

## 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 31<sup>st</sup> 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.