represent larger areas and a greater number of citizens than they do currently.

Previous White Papers have proposed ways in which area based decisions may be made. These proposals were flawed in that they added tiers of decision making and bureaucracy. Since the executive model of local government reserves the majority of decisions to the executive, the way to make more effective use of elected members' knowledge of and connection to their communities is by effective pre-decision consultation with, and scrutiny by, non-executive members.

b) Previous White Papers have suggested that there be fewer councillors and that their remuneration should also be reduced. This never seemed to be an effective way of encouraging more people to become involved in local democratic representation.

As stated above, there will be fewer councillors but they will represent larger geographical areas and numbers of citizens. It would therefore appear reasonable to assume that their workload and time commitment will increase. There will also potentially be a more complex landscape of service provision and decision making for them to contend with, given the possibility of increased regional bodies and alternative models of service delivery.

The current remuneration is based on a notional part-time commitment of three days a week applied to average earnings. This system recognises that there is also an unpaid public service element to Councillors' work. The Independent Remuneration Panel should be tasked with quantifying/estimating the time commitment for Councillors in the new merged authorities and reaching a determination as to the appropriate level of remuneration.

Members of this Council are provided with ICT equipment and support. It should be for the Transition Committees and Shadow Authorities to consider the most appropriate method of supporting Councillors in future. This may include secretariat support, office facilities and accommodation etc.

In order to make the role of Councillor more attractive it may be necessary for Government to review the current statutory provisions for employers to give time off work for this public duty.

Consultation Question 8

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

Consultation response

The Council is broadly supportive of the powers and flexibilities set out in a letter to the Cabinet Secretary by the WLGA dated 31st January 2018. The Council would however make the point that powers can be granted or removed without having to completely reorganise the structure of local government.

It would seem sensible that if the Government is considering changes to the future local government financing system in Wales – whether that be changes to the council tax system, local income tax, business rate retention etc., then the shape, size and capacity of whatever infrastructure is created should be designed knowing this change may be on the horizon. In many respects, changes to the funding system are potentially more radical and will have a greater impact than moving administrative boundaries around.

Consultation Question 9

- a) **Which areas offer the greatest scope for shared transactional services?**
- b) **How might such arrangements be best developed?**

Consultation response

In previous consultations the Government has made the case for a single all Wales support service based upon the model used by the NHS in Wales. This Paper gives very little in the way of detail as to what the Government currently envisages.

It is agreed that there is scope for greater sharing of expert professional services such as Legal, HR, Payroll, Finance, Estates etc., however the Council does not accept that the previous suggestion of an all Wales single back office service is either desirable or likely to provide effective support to all authorities. Different services may lend themselves to be more effective over different sized “footprints”.

If the Government decides to proceed with Option 2 or Option 3 it would appear more sensible to implement the merger programme first and look at the best model of providing support services to the new Councils. Councils in the process of merging will need strong support services in place to help manage the transition. If Option 3 in particular is chosen, there will be no time to establish shared services in advance of the merger programme in any event.

It is suggested that the sharing of support services should be done on a regional/sub-regional basis at first and in a way that suits the participating authorities’ needs rather than a one size fits all approach as was previously suggested.

The evidence to support significant savings on major shared transactional service projects is limited and often quality is diminished. The latter can lead to duplication as centralised services begin to pop up under a different guise in spending or front line services. By the time the systems infrastructure is taken into account, the payback on such significant change projects can be massive. There are examples in England where such arrangements have ended up costing more than the services they replaced. If mergers progress, the merging authorities are more likely to be able to drive efficiencies out of the back office system themselves, whilst maintaining a reliable level of service. This could be on a regional footing where appropriate. If new taxes are introduced or radical changes to existing taxes, there may be scope to manage collection of these regionally or even nationally, depending on the scale.

Consultation question 10

- 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?**

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?

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

Consultation response

There is a perception in local authorities that when the Government uses terms like “consistent” it means control from the centre either by reserved powers of direction or the use of specific grants. If Government is serious about its declared vision in the foreword to the Paper of powerful, robust and energised local government, it should provide practical support both financial and otherwise together with guidance on good practice that can be shared by all. It should then get out of the way and let the new authorities deliver services in ways that best serve their local communities whilst holding to account those that fail to do so.

It is agreed that consistency, in its ordinary sense, is important, however, it should still be for Transition Committees and Shadow Authorities to determine, having regard to professional advice, and in consultation with Trade Unions, their own employment policies and structures. Consistent doesn’t mean exactly the same. The figures contained in the Annexes to the Paper highlight differences across Wales in the staffing of different services. It will be necessary to understand the reason for these differences and share good practice rather than impose a one size fits all solution on the new Councils. There should be guidance as to processes and procedures to be developed for the transition process in terms of staff transfer and recruitment.

There are likely to be differing and costly IT platforms and solutions across Wales and the cost of adopting single systems for the new authorities will be considerable. Previous consideration of service mergers have foundered on the cost of making the necessary changes to adopt single common systems. Councils will need financial support to achieve this. It doesn’t seem practical to suggest as the Paper does, however obliquely, that asset sales will pay for these costs.

The Paper rightly acknowledges that Local Government is the expert on Local Government. If there is to be assistance in designing services, integrating systems and rationalising estates this should be in the form of building capacity to release the experts in local government to develop these ideas and not rely on consultants who often fail to appreciate the complexities of local government in their advice.

The priority should be on making realistic and properly thought out estimates of the costs of merger, the capacity deficits in certain areas and how Government can provide financial support to meet both.

Consultation question 11

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

Consultation response

The linguistic profile of Conway and Denbighshire is similar and it is agreed that the proposal to merge the two authorities would be unlikely to have a negative impact on the ability to provide services in Welsh and may increase the capacity to do so by having a greater pool of Welsh speaking staff to deploy to specific services. Overall, the impact of the proposals on the Welsh language are thought to be neutral. It is unlikely that the proposals will increase the likelihood of authorities that do not have Welsh as their administrative internal language to move to this.

Consultation Question 12

Please also explain how you believe the proposals 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.

Consultation response

Denbighshire and Conwy have similar proportions of Welsh speakers and similar Welsh Language Standards and the two councils already collaborate to provide Welsh translation services for both authorities. The proposals within the consultation do not offer increased positive effects (or any adverse effects).

Consultation Question 13

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

Consultation response

The only comment would be that the assessment appears to have taken into account matters not explicitly referred to in the Paper itself.

Consultation Question 14

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

Consultation response

The only comment would be that the assessment appears to have taken into account matters not explicitly referred to in the Paper itself.

Consultation Question 15

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

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