



Llywodraeth Cymru  
Welsh Government

White Paper

# Reforming Local Government: Resilient and Renewed

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## Overview

The White Paper 'Reforming Local Government: Resilient and Renewed' is the Welsh Government's statement of intent about the future of Local Government in Wales.

The proposals in this White Paper set out arrangements for regional working; describe a strengthened role for councils and councillors; provide a framework for any future voluntary mergers; and sets out the role of community councils.

## How to respond

The closing date for responses is **11 April 2017**.

Responses can be submitted via the online document of consultation questions: <https://consultations.gov.wales/consultations/reforming-local-government-resilient-and-renewed>

To respond to the consultation, please either complete the online form or request the accompanying questionnaire and return it either by email:

[RLGProgramme@wales.gsi.gov.uk](mailto:RLGProgramme@wales.gsi.gov.uk)

or by post to

Reforming Local Government  
Welsh Government  
Cathays Park  
Cardiff  
CF10 3NQ

## Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

The consultation document can be accessed from the Welsh Government website at: <https://consultations.gov.wales/consultations/reforming-local-government-resilient-and-renewed>

## Data protection

### How the views and information you give us will be used

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

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 address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out 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.

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## FOREWORD



Local government plays a vitally important part in the lives of every citizen in Wales. Councils provide the services which educate our children, care for our elderly, dispose of our waste and light our streets. It faces some ongoing challenges. There is more to be done in achieving greater consistency and excellence, at a time when there will also be less money year on year for public services.

Reform is essential if Local Authorities are to be financially resilient and able to maintain and improve the quality of services during this extraordinary period of austerity. That is why change is a necessity, not a choice. But in setting out new proposals for reform we are committed to building a collective consensus around the way ahead.

Since I became Cabinet Secretary for Finance and Local Government in May 2016, I have been involved in an ongoing dialogue with Local Authorities and their partners about the change we need in order to create a resilient and renewed local government. We all recognise that the future requires us to work differently, but more importantly it requires us to work together, within the sector and with our partners to deliver high quality, responsive and integrated public services alongside those who need them.

Our focus will continue to be on supporting people when they need it most and equipping our public services to respond to the opportunities and the challenges that the current political, financial and environmental uncertainties present. But increasingly we need to look towards public services of the future, their role, and the role of citizens.

This White Paper sets out a new relationship between national and local government. One where there is a mutual understanding and recognition of respective roles and interests, and where all partners are given the space to maximise the positive impact they have through working with citizens on mutually agreed agendas. It sets out a new approach to reform focused on greater regional working. It sets a framework for local government to work within, providing a menu of options that local government can use, based on their local circumstances and strengths. It also highlights those proposals previously consulted upon which received broad support and which we intend to take forward within this new legislative proposal.

The Well-being of Future Generations Act with its ways of working and wellbeing goals will help to bring a shared focus to this work, one where we can all work together to deliver long term benefits to Wales.

A handwritten signature in black ink that reads 'Mark Drakeford'.

**Professor Mark Drakeford**  
**Cabinet Secretary for Finance and Local Government**

## 1. INTRODUCTION

- 1.1.1 The Well-being of Future Generations (Wales) Act 2015 ('WFG Act') sets the scene for the Wales we want. It clearly sets out the longer term goals public services in Wales are working towards, and the ways of working that public services should adopt to achieve them. Within this vision for Wales' long term future, Welsh Government will work with others to set out the key priorities for public services.
- 1.1.2 We are clear that it is not our role to prescribe in detail how those priorities should be achieved; that is for those directly engaged in the delivery of services to determine. Proposals for reform cannot and should not be developed and delivered by Welsh Government alone. Shared leadership, political and at officer level, are essential to secure a successful future for local government in Wales.
- 1.1.3 Local government touches the lives of each and every individual in Wales; its residents and its visitors. Local government is there to support individuals, families and communities when they need help most, empowering them to remain independent or take back their independence as quickly as possible. But also to deliver services that everyone uses, for example schools giving children the best start in life, the safe collection and disposal of waste, and the roads and pavements we drive and walk on. Every Local Authority excels in something, most are good at many things, none is good at everything. It is vital we, collectively, continue to build resilience and support renewal in local government so local people and communities are supported to thrive.
- 1.1.4 Following consultation on the White Paper 'Power to Local People'<sup>1</sup>, the previous Welsh Government set out proposals for local government reform in the 'Draft Local Government (Wales) Bill' ("the Draft Bill"), in November 2015. The majority of the proposals in the Draft Bill were well supported and welcomed by the public service and wider stakeholders as a positive step in providing greater freedom and flexibility in the development and delivery of services. However, it was clear that proposals for wide ranging mergers were not supported and are therefore no longer being pursued.
- 1.1.5 The drivers for change however remain clear. We need to support Local Authorities to address the financial challenges faced by public services and enable the ongoing delivery of better outcomes for local people and the improvement of communities.
- 1.1.6 Since the National Assembly for Wales elections in May 2016, the Welsh Government has been in dialogue with local government and wider partners about the case for reform and possible approaches we could adopt to build resilience. The Cabinet Secretary for Finance and Local Government has met the Leaders and Chief Executives of Local Authorities on several occasions on a one to one basis, in small groups and in the WLGA Regional Partnership Boards. Officials have discussed proposals directly with groups representing key service areas, for example the Directors of Public Protection, Association of Directors of Education in Wales, Association of Directors of Social Services, Society of Welsh Treasurers, and Lawyers in local government. Three workshops took place for Local Authority officers to discuss the proposals, we were joined by wider public service partners to

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<sup>1</sup> <http://gov.wales/docs/dsjlg/consultation/150203-power-to-local-people-fullv2-en.pdf>

explore the implications for them. Through the WLGA, we have sought views from Elected Members through a series of three independently facilitated workshops.

- 1.1.7 We are clear that, in line with the ways of working set out in the Future Generations Act, our approach to reform must continue to be developed in partnership with those delivering public services. This way of working and the need for reform to be a shared solution to the challenges we face as a public service will continue to underpin our approach as we consult on this White Paper and develop our proposals further in the light of consultation responses.
- 1.1.8 Discussions during the summer of 2016 highlighted that there remains a need and an appetite for reform, supported by greater regional working, building on the majority of the proposals previously consulted upon. Building resilience is essential if Local Authorities are to meet the challenges ahead. We have heard that greater regional working will allow Local Authorities to undertake service planning, commissioning and delivery at an appropriate scale.
- 1.1.9 We want to develop a more equal partnership with citizens. The role of public services should be to support people to live independent lives and to seek to de-escalate demand, intervening only when necessary and only for as long as required. In doing so, the focus inevitably shifts to prevention and a public service which is able to put more effort into helping people to avoid crisis, rather than one which is focused on supporting people in crisis. This is about creating prudent public services for the future.
- 1.1.10 Working in this way will represent change for public services and citizens alike. In order to support this work, the Welsh Government has asked the Effective Services Group<sup>2</sup> to build on the 'Prudent Healthcare Principles'<sup>3</sup> and develop a set of 'Prudent Public Service Principles' that can be used by organisations across the public service to help recast the role and relationship between services and individuals. We are already making hugely positive impacts on the daily lives of people in Wales. We need to continue on this journey to deliver the Wales that we all want in the future.
- 1.1.11 This White Paper sets out some of the new proposals that have emerged in discussions with Elected Members, officers and the wider public service. The proposals in this White Paper set out arrangements for regional working; describe a strengthened role for Councils and Councillors; provide a framework for any future voluntary mergers; and sets out the role of Community Councils.
- 1.1.12 This White Paper also outlines the initial steps for financial reform. Work is underway to develop comprehensive proposals for the reform of the finance system in local government. This will be consulted upon in due course. Annex One sets out a brief summary of these proposals and their current status. Where there are significant changes to a previous proposal they are discussed within this White Paper.

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<sup>2</sup> <http://gov.wales/topics/improving-services/effective-services-group/?lang=en>

<sup>3</sup> <http://gov.wales/topics/health/nhswales/prudent-healthcare/?lang=en>

## **2. REGIONAL WORKING**

### **2.1 Rationale for Regional Working**

- 2.1.1 The Well-being of Future Generations Act requires us to take a different approach to working. It asks the public service to be more holistic in its decision making, taking a much broader perspective and recognising the interdependencies that exist and the importance of working together and with citizens.
- 2.1.2 There are already many collaborations which plan, commission and deliver services right across Wales. We want to build on these successes, learn from what has worked and what hasn't and consolidate this learning into more ambitious regional working. We have heard from local government, and the wider public service, that more could, and should be done together. We want to build on this.
- 2.1.3 Discussions with local government Leaders and Chief Executives show there is enthusiasm for greater regional working, and it is clear that there are a number of areas where a more systematic approach to regional working would benefit local people and communities. Regional working is not easy. It requires commitment and dedication; it must be built on a foundation of trust and willingness to compromise for the greater good. It requires clarity of purpose about what the collaboration is trying to achieve, and also clarity regarding roles and responsibilities, governance, accountability and financing mechanisms; not just for the organisations delivering services, but for the people receiving services.
- 2.1.4 When considering collaborative arrangements we should think carefully about the benefits, and sometimes disadvantages of regional working. Regional working should achieve better outcomes for people and communities in the short term; a greater focus on prevention and de-escalation to bring about better outcomes over the much longer term, opportunities to transform and refocus services on a larger scale, or by the more efficient deployment of scarce or specialist resources. There should be practical benefits too; economies of scale; removing duplication; reducing complexity; simplifying activity and ensuring consistency. As well as workforce resilience, particularly in highly specialised areas or areas with very small numbers of staff. Regional working has the potential to offer staff more varied experiences and career opportunities.
- 2.1.5 Regional working must result in better outcomes, and/ or improve the resilience of services. That may mean that the cost of delivery might be the same, but the service is more resilient: or possibly the cost is higher, but the outcome is considerably improved: or the cost of delivery is reduced and service outcomes are maintained. It may be that collaborative working can result in service transformation which would not have been achieved at a smaller scale.

### **2.2 Considering Regional Working**

- 2.2.1 Discussions with Local Authorities underline that working on a regional basis should not be undertaken for the sake of it. There needs to be consideration of the appropriateness for regional working. In response, Welsh Government has developed a series of 'tests' that could help inform these considerations.

These 'tests' are made up of a series of questions about the nature, challenges and opportunities of regional working. This will then give a clearer sense of whether the function, service area or activity, or a part of them, is potentially suited to regional delivery. It may be the case that a given service area looks positive for regional working on one or two tests but less strong on others. This is inevitable and emphasises the need for decisions to be informed by engagement with practitioners, Local Authority Elected Members and officers, the public and wider partners.

## **'TESTS'**

### *Underpinning tests*

- Will regional working help to improve or maintain outcomes?
- Is this an area which should be done locally?
- Are there linkages with other service areas?
- Are benefits likely?

### Tests for regional working

- *Will it improve the resilience of the service?*  
For example, a service area with known sustainability challenges such as a significant reduction in budgets / staffing? Or perhaps an area with episodic but critical and unavoidable activities?
- *Will it improve the capacity and capability in the service, particularly at senior levels?*  
For example, would regional working resolve issues in an area where it has been difficult to recruit (at either specialist or senior level)?  
Or would regional working allow more strategic use of resources to plan, commission or deliver the service on a larger footprint?
- *Will it make a service or activity viable?*  
For example, is this an area which is not viable at a smaller scale?
- *Will it offer economies of scale or greater efficiencies?*  
For example, is it more efficient to deliver regionally and has scope to deliver savings?
- *Will this help increase public value?*  
For example, would regional working offer the opportunity to make it easier to do the right thing or to increase ambition for what can be achieved?
- *Is this an area where Local Authority boundaries get in the way of the service a citizen might want?*
- *Is this a new service or expanded area of responsibility?*  
For example, where there are no local arrangements in place yet.
- *Is there good practice that can be expanded on?*  
Is there effective regional working already in place in one (or more) areas which make the case for undertaking the service on a regional basis across Wales?
- *Is this an area where joint working with partners is important and where partners operate on a different (and larger) regional footprint?*  
For example, is this an area with significant interaction with other partners and regional arrangements would make joining up easier and enable more effective integration of services?



**Consultation Question 1:**

*The Welsh Government believes that it is appropriate to consider ‘tests’ to frame thinking around regional working. Do you think the ‘tests’ set out are helpful in guiding thinking? What other tests or considerations might also be used?*

**2.3 Proposed Functions for Regional Working**

- 2.3.1 The proposals for mandatory and systematic working in this White Paper offer an opportunity to strengthen, regularise and simplify the existing arrangements between Local Authorities. Enabling Local Authorities to delegate decisions to be made at a regional level with strong democratic governance and oversight, including scrutiny, will strengthen their ability to operate consistently with other partners. Decision making at regional levels, should enable specialist and other resources to be deployed effectively to identify and meet the needs of people in each region including by increasing the focus on prevention. It will make integrated working more straightforward and effective for other partners and improve outcomes for people. It should also provide for greater alignment with the regional delivery of other services.
- 2.3.2 We have set out a number of areas where we are proposing to require regional working. There are a number of other areas where we have heard there are likely to be some opportunities for regional working, but there needs to be more discussion with practitioners, therefore we have set out a number of areas where more exploration of regional working would be useful.

**Requiring Regional Working**

**Economic Development**

- 2.3.3 Local Authorities in Wales have a range of powers and functions in relation to economic development and the economic wellbeing of their areas. They have considerable discretion as to how they exercise these functions and there is substantial variation in the extent to which Authorities engage in economic development and the manner in which they do so. Many Authorities, and other stakeholders, have commented that the current administrative geography of Local Authorities does not provide a natural or effective scale for a coherent approach to economic development, in terms of both the area across which functions are carried out and the capacity and capability of individual Authorities to plan and implement economic development in a strategic way. The scope to develop the conditions which attract business investment, to skill up and house the workforce and to provide the integrated transport and infrastructure needed to support growth is inhibited by the lack of scale and capacity in the current arrangements.
- 2.3.4 The Welsh Government and local government are already responding to the insufficiency of the current Local Authority structure by building the broader regional partnerships designed to nurture economic development which are emerging from the city deal and city region approaches. Purposeful regional arrangements around the Cardiff Capital Region City Deal, Swansea Bay City Deal and the North Wales Economic Ambition Board are taking shape. Ceredigion and Powys are not covered by city deal proposals but are leading the Growing Mid-Wales partnership. We propose to adopt these arrangements as a basis for the regional delivery of economic development functions (including employment and skills development) and to include

economic development in the list of functions to be carried out on a mandatory and systematic basis.

- 2.3.5 Welsh Government are seeking views on the functions that might be exercised on a regional basis to contribute to the economical development of the region. Comments regarding the functions, either in terms of the broad nature of functions or by reference to individual statutory functions, are welcomed. We would also welcome views as to whether the geography of the proposed regional arrangements for these functions offers the most effective structure to secure economic prosperity.

## Transport

- 2.3.6 Local Authorities have a number of powers and duties in relation to transport and it is widely recognised that there are merits in preparing strategic plans for transport provision on a regional basis, as is currently the case for North Wales, Mid Wales, South West Wales and South East Wales, taking account of the pattern of demand and providing for integration of transport infrastructure and service delivery. Regional transport plans are already being prepared for the majority of Wales. We are seeking views on whether other transport functions would be well-suited to regional delivery.
- 2.3.7 There is already considerable alignment between the economic development, transport and strategic planning functions of local authorities, with the city deal and economic growth footprints, referred to in the section on economic development, providing the clearest basis for future delivery. We propose to adopt these regions as the footprint for future transport planning, recognising that regional transport plans are currently being prepared on a different geographical basis. We are seeking views on the proposed footprint and whether a different model might be more appropriate for transport functions, particularly in Mid Wales (Ceredigion and Powys).

## Land Use Planning and Building Control

### Land Use Planning

- 2.3.8 We propose that land use planning be undertaken in future on a regional basis. Between 2009/10 and 2016/17 resources devoted to the planning function declined by 53%<sup>4</sup>, the largest reduction of any Local Authority service area. At the same time our expectations of the planning system have increased. The planning system is a key enabling mechanism for a diverse range of priorities including economic prosperity, affordable housing and green infrastructure. It is an important facilitator of well-being. The effective implementation of the Well-being of Future Generations (Wales) Act, the Environment (Wales) Act, Historic Environment (Wales) Act and Planning (Wales) Act, require resilient planning authorities with access to specialist skills.
- 2.3.9 Existing regional working arrangements are limited in this service area, with the exception of collaborative working on minerals and waste planning. We believe that the introduction of a systematic approach to regional delivery of planning services will significantly improve service quality, provide greater resilience and enhance opportunities for workforce development and progression.

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<sup>4</sup> <http://www.senedd.assembly.wales/documents/s500002771/FIN4-01-16%20P1%20WVGA%20consultation%20response.pdf>

- 2.3.10 Provisions within the Planning (Wales) Act may provide the basis for the regionalisation of planning services. We have modernised the arrangements for Joint Planning Boards so they can prepare Local Development Plans (with the exception of National Parks) and determine planning applications. We have also introduced the ability to prepare Strategic Development Plans (SDPs).
- 2.3.11 We do not believe that SDPs are necessary across the whole of Wales. Where considered necessary, the preparation of a SDP should be undertaken on a broader economic development footprint. This would allow strategic issues to be addressed across the wider area ensuring that connections are made to regional economic regeneration, transport and natural resource management opportunities. The Planning (Wales) Act makes provision for SDPs to be prepared by a single purpose body, a Strategic Planning Panel. With the emergence of regional governance arrangements, such as those linked to City Deals, it may be possible to use these governance arrangements instead. More broadly, this White Paper proposes new statutory arrangements for the consistent governance of regional working. These new proposed arrangements could be applied to planning. We would welcome views on this.
- 2.3.12 In addition to the preparation of a SDP where this is necessary, we consider that there could be benefits from other planning services being provided on a regional basis. We are seeking views on the best approach to identifying an appropriate footprint for the regional delivery of services. In particular, views are sought on the functions which need to be undertaken at a sub regional level, but at a larger scale than individual Authorities. We consider that functions relating to planning (other than those strategic functions identified above) fall into this category. Ensuring that planning services are not too distant from citizens and communities is essential.
- 2.3.13 The initial scope of the planning functions to be delivered at a sub regional level is identified below. They have been identified to maintain the link between LDP preparation and decisions on planning applications. We have also sought to identify the related specialist advice essential for efficient and high quality decision making.
- Preparation of LDP
  - Setting and collecting Community Infrastructure Levy
  - Development Management (processing of planning applications and enforcement functions)
  - Specialist advice on the following services:
    - Minerals and waste
    - Built environment conservation services
    - Green Infrastructure, landscape and ecology
    - Viability and S106 agreements (planning obligations)
    - Urban Design
    - Highways development management
- 2.3.14 Democratic accountability is a fundamental principle of the planning system. We do not wish to undermine this. We believe that there are two options to maintain accountability under a regional delivery approach. Existing

legislative powers could be used to create Joint Planning Boards (Joint Planning Board Model) which would be made up of Councillors from each constituent Authority, with decisions on the LDP and planning applications being made by the Board. Similarly, regional decision-making by elected members could also be undertaken through the new 'Joint Governance Committee' proposed in this White Paper. This would ensure that the arrangements for planning were aligned with the proposed arrangements for other services. An alternative approach would see responsibility for planning decisions remaining with existing principal Authority / National Park Authority with the preparation of the LDP and processing of applications undertaken by officials at the regional level. In this way the regional service delivery unit would service a number of planning committees (shared service model).

- 2.3.15 We would welcome views on the planning activities identified for delivery at the regional level and whether there are further functions relating to planning that could be best exercised on a regional basis and any further suggestions you may have.

### Local Authority Building Control

- 2.3.16 The issues facing local government building control are similar to those faced by planning departments and include reduced resources, difficulties in encouraging new entrants and an absence of specialist skills particularly in smaller authorities. Limited cooperative arrangements exist currently.
- 2.3.17 The Building Control service currently sit mainly within planning or public protection departments. The general trend appears to be towards co-location with the planning function given planning and building control are the main mechanisms to manage development. For this reason we propose that Local Authority building control services be delivered regionally on the same footprint.

### Social Services

- 2.3.18 Social services covers a range of functions some of which are more closely inter-connected than others, and, at the margins, Local Authorities define different actions under the term social services. There are essential links to health and also links to housing, education and the police. These functions touch upon some of the most vulnerable in our society, and will be important to everyone at some point in their lives. These are services where there are recognised challenges to meet and the desire to change the way in which services operate to meet them, including planning and operating at greater scale. Consistency in decision making and delivery is increasingly important.
- 2.3.19 The Social Services and Wellbeing (Wales) Act required partnership arrangements to be made in each Local Health Board area, under the direction of a Regional Partnership Board. The Partnership Boards have representation from Health Boards, Local Authorities (elected and officer) and service users. These Partnerships have been established for defined functions, focussed particularly on areas where successful integration between local government and health is essential for the provision of effective services for citizens. The Social Services and Well-being (Wales) Act and supporting statutory guidance requires joint planning, commissioning and the use of pooled budgets between health and local government. The existing guidance recognises that social service users often are affected by or need more than one intervention and partners are expected therefore to

extend their partnership arrangements beyond the priority areas in order to improve outcomes for the population as a whole.

- 2.3.20 The governance arrangements described in this White Paper will need to support integration with the Local Health Board and other partnership working.

### **Education Improvement**

- 2.3.21 Education improvement encompasses a range of functions carried out by schools, Local Authorities, and regional consortia in Wales. The roles and functions of each tier are governed by the National Model for Regional Working which was agreed in autumn 2013 to accelerate the rate of progress in improving educational outcomes in schools.
- 2.3.22 There are currently four regional education consortia operating in Wales, three as joint committees of the constituent authorities and one (for south east Wales) as a joint management company serving the constituent Authorities.
- 2.3.23 It is recognised that the position in relation to educational improvement is complex, both in terms of the different range of improvement services provided by the existing consortia and the current regional structures. There are considerable variations in the range of improvement services provided by the existing consortia and their geography does not align neatly with the footprints for the delivery of other services.
- 2.3.24 Where there are existing regional arrangements in place, the proposals in this White Paper are intended to build upon them and provide a prompt to re-examine them. There remains flexibility to scale up activity to larger geographies by working across two or more regions where appropriate. In the case of education improvement, Health Board areas might provide a starting point for this although it is also recognised that certain authorities fall into different Health Board and consortia areas.
- 2.3.25 It is essential that the education sector, especially post-16 education, responds to the needs of the public sector workforce if local government is to be able to recruit staff in the future with appropriate Welsh language skills. The education sector will need information about the current and future requirements for Welsh language skills more widely so that the sector can respond to meet demand. This information could be collected and considered regionally with plans developed across the region to ensure sufficient training for Welsh language skills are available. This links to local government's role as a key employer, not only directly but through their contract and partnership agreements. Planning in this way could have an essential role in encouraging young people to maintain and develop their Welsh language skills on leaving statutory education for use in the workplace.
- 2.3.26 Views are sought on what approach might offer the best fit for the regional delivery of education improvement services and on the range and nature of improvement services which could be most effectively delivered at a regional level.

## Additional Learning Needs

2.3.27 The Welsh Government introduced the Additional Learning Needs and Education Tribunal (Wales) Bill ('the ALNET Bill') on 12 December 2016. This bill will put in place:

- A single statutory framework to support children and young people aged 0 to 25 with additional learning needs (ALN) in schools and further education, making it easier for them as they move through the system, replacing the different approaches and legislation for learners with special educational needs (SEN) up to the age of 16 and learners with learning difficulties and/or difficulties in post-16 education. It will create a single plan (the individual development plan) to replace the existing range of statutory and non-statutory plans for learners, ensuring equity of rights regardless of the learner's level of need or the education setting they attend;
- An integrated, collaborative process of assessment, planning and monitoring with a focus on early intervention, including duties on Health Boards and Local Authorities to collaborate with each other to meet a child or young person's ALN to enable them to reach their full potential; and
- A fair and transparent system for providing information and advice and for resolving concerns and appeals, with Local Authorities required to make arrangements for avoiding and resolving disagreements.

2.3.28 Among other functions, the ALNET Bill will transfer responsibility to Local Authorities for maintaining individual development plans for learners who require specialist post-16 placements. Overwhelmingly, these will be learners with whom the Local Authority has been involved throughout their school based education (and for whom they will have maintained a Statement of SEN under the current system and will have maintained an individual development plan under the new system). In many cases, Local Authorities will also have on-going social care involvement with these young people. The transfer of this responsibility from Welsh Government to Local Authorities will improve the transition process by encouraging Local Authorities, Health Boards and post-16 providers to work together to plan for and secure support, and to improve local provision relevant to the individual needs of children and young people with ALN. Funding for these placements will be transferred from Welsh Government to Local Authorities.

2.3.29 Greater collaborative working on a regional and multi-agency basis will be vital to deliver improved quality services for learners with ALN going forward. This process has already begun, through the ALN Innovation Fund launched in 2016, which focuses on the development of creative, collaborative delivery models and the growth of relationships between education, social services, health and further education.

2.3.30 The proposals for local government reform and the development of robust, accountable regional arrangements on a statutory basis, present significant opportunities to support more effective implementation of the ALNET Bill and the wider ALN transformation programme.

2.3.31 Although any legislation on Local government reform is not yet confirmed, we would aim to ensure the implementation timetable was complementary and

we would encourage early action by Local Authorities to get ahead of the statutory requirements for ALN coming into force.

- 2.3.32 Views are sought on what elements of a Local Authority's ALN functions, as proposed in Part 2 of the ALNET Bill<sup>5</sup>, might offer the best fit for effective regional delivery.

### Public Protection

- 2.3.33 We propose that public protection functions should be undertaken regionally. This builds on the general direction of travel in this service area but mandating a requirement to work regionally will provide further impetus to current joint working. This will also provide for the maximum level of resilience and a greater scope for workforce development and progression.
- 2.3.34 Public protection is a broad service area and Local Authorities currently include different functions under this umbrella. It encompasses primarily:
- a. **environmental health:** including, but not limited to, pollution control, food safety, food hygiene, health and safety, noise control;
  - b. **trading standards:** including, but not limited to, consumer protection, product safety, rogue trading, animal welfare; and
  - c. **licensing:** including, but not limited to the licensing of taxis, street trading, entertainment, sex establishments.
- 2.3.35 However, we welcome views on the scope of functions to be included under the term 'public protection'. We will analyse responses which will help to inform proposals. We will also work with the WLGA / Local Authority Public Protection Cymru Change Programme to identify a list of core functions to be mandated.

### Consultation Question 2:

*In this White Paper the Welsh Government has set out a number of areas which it believes should be required to be delivered on a regional basis. Do you agree that these areas should be delivered regionally? What practical considerations should we consider in taking these proposals forward? What other 'ancillary' powers would be required to ensure the effective exercise of the functions exercised regionally?*

### Exploring Regional Working

#### Housing

- 2.3.36 The Local Authority role with regard to housing operates at strategic and operational levels. At the strategic level, local authorities are, for example, charged with assessing local housing needs, which informs plans for investment in housing supply. Those authorities that have retained their own stock also need to determine the level of investment in maintaining that stock. They also support initiatives designed to make the best possible use of existing homes e.g. by bringing empty properties back into use.
- 2.3.37 The operational level covers a wider range of functions which are often staff intensive and which will continue to need to be delivered locally. These include landlord functions, statutory homelessness services, providing housing-related support and the enforcement of housing law including, for

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<sup>5</sup> <http://www.assembly.wales/laid%20documents/pri-ld10862/pri-ld10862-e.pdf>

example, the Housing, Health and Safety Rating System, Rent Smart Wales, and the regulation of Mobile Homes sites. Rent Smart Wales is a good example of a locally delivered service supported by a single national Information Technology platform hosted by Cardiff on behalf of all authorities.

- 2.3.38 Good models of regional collaboration already exist and provide a foundation on which to build stronger delivery structures. For example, the Supporting People programme operates under six Regional Collaborative Committees. As Local Authorities and their partners in Public Services Boards and Regional Partnership Boards begin to implement the wellbeing plans they are developing, the preventative aspects of this programme need to be aligned more closely with social services commissioning, which is often targeted at the same vulnerable groups.
- 2.3.39 Local Authorities have identified housing supply as a key component of the economic development strategies emerging under the proposed cross-authority city deals. If current housing shortages are to be tackled effectively, these house building interventions need to be aligned with the structures which support land use planning.
- 2.3.40 Further consideration will need to be given to how the strategic aspects of housing delivered on a regional footprint can most effectively interface with the more staff intensive services such as tackling homelessness, which will continue to be delivered locally.

## **Waste**

- 2.3.41 Waste and recycling is a service area with a history of significant joint working among Local Authorities, for example in relation to food and residual waste treatment. There is potential to build on this existing activity and expand regional working to other parts of this service area, for example in relation to arrangements for waste and recycling collection. In considering the scope to do this, we recognise the profile of waste collection issues locally and the different arrangements currently in place, including different service delivery models and contracts. At the same time, we also recognise there is real scope for efficiency savings and further reductions in carbon emissions over time and an opportunity to refocus on providing a more consistent experience for citizens.
- 2.3.42 We would welcome views on the potential for greater regional working in this area and any particular considerations we should have in mind. We are also interested in the opportunity, over time, to consolidate existing regional waste activity on a more consistent footprint with other service areas.

## **Community Safety and Youth Justice**

- 2.3.43 Community Safety Partnerships and Youth Offending Teams are not formally devolved, although they rely heavily on devolved services, such as health, education and social services. If other public services are being delivered on a regional footprint there will be a case for Community Safety Partnerships and Youth Offending Teams to consider moving to a similar footprint that matches the services which support their work.

### **Consultation Question 3:**

*In this White Paper the Welsh Government has set out a number of areas which it believes could also be delivered on a regional basis. Do you think that Local Authorities should also be required to work regionally to deliver these functions? Are*



*there any other practical considerations we should be aware of?*

**Consultation Question 4:**

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

**Consultation Question 5:**

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

**Enabling Greater Regional Working**

2.3.44 This is a starting point, not an end point. Local government has told us it is ambitious in the area of regional working and prepared to do more than the minimum prescribed by the Welsh Government where there is a strong case for regional working. We would encourage Local Authorities to show leadership in this area and identify where they can come together and work regionally on other services. It will be for local determination to take forward regional working in additional service areas or functions. We will ensure that where localities choose to be more ambitious with their regional arrangements there is sufficient flexibility in the system to enable this.

**Consultation Question 6:**

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

**2.4 Sharing Services**

2.4.1 The operation of public services relies on underpinning supporting services, some transactional, some specialist, some externally facing and some less so. The Welsh Government considers many of the reasons for greater regional working hold true for these supporting services. The tests set out at paragraph 2.2.1 are also valid for many of these services. They also have the potential to yield significant savings which can be redirected into front-line service delivery. Indirectly, authorities and services which carry high transaction costs are subsidised by those who carry out these activities more efficiently. This is not sustainable.

2.4.2 Regional working arrangements will present opportunities for Local Authorities to build sustainable services. As part of this there will be scope to share Welsh language capacity to ensure those wishing to receive services through the medium of Welsh are able to do so. This will be enabled by both the sharing of staff and professionals delivering services and the sharing of Welsh language capacity in corporate services. In this way, and in line with the Welsh Government's previous commitment, Local Authorities working together can be a catalyst for ambitious improvements in the standard of Welsh language services. There is also an opportunity for Local Authorities to come together to exploit digital technology to open up a wider range of services to delivery through the medium of Welsh.

2.4.3 Consideration of the implications for the Welsh language must be built into regional working arrangements as Local Authorities consider their role in the

delivery of *A million Welsh speakers by 2050*.<sup>6</sup>

- 2.4.4 *Language, Work and Bilingual Services*,<sup>7</sup> the Report of the Working Group on the Welsh Language and Local Government was published in June 2016. A move towards greater regional working will enable many of the Report's recommendations to be taken forward. For example supporting a collaborative approach on leadership, making Welsh language a firm part of the regional economic development agenda will be important for the resilience of communities where Welsh is strong.
- 2.4.5 Many respondents to our consultation on the draft Welsh language strategy, *A million Welsh Speakers by 2050*, emphasised the need to take different approaches in different areas in terms of growing the numbers of Welsh speakers and promoting use of the language. At the same time, some respondents reminded us that as the nature of modern society changes and the way people live their lives change, we will need to understand how this has an impact on language use. For example, as people become increasingly mobile and as communication networks expand, there is a need for language planning to happen increasingly at a regional, as well as local level.
- 2.4.6 The proposed approach to regional arrangements set out in this paper will mean Local Authorities will need to consider how back office and administrative services can most effectively support regional working and create opportunities for the sharing of supporting services. Our aim to support resilience and renewal in local government includes consideration of how and when we should expect to develop shared approaches to supporting or administrative services. We recognise that supporting services would not necessarily need to mirror any new regional arrangements. Flexibility in our approach to regional arrangements, discussed in detail in section 2.7, will allow for consideration of different patterns for regional working. Some supporting and administrative services could be sensibly undertaken on a pan-Wales basis. We also see this as an area offering scope to integrate across public services, for example encompassing health or third sector systems.
- 2.4.7 Even where services remain local or are undertaken regionally, there are likely to be significant operational benefits and cost benefits as a result of adopting national common standards, for example in relation to cyber protection and technology delivery. The rapid development and uptake of cloud based solutions for the provision of key ICT services such as e-mail and data storage provides further scope for efficiency and cost savings. Working together to realise these benefits and building any new joint supporting services on cloud-based technologies is likely to secure greater economies of scale. Similarly, whatever scale a supporting service was being undertaken at, there are real opportunities to enable efficiencies by the adoption of open data standards to allow easy sharing and exploitation of data resources.
- 2.4.8 Local government has successfully introduced some shared back office services, for example, providing back office functions to a range of smaller organisations, shared legal services in West Wales, and local government pensions' services. But other opportunities to share services have been

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<sup>6</sup> <https://consultations.gov.wales/consultations/welsh-language-strategy>

<sup>7</sup> <http://gov.wales/docs/dsjlg/publications/160614-language-work-bilingual-services-en.pdf>

explored, and not taken forward.

2.4.9 The KPMG report<sup>8</sup> in June 2015 showed that variation existed in the cost per transaction for back office functions across different Local Authorities which could not be explained simply by reference to the nature of the service or the size of the Local Authority. It illustrated that establishing some form of back office shared service could secure significant savings above and beyond those which can be achieved by Authorities reviewing and rationalising their services to bring them into line with the high performers. It did not, however, set out a clear proposal for precisely how such extra savings would be achieved via a shared service arrangement. Nor did it consider other potential benefits in quality of service, ability to improve, expertise and resilience.

2.4.10 In discussions with Local Authorities there is general agreement that this is an area where progress has been inconsistent, and there is likely to be potential for improvements to efficiency, resilience and quality of some services. Whilst we broadly categorise what we mean by shared services later in this paper, the following are some suggestions of activities where service sharing might be taken forward (nationally or regionally):

- Technology platforms, to offer greater consistency as well as cost savings e.g. new Planning Portal, Community Care Information Service
- Specialist services where expert knowledge or skills can sometimes be in high demand and short supply e.g. internal audit; assurance around cyber threats and management, Welsh language and legal expertise, some finance functions, asset management.
- Joint or shared transactional services where processes are consistent or could reasonably be expected to be so e.g. council tax collection and wider revenue and benefits, payroll, transactional services that use the same IT systems.

2.4.11 There is also the example of the NHS Wales Shared Service Partnership (NWSSP) which provides a range of back office administrative services to NHS Trusts in Wales, resulting in cost reductions and efficiencies by introducing common processes and sharing good practice. This has taken time but it has delivered savings (the NWSSP annual report for 2015-16 describes more than £20 million in procurement savings in 2015-2016); improved services against key performance indicators (direct savings of £2 million have been returned to NHS Wales in 2015-2016, against a target of £1 million) and has taken on new functions and services by agreement as it has demonstrated success. At present, the NWSSP cannot provide services to organisations beyond the NHS but Welsh Government has previously consulted upon whether it should take a legislative opportunity to widen its scope to allow it to provide services to Local Authorities and others. There are also examples of local government led equivalent services.

2.4.12 Shared services can be broadly categorised into the following:

- Joint procurement - Examples of which are National Procurement Services and the electronic procurements system (e-PS)

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<sup>8</sup> <http://gov.wales/topics/localgovernment/publications/welsh-local-authorities-administrative-cost-review/?lang=en>

- Shared platforms - Example of which is Public Sector Broadband Aggregation
- Shared Service delivery - Examples of which are Archives Services and Regulatory Services
- Shared back office functions - Examples of which are NHS Wales Shared Service Partnership, Legal services in West Wales and ICT services

2.4.13 We are interested in views about where the greatest value is likely to come from in pursuing shared supporting services and how we can collectively make more rapid and deeper progress in this area to continue to secure even more efficient delivery of services as well as other wider benefits.

2.4.14 There is also an opportunity to look beyond Local Authorities and to develop solutions which integrate across public service providers. We are interested in views on where the opportunities lie for doing this. Modern technology offers opportunities for dispersed working but the employment changes which might follow greater concentration of shared supporting services would need to be consistent with our overall policy of supporting employment in those communities where this provides the greatest impact on local economies.

2.4.15 We recognise that sharing services has been an ongoing journey in Wales with some successes and some projects which have not delivered as planned. We are interested in views on the barriers to successful sharing of services and how these might be overcome. In particular, data sharing has already been flagged as part of our autumn engagement exercise and we are interested in the specific challenges it continues to pose and examples of how this has been overcome.

2.4.16 As part of these considerations, we need to understand how they could be enablers of regional working more generally.

**Consultation Question 7:**

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

**Consultation Question 8:**

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

**Consultation Question 9:**

*The Welsh Government believes sharing more back office functions would be helpful. There are a number of options:*

- *Enable the NHS Wales Shared Service Partnership for providing services to local government (and others)*
- *Establish a similar model to provide back office services to local government (and others)*
- *Establish an alternative model to provide back office services to local government (and others)*

*Which do you believe would be most appropriate to best support regional working? Why? What other alternative models could work effectively and what steps could the*

*Welsh Ministers take to enable or encourage local government-led alternative models to be implemented?*

- 2.4.17 One specific area, which has interests wider than local government, is the potential for better management and use of public sector assets through regional planning and governance. If the public sector is to maximise positive outcomes for people and communities and deliver value for money, its property asset resources must be managed with the same scrutiny and assurance already applied to the management of its financial resources. Public sector partners have many examples to offer of co-location and co-investment. Working together through the pan public sector National Assets Working Group they have also produced and endorsed some useful tools.
- 2.4.18 A more proactive collaborative asset management approach across the Welsh public sector offers the potential to integrate services (including estate management) to improve the customer experience and to create wider efficiencies. It also offers potential to rationalise the estate and improve the quality of public service assets by investing more in fewer shared physical assets. This will allow surplus assets to be included, sometimes in combination, in land release for new homes and employment-related development. A Pilot Study in the Cwm Taf PSB area has been exploring the potential benefits of this approach. The Welsh Government's Budget for 2017/18 includes £2 million new investment to carry out asset mapping across Wales.
- 2.4.19 The Welsh Government is keen to understand how local government and others, including Welsh Government, can work together better to make the best use of their collective assets. Barriers to this in the past have included knowledge of others' plans and opportunities. To support this work it is proposed that a 'Regional Asset Collaboration best practice toolkit' is developed.
- 2.4.20 Such an approach will require appropriate governance arrangements to ensure that collaborative behaviour is embedded in ongoing decisions related to service and estate planning. Given the links to the economy the larger economic footprints may be appropriate in order to successfully engage with the wider public sector and reap the potential benefits.

**Consultation Question 10:**

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

**2.5 Governance and Accountability**

- 2.5.1 Our proposals for regional working will require different governance mechanisms to underpin them. This will ensure that collaborative behaviour is embedded in decision making, accountability and scrutiny. It will need to ensure that Elected Members remain at the heart of the decision making and scrutiny process. It will require flexibility and simplicity to be at the heart of the overarching governance arrangement.
- 2.5.2 A regional governance model will require that decisions which are being taken are in the best interests of people across the region, rather than within

individual local areas. The aim is that, overall, service provision improves as a result of this approach, for example by providing services which no one Authority could deliver alone or by making more effective use of scarce expertise. This might mean for example, that to have greatest impact on a particular issue, the region should allocate more resources to one Local Authority area than another. This may be controversial locally, but governance arrangements will need to be robust enough to make and be accountable for these difficult decisions. To ensure that regional functions can be undertaken effectively and that the accountability arrangements match the footprint on which the functions are being exercised, we propose placing a duty on those exercising the functions and those holding them to account to consider both the local and regional interest in undertaking their responsibilities.

- 2.5.3 Any accountability model at a regional level will need to ensure that there is clarity for local people, officers, Elected Members and other public service organisations about where decisions are being made and on the scope of those decisions. There needs to be clarity over which functions are being exercised where, and who is exercising them on what basis. There must be a clear process to delegate functions for regional decision-making within the framework which Welsh Government will provide. There must also be clear arrangements and real commitment from those exercising functions regionally to report back to their Local Authority and be held to account by its Members.
- 2.5.4 Citizens and communities will need to be clear about how they are able to interact with the regional arrangements in order to influence and contribute to decision making. These new arrangements will further enhance the role of Elected Members, who will have a crucial part to play in ensuring that the people they represent can navigate the new system and act as their advocates.
- 2.5.5 Welsh Government will provide a clear framework for making arrangements to hold those making decisions to account. Regional arrangements will need to be appropriately scrutinised to ensure effective performance and value for money are being delivered, and that better outcomes are being achieved at a regional level. There will need to be transparency, especially in those circumstances where things unfortunately go wrong.
- 2.5.6 We will provide a framework which allows for choices in how scrutiny is undertaken. There will be the option of continuing to undertake scrutiny in each of the constituent Principal Councils within a regional arrangement, or to establish a standing regional scrutiny committee, or to undertake regional scrutiny on a task and finish basis or to adopt a mix of these approaches. In undertaking scrutiny of a regional function, it is proposed that Elected Members should be under a duty to consider the regional interest as well as the interests of their particular Local Authority.
- 2.5.7 We also want Local Authorities to take the opportunity of new regional arrangements to develop smart scrutiny approaches. This means moving away from scrutinising the minutiae of day to day operations and focusing on where the major impacts for citizens are or on matters which are new or contentious. It also means adopting different approaches including using digital and other technologies and giving citizens a key role and real voice in the process.

- 2.5.8 There are a number of approaches which could underpin the new overarching arrangements for regional governance. These range from voluntary joint arrangements, the 'traditional' joint committee, through to new regional entities in which functions are vested and to whom budgets and staff move, for example a 'combined authority'. In discussions with local government over the autumn, we have heard that the most appropriate model for regional governance is likely to be a strengthened joint committee. For the purpose of this White Paper this model is being referred to as a 'Joint Governance Committee'.
- 2.5.9 A 'Joint Governance Committee' would build on existing and familiar joint committee arrangements, but would offer additional benefits, such as a requirement to 'think' regionally. The Welsh Government proposes setting out a common rulebook for the new 'Joint Governance Committee' in legislation to ensure consistency, so there is a robust, common platform from which everyone is working from. These provisions will provide the framework within which Local Authorities would be required to delegate authority to the 'Joint Governance Committee'. We are proposing that once formed, constituent Local Authorities would be required to work together on this basis, they would not be permitted to 'walk away' from the obligation to carry out regional decision making.
- 2.5.10 We propose that the members of any 'Joint Governance Committee' would be the locally Elected Member with responsibility for the functions being exercised by that Committee. We envisage that there might be more than one 'Joint Governance Committee' per region, depending on the footprint on which functions were exercised or, alternatively, that a single 'Joint Governance Committee' might establish a number of Sub-Committees with responsibility for specific functions and services.
- 2.5.11 Where a 'Joint Governance Committee' is exercising functions in multiple service areas or which touch on the interests of more than one portfolio holder, there will be flexibility to either allow one Member to represent the interests of their Local Authority as a whole or for both to be represented, providing matching levels of representation are provided by the other Local Authorities within the 'Joint Governance Committee'.
- 2.5.12 Similarly, we intend to develop a common framework to support pooling of budgets in pursuit of the functions exercised by 'Joint Governance Committees'. This framework will be developed in partnership with local government, in common with the way the rules governing the general local government settlement are developed together.
- 2.5.13 Based on our discussions with Local Authorities, it is proposed that the Welsh Government sets out a framework for 'Joint Governance Committees', this will include:
- **membership arrangements** – our proposal is that the membership of the 'Joint Governance Committee' should be made up of the Elected Member or Members with responsibility for the function(s) being exercised, with the proviso that each Local Authority must have equal membership
  - **delegation of functions** – our proposal is that we will prescribe the functions which must be exercised regionally by the Local Authority. The delegation process will therefore be about providing clarity and

transparency for Elected Members and the public about to whom the delegations are made in each Local Authority and the accountability which has been put in place to hold them to account, there will be no option to refuse to delegate

- **voting arrangements** – our proposal is that each Local Authority will have equal representation and voting power on any ‘Joint Governance Committee’
- **funding flows** from Local Authorities to the ‘Joint Governance Committee’ – our proposal is that we will provide a mandatory framework for this and develop it in partnership with local government
- **scrutiny arrangements** – we will provide a range of options for the approach to scrutiny and ensure that those undertaking scrutiny have a duty to consider the regional as well as the local interest.

2.5.14 We will work with the WLGA and SOLACE to establish an independent task and finish group to help us to develop the statutory framework within which the ‘Joint Governance Committee’ will operate. There is already a range of existing legislation which enables or requires joint working in respect of the functions set out above. In light of our aim to create a simplified, flexible and consistent form of regional governance which has democratic decision making at its core, we will ask the task and finish group to consider this legislation and whether it should be used as part of the framework, in conjunction with it or whether it should be repealed and replaced.

2.5.15 Our vision for these new arrangements is that they will evolve over time and the level of joint working and the scope of what is undertaken regionally will be able to grow.

### **Consultation Question 11:**

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

## **2.6 Regional Footprint(s) Arrangements**

2.6.1 The picture of regional arrangements for local government is complex. There is general alignment of arrangements in some parts of Wales, for example in North Wales and Gwent, but there is greater diversity of arrangements elsewhere. These arrangements have evolved in this way for a range of reasons and one of the key pieces of feedback from the engagement with Local Authority Leaders and Chief Executives was a real desire to simplify these arrangements and reduce the demand on the time of Elected Members and officers in participating in a range of often overlapping or partially duplicatory collaborative arrangements.

2.6.2 On this basis and reflecting the views expressed on possible approaches to a rationalised set of footprints, two footprints were highlighted as potentially appropriate to mandate for the exercise of regional functions in the Cabinet



Secretary for Finance and Local Government's October Oral Statement<sup>9</sup>. These were the 'economic development' footprint (that is something based around the current City Regions and the North Wales Economic Ambition Board footprint) and the current Local Health Board footprint.

- 2.6.3 Since then, we have been engaging on the detail of how the proposed new arrangements for regional working might operate. It has become clear that there are practical reasons why such a simple approach might not offer the maximum advantage and that some flexibility would be beneficial. The challenges are greater in some parts of Wales than others because some have a greater diversity in existing arrangements. In some cases, simply mandating the health footprint might involve disaggregating existing, larger collaborative arrangements (for example, the Education Consortia) or breaking up functioning shared service delivery (for example, Bridgend, Cardiff and the Vale of Glamorgan's Shared Regulatory Service.) Neither of these outcomes would be desirable.
- 2.6.4 Under current arrangements, Bridgend provides social services as part of a wider partnership with Neath Port Talbot and Swansea. These arrangements have taken some time to develop and are working well. However, for other services, Bridgend works in different combinations most notably for education improvement where it forms part of the Central South Education Consortium. Bridgend is also part of the Cardiff Capital Region.
- 2.6.5 The proposals present an opportunity to look again at the position of Bridgend and whether consistency could be promoted by rationalising the pattern of regional services in which Bridgend is currently involved.

**Consultation Question 12:**

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

- 2.6.6 During our autumn engagement a number of Leaders and officers have pointed to the benefits of flexibility and having the ability to work together at sub regional level (for example within the North Wales footprint) or to work together where there is commonality of demographics or of place (for example across cities in South East Wales).
- 2.6.7 These considerations are finely balanced and we have identified four potential approaches to the footprint question:

Option 1: Mandating prescribed footprints for regional working

- 2.6.8 Welsh Government would require regional working by specifying what functions had to be exercised on which footprint. This is the original approach arising from the discussions in the summer based on the 'economic development' footprint and Local Health Board boundaries and would be the most rigid approach. It would have the advantage of clarity and simplification.

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<sup>9</sup> <http://www.assembly.wales/en/bus-home/pages/rop.aspx?meetingid=3994&language=en&assembly=5&c=Record%20of%20Proceedings&startDt=04/10/2016&endDt=04/10/2016#427466>

Greater flexibility could be provided by allowing building blocks of footprints to be combined to support the delivery of specific services across a wider area. For example, a regional collaboration which spanned two Local Health Board boundaries.

#### Option 2: Mandating a framework

2.6.9 This option would offer the greatest flexibility and would see Welsh Government requiring regional working for specific services, but without specifying the footprint on which it had to take place, which would be left to local determination. Welsh Government would provide a framework within which that local determination would be made. For example, this could involve specifying a minimum number of Local Authorities that need to be part of a regional arrangement or requiring the Local Authorities have regard to certain things, such as Local Health Board boundaries.

#### Option 3: A framework and a footprint

2.6.10 An alternative approach is where for some functions a footprint would be prescribed, for example transport planning and strategic land use planning might be prescribed to take place on an economic development footprint. However, for other functions, such as public protection, regional working arrangements would need to comply with the framework for regional working, for example, a minimum number of Local Authorities working together, and / or consideration of Local Health Board boundaries.

#### Option 4: Deliberatively Regional

2.6.11 Another variant on requiring regional working might be one where Welsh Government would engage in a deliberative process with local government to determine the appropriate footprint for each service / function and the footprints would be made mandatory at the conclusion of that process.

### **2.7 Preferred Approach**

2.7.1 Having considered the feedback we have already received on this important issue and undertaken our own assessment of the options, our preferred approach is Option 3. We believe that this hybrid approach offers an appropriate balance between requiring more systematic working and sufficient flexibility to allow Local Authorities to come together to put in place arrangements that best suit local circumstances.

2.7.2 There was a broad welcome for mandating an 'economic development' footprint. We propose that this footprint should be based on the WLGA regions, which are broadly coterminous with the existing economic development areas: Cardiff Capital Region, North Wales Economic Ambition Board and the Swansea Bay City Region. Our expectation is that the distinct set of arrangements that are already in place for Growing Mid Wales and the Swansea Bay City Region would continue under the umbrella of the Central and South West Wales 'Joint Governance Committee' area.

2.7.3 We anticipate, subject to feedback as part of this White Paper consultation, that this 'economic development' footprint would be mandated to undertake transport planning, certain strategic land use planning functions and economic development on behalf of their constituent Authorities. We will provide flexibility in how these arrangements must work to ensure that the scope of the current City Deal arrangements could be maintained, which would be a particular consideration in expanding the Swansea Bay City Region.

- 2.7.4 For the other functions identified in section 2.3, the specific footprints to be adopted will be determined by the constituent Local Authorities, within a framework which would guide that determination with a view to removing overlap and promoting simplicity as far as possible.
- 2.7.5 To facilitate the decision making on how other regional arrangements should be organised, the overarching 'Joint Governance Committee' operating at the 'economic development' footprint level would have oversight of the establishment of any sub-regional arrangements and would oversee their working arrangements. We propose that the overarching 'Joint Governance Committee' is required to put in place and monitor the governance arrangements for the region and ensure the efficient and effective delivery of those services and achieving outcomes for the region.
- 2.7.6 There are some functions where there are already well established regional arrangements which would mean working across these boundaries, for example the Western Bay Adoption Services, or where the six North Wales Authorities work with Powys on Minerals and Waste Joint Planning. We would not require these working arrangements to be changed, however, we would expect that the governance of these arrangements was considered by the respective 'Joint Governance Committees' to ensure robust governance arrangements were in place.
- 2.7.7 Equally, there may be opportunities for working across regional footprints where that is the right approach. For example, the *Language, Work and Bilingual Services*,<sup>10</sup> Report recommends that a linguistic-economic strategy is developed for the counties of Anglesey, Gwynedd, Ceredigion and Carmarthenshire. Flexibility in regional working arrangements would allow for such an approach to be considered.
- 2.7.8 In considering the current and future needs of local people and communities, Local Authorities may consider voluntary mergers (discussed in Section 3). When considering voluntary merger proposals, consideration will need to be given to the impact on economic development footprints.
- 2.7.9 Our proposals represent an evolution of existing arrangements but one which puts them on a clear, consistent basis. Our autumn engagement, and proposals from the WLGA have indicated that there might be a desire to take governance arrangements further to improve outcomes in the future. It has been suggested that Welsh Ministers pursue legislation that would enable the creation of Combined Authorities in due course where there was a robust case. We are proposing that such provision could be made alongside provision for the proposals for 'Joint Governance Committees' to be used as and when they were required by local government to further their objectives.
- 2.7.10 We propose that a review of these new regional arrangements is undertaken after the legislation is implemented to track progress in bringing about change and to consider the effectiveness and efficiency of the new arrangements.

**Consultation Question 13:**

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

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<sup>10</sup> <http://gov.wales/docs/dsjlg/publications/160614-language-work-bilingual-services-en.pdf>

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

#### **Consultation Question 14:**

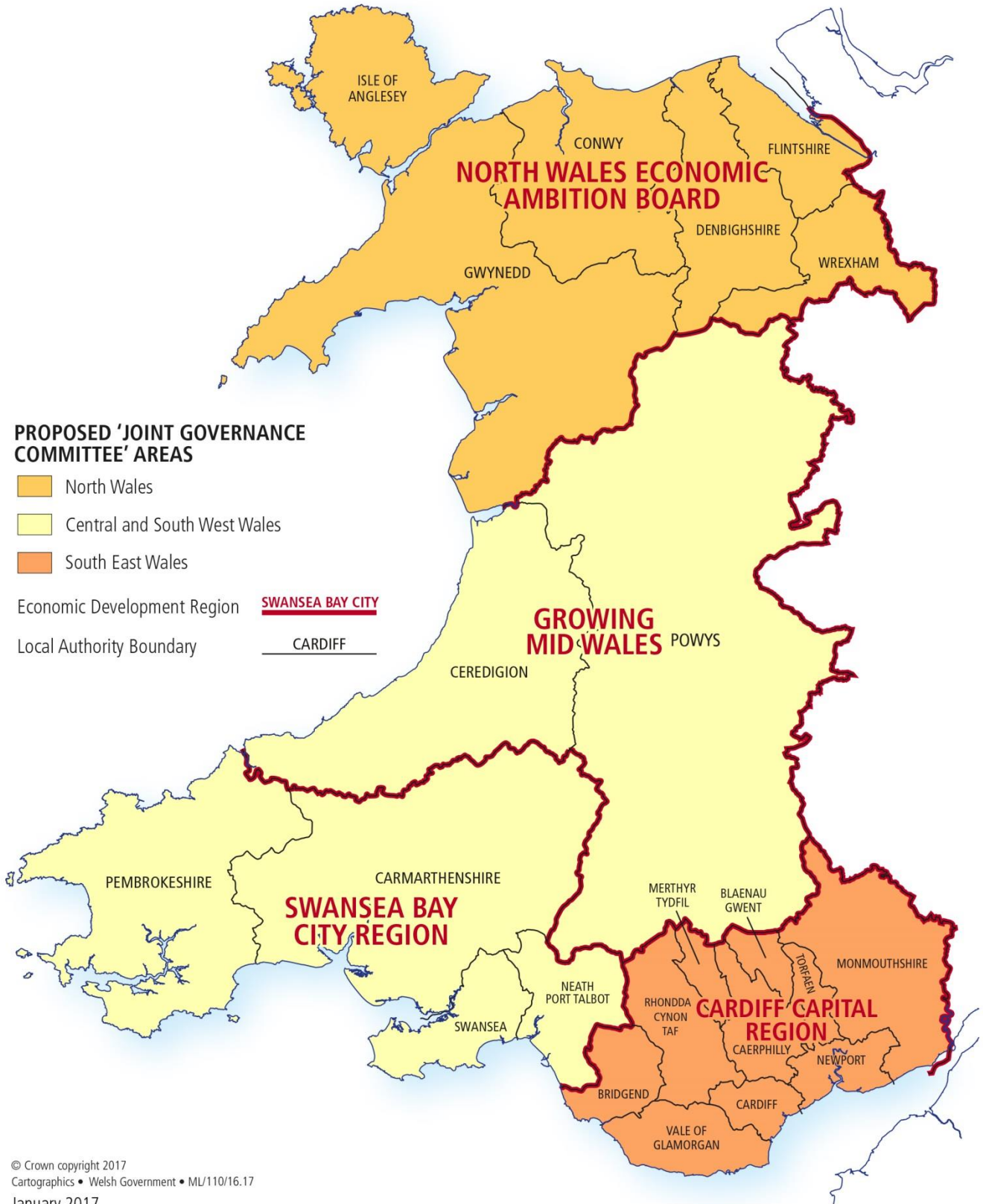
*The Welsh Government would welcome comments on the appropriateness of seeking powers to create a Combined Authority. In particular, views on what minimum expectations there should be in considering the appropriateness of creating a Combined Authority are welcomed.*

## **2.8 Funding Regional Arrangements**

- 2.8.1 The Welsh Government has protected the funding for local government. However, the financial outlook for public services continues to challenge us all. Levels of financial support are unlikely to increase significantly in the future – difficult financial outlooks are, unfortunately, the new norm. Coupled with this are continuing cost pressures on all our budgets; increasing demand for many services; and tough economic challenges. As a consequence, local government continues to voice concerns about less headroom in budgets to deliver services and, importantly, to invest in improvement and new transformative delivery models. We must therefore continue to look at the funding arrangements to ensure they remain fit for purpose as services evolve.
- 2.8.2 Any regional funding arrangement will need to be as simple as is practicable, offering flexibility to suit different functions, different roles and remits, and different footprints. The arrangements need to be able to flex to support an emerging model. Importantly, regional funding arrangements must be transparent. The flow of finance between public bodies must be understandable to citizens, to Government, to the regulators and to local government itself. A range of possible funding models exists including precepting, levying, grant funding, recharging and pooled budgets. In discussions with local government, pooled contributions from the constituent local authorities has emerged as the most practical solution.
- 2.8.3 Local Authorities and other public bodies already finance a number of collaborative arrangements. Principal authorities pool resources to support collaborative working and it is a funding model which is well-established, with minimal barriers and a high degree of flexibility. The majority of existing Joint Committees identify a lead Local Authority in relation to finance and this arrangement appears appropriate within a regional context. We intend to build on the existing arrangements where these work best, rather than add complexity by imposing a new and complex funding model.

# WALES

## Proposed 'Joint Governance Committee' Areas



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January 2017



- 2.8.4 We propose that a mandatory financial framework is developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent local authorities.
- 2.8.5 The amounts to be pooled would be determined by local agreement, providing local government with the flexibility and autonomy to make this work. A crucial feature of this model is that the constituent authorities agree the levels and apportionment of funding for the functions to be carried out regionally. The ability of authorities to reach and adopt such funding agreements will be fundamental to their success in working together to deliver functions on a regional basis. It is proposed that the framework also provides for a default arrangement which would be invoked where local agreement is not reached. As part of developing such a framework in partnership with local government, consideration will need to be given to where the legal authority to spend public money sits within a regional arrangement. For example, many collaborative arrangements include legal agreements between Authorities to confirm that when a lead Authority acts, it is acting on behalf of the others so that the financial liability does not fall to a single Authority.
- 2.8.6 In contributing financially to regional expenditure, Local Authorities would need to take this into account in their annual budget setting process and in relation to their statutory duty to set a balanced budget. This will require early discussions on the level of regional expenditure and the local contributions needed. It would be appropriate for each 'Joint Governance Committee' to produce a Medium Term Financial Plan (and associated medium term delivery plan), so that Local Authorities can forward plan their finances. We believe that to offer transparency to the public, any regional arrangements should be required broadly to balance income and expenditure in-year. Consideration will be given as to whether a limited reserves facility would be practicable.
- 2.8.7 Existing collaborative arrangements (under a Joint Committee) are subject to formal accounting and audit requirements. We do not see a need to change these requirements. The Chief Finance Officer (Section 151 Officer) has an important role in securing the best value for public money and driving efficiencies. The Chief Finance Officer has particular statutory duties and a fiduciary responsibility to the taxpayer. The Chief Finance Officer (and the Monitoring Officer) has a role in advising whether particular decisions are likely to be contrary to the policy framework or budget of the Council. Many Chief Finance Officers also undertake this role for particular services or collaborative arrangements. The nature of this role in the context of greater regional working will be the subject of detailed discussions with local government in developing the financial and governance frameworks.

**Consultation Question 15:**

*The Welsh Government believes that a mandatory financial framework should be developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent Local Authorities.*

- *Should the expenditure of 'Joint Governance Committees' be met by constituent Local Authorities, in proportions to be agreed locally, to ensure the most flexible approach?*
- *Should the framework provide for a default position if local agreement cannot be reached, and how such a process might be triggered?*

- *What further considerations might relate to, or need to be included in, a financial framework?*

## **2.9 Wider Reforms to Finance**

2.9.1 The Welsh Government also wishes to explore more wide-ranging reform of the local government finance system, to meet our aims of improved sustainability of services and of greater fairness for Wales' citizens and businesses. The future role for local government outlined in this White Paper has a bearing on the wider changes which can be made to the finance system. A separate statement has been published 31<sup>st</sup> January 2017 setting out more detail on the areas intended to be explored. The Welsh Government will consult on proposals as they are developed.

## **2.10 Workforce Matters**

2.10.1 The most valuable asset of the public service is its workforce. For public services to thrive in the future we must nurture and develop our staff to ensure they have the capacity and capability to adapt to the changing needs of our society and to continue to deliver excellent public services.

2.10.2 Attracting and retaining our best talent is critical to driving the transformational change to which we aspire, and people need interesting and varied opportunities if they are to commit to a career in public services. In order to maximise the opportunities available to individuals, Wales needs to develop a public service that enables staff to develop flexible careers across the whole service, sharing experiences and ways of working. This will mean that public services are better able to work together to support effective service delivery.

2.10.3 Establishing resilient services is paramount to the future of local government. Issues of capacity and scale affect many parts of local government and the wider public sector, specialist skills will need to be shared and technical expertise utilised collaboratively across organisational and sectorial boundaries. There are a range of organisations already working collaboratively to do this.

2.10.4 No single workforce model has been adopted by these organisations. Some have chosen to leave staff where they are and manage across a number of different employers. Others have chosen to transfer staff or to create a single shared staffing structure. Some have chosen to harmonise terms and conditions, whilst others have retained separate terms and conditions to manage staff across multiple organisations. Following the single status agreement, the job evaluation and grading process was individually undertaken by local government. This has provided consistency within organisations, however inconsistencies continue to exist across local government as a whole. Local government has the opportunity to develop greater standardisation of approach, where appropriate, to workforce matters to smooth the path to regionalised working, whilst ensuring that the equalities secured by individual Local Authorities through enacting the single status agreement, are not lost.

2.10.5 The Public Services Staff Commission will no longer be made a statutory body and will be brought to a close in March 2018. Until then, it will continue to provide advice on workforce matters under the strategic direction of the

Workforce Partnership Council. In coming months, the Workforce Partnership Council will be subject to a wider review, coproduced by social partners working together. The purpose of this review will be to ensure the Workforce Partnership Council has clear roles, responsibilities and tripartite structures and is well placed to drive social partnership working in Wales within the changing context outlined in this White Paper.

- 2.10.6 In August 2015 a task and finish group of the Workforce Partnership Council was established to focus on workforce planning and mobility. The work of this group is ongoing. There may still be a need for Welsh Government Ministers to provide statutory guidance on matters such as approaches to recruitment, retention, workforce planning, performance management.
- 2.10.7 The proposals around regional working, if accepted, will affect the local government workforce. Matters around how we can maximise the opportunities of regional working for the local government workforce, and mitigate any potentially negative effects, will be brought to the Workforce Partnership Council.
- 2.10.8 The previous consultation provided mixed views on the value of Welsh Government having such a statutory guidance making power. Annex One sets out a brief summary of previous proposals and their current status. We believe that to support organisations to move to a more consistent and regional approach to delivering services it may be helpful to have the ability to issue statutory guidance where there is an identified need. Welsh Government's intention would be to only issue guidance on workforce matters where it will enhance the development of national or regional delivery of public services.

### **Consultation Question 16:**

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

## **2.11 Public Services Boards**

- 2.11.1 People's lives don't stop at geographical or service boundaries. Public services need to work together behind the scenes to ensure seamless services for citizens. Public Services Boards have a unique role in bringing together the wider public service to improve the economic, social, environmental and cultural wellbeing of their areas. In other words, to make a visible difference for citizens. The work that is already underway must continue at pace in order to support regional working.
- 2.11.2 The reform of local government, and a requirement for Local Authorities to work increasingly on a regional basis, will have broader implications for public service partners and Public Services Boards.
- 2.11.3 Local Authorities will be asked to come together to exercise functions on a regional basis. This will mean Public Services Boards, in bringing together the key public service partners, will have to consider how they work with the new regional arrangements. They will also need to give consideration as to whether it would be appropriate to organise themselves to reflect new regional arrangements.



2.11.4 There are already extensive powers for Boards to work together on a larger footprint. The legislation also allows for Public Services Boards to merge, based on the Local Health Board footprint. It may be appropriate to amend this legislation allowing for greater flexibility in the merger (and where necessary de-merger) of Boards to allow them to accommodate different regional footprints.

**Consultation Question 17:**

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

**Consultation Question 18:**

*The Welsh Government believes Public Services Boards should be allowed to de-merge as well as merge. Do you agree or disagree? Why?*

### **3. VOLUNTARY MERGERS**

- 3.1.1 In considering the current and future needs of local people and communities, Local Authorities must give serious thought as to how best to organise themselves to maximise the impact they can have. Despite greater regional working, it may be that Local Authorities choose to come together in to a single larger Authority to better deliver for local people.
- 3.1.2 This will require Local Authorities to develop a robust proposal for structural change. The Welsh Government will not set out a long list of specific criteria that a proposal must meet; the rationale and circumstances for voluntary merger will be different in each case, and Local Authorities must have the flexibility available to them to bring forward proposals in different circumstances. But those committed to the merger process will need to be clear as to the opportunities and benefits, in both the short and medium term. Therefore, the Welsh Government believes it is reasonable for there to be a set of minimum expectations that should be met in considering the appropriateness of voluntary merger.
- 3.1.3 In developing proposals for merger, account would need to be taken of the ongoing resilience of the organisations, effective delivery of services and outcomes for local people, and the proposed future financial position. Proposals should deliver sufficient benefits to people and communities to warrant the merger. The case for change should be built together, by the Local Authorities, and their local stakeholders. As with the previous voluntary merger prospectus and the Local Government (Wales) Act 2015, we would require, any proposal to be consulted upon locally. This includes consultation with local people, staff (and any representative bodies), and other public service partners. Any final proposal to merge would need to be subject to a successful resolution by the full Council of all of the merging authorities.
- 3.1.4 A proposal for voluntary merger will need to be developed in dialogue with Welsh Government. This will enable Welsh Government, and others, to provide appropriate support. Discussion and cooperation will be crucial to ensure a workable timetable and the proposal is fit for purpose in the longer term.
- 3.1.5 Once a final merger proposal is put forward, the Welsh Government would need formally to accept it. Welsh Government would then ask the Local Democracy and Boundary Commission for Wales to undertake an electoral review of the proposed new authority area and bring forward regulations enabling merger to happen. Such regulations would require approval from the National Assembly for Wales. It is possible that more than one merger proposal could be brought forward at any one time, and that the regulations required may be different to reflect the different needs of merging bodies. Such regulations are likely to cover:
- the transfer of staff, assets and liabilities
  - details on elections
  - the setting up of transition committees and the shadow Local Authority
  - the implementation of any statutory transactions regime as necessary

- 3.1.6 It may be helpful to issue guidance on these issues, and as such Welsh Government intend to take guidance making powers with regards to voluntary merger.
- 3.1.7 Welsh Government will need either to seek new powers in order to give effect to voluntary mergers or to amend the existing legislation allowing for voluntary mergers which is contained in the Local Government (Wales) Act 2015 (the 2015 Act). The powers in the 2015 Act allowing for voluntary merger were linked to a strict timetable for the then proposed merger programme. They cannot now be used for voluntary mergers which would take effect after 1 April 2018, hence the need for new legislation or to amend existing legislation.

**Consultation Question 19:**

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

## **4. A FRAMEWORK FOR LOCAL LEADERSHIP**

### **4.1 Shared Expectations**

- 4.1.1 The goals and ways of working set out in the WFG Act are the vision for the future within which we all must work. The Welsh Government needs to ensure it is providing the framework that local government needs to deliver excellent public services to local people and communities. We are clear that our 'ask' must be different. Welsh Government should set the broad strategic framework within which local government works to deliver the outcomes that we are collectively trying to achieve. This is a different relationship; it is one based on mutual respect and trust. It is an open and ongoing dialogue around shared problems. It requires maturity on both sides.
- 4.1.2 In '*Taking Wales Forward*'<sup>11</sup> the Welsh Government commits to changing the relationship between Welsh Government, the WLGA and local government. To this end the Welsh Government, working with local government, will refresh the Local Government Partnership Scheme which sets out the principles that the Welsh Government and local government will use to work together for the citizens of Wales. We remain committed to reducing unnecessary burdens on the public sector and business. Welsh Government are committed to increasing funding flexibilities for Local Authorities and are working closely with local government to ensure the most appropriate delivery mechanisms for future funding, this includes looking at transferring further grants into the Revenue Support Grant. This goes beyond the public service, for example, the Cabinet Secretary for Economy and Infrastructure is considering the range of panels, bodies and groups that are engaged in providing advice across the business and economy landscape with a view to simplifying arrangements.
- 4.1.3 Welsh Government will provide the framework within which local government can operate best to meet the current and future needs of individuals and communities. This framework must be flexible, offering a menu of choices to allow local government to operate in ways that best meets local needs. In turn, local government must work with local people and communities to shape a shared future.
- 4.1.4 The Welsh Government must be clear on what outcomes it expects local government to deliver. Sometimes this will mean delivering outcomes in a consistent way, for example setting minimum standards. On other occasions this could mean creating consistency in governance arrangements to ensure there is transparency in decision making, so local people can understand how and where decisions are being made.
- 4.1.5 As part of developing these new proposals for local government reform we have sought the views of Leaders, Elected Members, Chief Executives, local government officers and the wider public service. We are committed to an ongoing relationship where we are open about the challenges we collectively face and where we work together, as one public service, to meet those challenges. Shared leadership will require trust, a willingness to work together and to compromise, as well as a mutual appreciation of our respective but distinctive roles in improving outcomes for people in Wales.

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<sup>11</sup> <http://gov.wales/docs/strategies/160920-taking-wales-forward-en.pdf>

- 4.1.6 Part of Welsh Government's commitment to this will include looking to reduce performance reporting requirements, including plans, annual reports and strategies. We will ensure this approach is reflected in the legislative proposals brought forward in a new Local Government Bill. But we will also work with colleagues more broadly across Welsh Government to remove unnecessary burdens put on local government. We will continue to consider the use of specific grants, seeking to offer as much financial flexibility as possible for local government to work within.
- 4.1.7 We remain committed to providing a general power of competence to Local Authorities and those Community Councils which meet minimum criteria. This will allow local government to do more, being more innovative and flexible in their approach. Local Authorities will be able to use this power to work with others to provide cost-effective services and facilities in new ways to meet the needs of local communities. A Council could lend or invest money; or set up a company or co-operative society to trade and engage in commercial activity. Use of the power is not restricted to the geographical area of the authority or for the benefit of its residents. It offers Local Authorities a breadth of opportunity to innovate, and local citizens must be part of this joint enterprise.

## 4.2 Distributed Leadership

- 4.2.1 Everyone has some leadership responsibilities. Faced with a problem to be solved, the first question any employee of local government should ask "What contribution can I make to resolving this matter?" A full resolution will then involve contributions from others, working together. This form of distributed leadership is the antithesis of an approach which invites employees always to pass problems higher and higher up hierarchical management structures.
- 4.2.2 Effective leadership will be key to enabling and delivering these changes. Not only is there a corporate responsibility for leadership. There are also expectations on individuals, Elected Members and officers, to take responsibility for leading. This goes way beyond any legislation or guidance that Welsh Government or others may produce. This is an ethos; a commitment to developing learning organisations, where the needs of local people and communities are put at the heart of decision making and our approach is based on a co-productive relationship. We have already set out the values we expect all public services, including Welsh Government, to embody through 'One Welsh Public Service'.<sup>12</sup> These values are set within the context of the Well-being of Future Generations Act and articulate some of the behaviours we would expect leaders at all levels to display in their daily working.
- 4.2.3 To support Local Authorities to build on this we will pursue a requirement for Leaders to undertake objective setting with Cabinet Members. As a result of feedback received during the previous consultation this will be amended to a minimum of twice during an election cycle, although Leaders can choose to do this more frequently. As previously proposed, we will place a new duty on leaders of political groups to promote good standards of conduct by their members and to co-operate with Standards Committees in exercising their functions. Where appropriate, Standards Committees will hear cases of

<sup>12</sup> <https://academiwales.gov.wales/pages/one-welsh-public-service>

alleged failure by members to perform prescribed performance duties, as well as breaches of the member code of conduct.

**Consultation Question 20:**

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

### **4.3 Performance and Improvement**

4.3.1 Part of our plans to give local government the framework to lead includes an ongoing commitment to changing performance management arrangements. Welsh Government intends to repeal Part 1 of the Local Government (Wales) Measure 2009 (“the 2009 Measure”) for all ‘Improvement Authorities’.<sup>13</sup>

#### **Fire and Rescue Authorities**

4.3.2 The fire and rescue services in Wales have a track record of delivery. They have reduced fires and fire casualties by over 50% since responsibility was devolved in 2004. They also have a long history of regional working, having operated on that basis since 1996. In that sense, they already represent an example of the broad approach which this White Paper proposes for other Local Authority services.

4.3.3 However, Fire and Rescue Authority governance and funding arrangements do not generate sufficient accountability, for instance, Council leaders and cabinet members are generally not members. There is also no separation between executive and scrutiny functions, and budgets are set without any formal external challenge or control.

4.3.4 To correct this, and to ensure that fire and rescue services are properly integrated with other regionalised services, it is proposed that Fire and Rescue Authorities will change their governance arrangements so that their membership will resemble that of Joint Governance Committees, and budgets would be set on a pooled basis by agreement. This would not change the role, number or boundaries of Fire and Rescue Authorities, or their existence as separate organisations empowered to employ staff, spend money and exercise functions on their own account.

4.3.5 As part of the new Bill it is proposed that the 2009 Local Government Measure will no longer apply to Fire and Rescue Authorities from the same date as Local Authorities. They will not be subject to the new improvement and performance regime set out for Local Authorities. A full consultation will be undertaken in due course as to the new governance, funding and performance management arrangements for Fire and Rescue Authorities.

#### **National Park Authorities**

4.3.6 The Future Landscapes Wales programme, chaired by Lord Dafydd Elis-Thomas AM, was established in October 2015 and involves representatives of the National Parks, Areas of Outstanding Natural Beauty, interest groups and business. It was initially tasked to explore the Marsden Report on the Review of Designated Landscapes in Wales and consider the case for reform.

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<sup>13</sup> Improvement Authorities are: Local Authorities, the National Parks and the Fire and Rescue Authorities

- 4.3.7 The Marsden Report recommended that “*The Welsh Government should reduce the disproportionate regulatory burden on National Park Authorities that is designed for larger and more complex Local Authorities.*” This view is endorsed by Future Landscapes Wales which is advocating that work should begin immediately to develop a proportionate approach to planning and performance reporting which discharges duties under the Well-being of Future Generations Act and can be adopted as substitutes or supplements to the other statutory reporting requirements.
- 4.3.8 As part of the new Bill the 2009 Local Government Measure will no longer apply to National Park Authorities from the same date as Local Authorities. They will not be subject to the new improvement and performance regime set out for Local Authorities. An alternative approach will be developed tailored to the needs and size of the National Park Authorities, but consistent across all three.

**Consultation Question 21:**

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

**Local Authorities**

- 4.3.9 Following positive feedback, Welsh Government remains committed to changing the performance framework to one that is guided by the principles of the WFG Act and informed by good governance principles. Local Authorities will be required to secure good governance (as set out by the CIPFA good governance framework)<sup>14</sup> and in doing so take part in self assessment and peer review. Local government, working with its partners and with constructive external challenge, is best placed to understand how to build and deliver excellence within the sector, for the sector. The provisions in the Draft Bill allow for flexibility in how Local Authorities approached self assessment and peer review. We remain committed to local ownership of performance and giving Local Authorities choice in how they deliver improvement.
- 4.3.10 Our expectations of Local Authorities to take greater responsibility for their improvement journey remains. Welsh Government intends to require Corporate Governance and Audit Committees to take a greater role in challenging the performance of their Local Authority area, ensuring Elected Members are at the heart of driving improvement.
- 4.3.11 Audit, inspection and regulation bodies also have a role to play in enabling local government to achieve more for local people. Welsh Government remains committed to asking these bodies to work together more effectively and also work more closely with Authorities to support better outcomes for citizens.
- 4.3.12 As previously set out, Welsh Government will retain a power of intervention, and the ability to commission and act upon the findings of independent governance reviews, where there are concerns. This is in addition to intervention arrangements under service specific areas.

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<sup>14</sup> <http://www.cipfa.org/policy-and-guidance/standards/international-framework-good-governance-in-the-public-sector>

## 5. LEADING LOCALITIES

### 5.1 Working in Partnership with People

- 5.1.1 Local government has a key role in helping communities to define the futures to which they aspire. This isn't just about organisations working with each other when there is crisis; but about how they work together *with* their communities to prevent crisis. Co-production with citizens must be at the heart of this. There are legitimate roles for local communities (whether through a Community Council and/ or community groups), Local Authorities, regional bodies, and national Governments in 'place shaping'.
- 5.1.2 In shaping the future for communities in Wales there needs to be a golden thread that links community level aspirations with national goals. The Well-being Goals set that framework. To make this golden thread a reality requires close working between Community Councils, Local Authorities, other public bodies and Public Services Boards, and any regional arrangements. The challenge will be to all head in the same direction, without unnecessary duplication. Working in partnership to maximise outcomes for people and communities; ensuring that organisations are undertaking the most impactful activity given their skills, expertise, and remit.

### 5.2 Role of Councillors

- 5.2.1 Our proposals for local government reform put Councillors at the heart of the process, leading their local communities. Local Councillors, whether sitting on Community Councils or Local Authorities, are critical in advocating for communities and individuals. They are elected to represent their communities, speaking up for their ambitions and aspirations, but also holding to account those responsible for decisions around and delivery of services, ensuring that services meet the needs of local people and communities.
- 5.2.2 Councillors must represent their communities, but they should also be representative of their communities. Our aim is to promote greater diversity amongst those who stand for election. To strengthen this connection we are taking steps to increase diversity among those who stand for election and encourage greater participation in local democracy.
- 5.2.3 We have been working over the last three years to create a diverse pool of candidates for the local elections later this year. Since the publication of the McAllister report "On Balance"<sup>15</sup> in 2014, the Welsh Government has led the Diversity in Democracy campaign. As well as encouraging political parties to commit themselves to selecting candidates from under-represented groups in winnable seats, the campaign has included the recruitment of around 50 mentees, who have shadowed existing Councillors.
- 5.2.4 We will use evidence from the WLGA's exit survey on Councillors standing down this year, the candidates' survey of all those standing for election this year, and the evaluation of our Diversity in Democracy programme to examine how the profile of Councillors changes in 2017 and give consideration to what more needs to be done.

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<sup>15</sup> <http://gov.wales/topics/localgovernment/publications/expert-group-report/?lang=en>



- 5.2.5 We propose to retain the provisions from the Draft Bill which would require Local Authorities to produce strategies explaining how the public can understand how decisions are made and how they can participate in the process. In addition, we intend to make broadcasting of Council meetings – already widely practised – a statutory requirement and Councils will be required also to allow Members to attend Council meetings remotely if they have domestic, business or travel difficulties preventing them getting to the main meeting place.
- 5.2.6 New duties for Leaders of political groups to ensure high standards of conduct amongst their members will add to a package designed to make life as a Councillor more attractive and to encourage a more diverse range of people to consider involvement in the future.
- 5.2.7 Councillors are the voice of their communities. The previous White Paper and Draft Bill sought views designed to provide clarity as to what local people can expect from Local Authority Councillors. This included holding regular surgeries, responding to correspondence in set timescales, publishing reports on their activities. In the light of the Jo Cox tragedy and other representations, we intend to modify the need to hold surgeries with a provision which requires that Councillors must provide opportunities for their constituents to be in contact with them, there will be a menu of choices that Councillors will be able to choose from to best suit their local communities.
- 5.2.8 The Draft Bill included some proposals which we now consider to be too rigid. Leaders were to be required to hold annual public meetings. All Councillors were to be required to produce annual reports. Instead we intend to bring forward proposals that offer Leaders and Councillors a menu of how they might improve, where necessary, their interaction with the public. The important point will be that they engage consistently – and make themselves available to the public – and provide regular information as to how they have done this.

**Consultation Question 22:**

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

**5.3 Listening to Localities**

- 5.3.1 Local people and communities should also have the opportunity to put their views forward through an open dialogue with their Local Authority. The previous White Paper and Draft Bill set out proposals requiring Local Authorities to set out how they intend to support and encourage their local communities to participate in the democratic process, outlining how local people would be able to contribute to the development of plans and policies. We believe this remains critical and we intend this to include how local people can be part of the regional as well as the local democratic process.
- 5.3.2 The previous White Paper and Draft Bill proposed a requirement to establish ‘community area committees’ for all Local Authorities as a mechanism for gathering views on local priorities and objectives to be fed into the decision-making process. There was strong resistance to requiring such an arrangement in the previous consultation, particularly around the potential for these committees to take on functions. Part of the rationale for ‘community

area committees' was to counterbalance concerns that larger merged Local Authorities would be further from local communities, therefore such a provision is no longer necessary. However, Section 18 of the Local Government Act 2008 already allows Local Authorities to establish area committees; some Local Authorities are using these and have indicated that the legislation could be amended so Local Authorities could choose to establish them or to use existing area committees to be used in more flexible ways.

### **Consultation Question 23:**

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

## **5.4 Balancing Local and Regional Leadership**

- 5.4.1 The requirement for Local Authorities to work on a regional basis will have implications for the way in which Councillors, the Local Authority and employees operate. All will need to be clear about how they balance the responsibilities they have to their local area, with those for the larger region.
- 5.4.2 Councillors and officers are expected to act with integrity, honesty, impartiality and objectivity for the best interests of their communities and to act in the public interest. The proposed regional arrangements will require them to act in the interests of both their Local Authority and any regional arrangement. There will be times when decisions made in one setting will have implications for the other. We will have to be clear about how these responsibilities interact with each other.
- 5.4.3 We intend to review the Member<sup>16</sup> and employee<sup>17</sup> codes of conduct to ensure they support effective decision-making at the local and regional level.

### **Consultation Question 24:**

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

## **5.5 Local Government Functions**

- 5.5.1 In the previous White Paper and Draft Bill, we proposed to revoke Section 13 of the Local Government Act 2000 and replace it with provisions which would allow Local Authorities to make their own decisions on the allocations of functions, subject to statutory guidance and a fall-back power of intervention by Welsh Ministers. In delivering the new regional model, Local Authorities may need to delegate functions to the regional arrangement. There could be significant complications if these functions are delegated in different ways. It would also affect the representation of the participating authorities if functions were the responsibility of the executive in some, but the full Council in others.

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<sup>16</sup> The conduct of members is governed by a set of 10 general principles of conduct (based on the 7 Nolan principles) prescribed in the Conduct of Members (Principles) (Wales) Order 2001 and a code of conduct prescribed in the Local Authorities (Model Code of Conduct) (Wales) Order 2008.

<sup>17</sup> The code of conduct for "qualifying employees" is prescribed in Code of Conduct (Qualifying Local government Employees) (Wales) Order 2001

- 5.5.2 During the initial stage of the establishment of regional arrangements, it would be best if individual Local Authorities had similar provisions for the responsibility for functions within the Council. In the longer term, it may be possible to revisit this and see whether a change along the lines previously considered would be practical and preferable. Therefore Welsh Government is not proposing to move from the existing regime at this time.
- 5.5.3 In the meantime, Welsh Government intends to consult with local government on amendments which are required to the existing regulations in order to capture new responsibilities which have been placed on Local Authorities in recent years.
- 5.5.4 The Localism Act 2011 enabled English authorities to return to the committee system. Only a handful have done so. The Welsh Government suggests that Councils in Wales should have the opportunity to choose a non-executive model if they wish. Any move away from a cabinet system would require different rules for the appointment of members to any joint regional governance arrangement. They would have to ensure that it did not provide an obstacle to them effectively participating in regional arrangements.

### **Consultation Question 25:**

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

## **5.6 Leadership from Officers**

- 5.6.1 The move to a regional model will take time. Leading the workforce during this period will require strategic vision across all tiers of the organisation. Evidence has shown that leaders who are not committed fully to a process fail to maximise the opportunities for change.
- 5.6.2 Bringing together disparate teams to plan, commission and deliver a single regionalised service brings immediate challenges but longer term benefits. Leaders will need to consider how they can for example, harmonise terms and conditions that will meet the needs of both the workforce and the organisations.
- 5.6.3 Collaborative arrangements will have implications for all statutory officers. There are a number of statutory positions that have been created including:
- Head of Paid Service
  - Chief Finance Officer
  - Monitoring Officer
  - Head of Democratic Service
  - Director of Social Services
  - Director of Education
  - Director of Children's Services
- 5.6.4 Delivery of a regional service would be best facilitated if the statutory responsibilities for that regional service fell to a single individual, for example education responsibility would fall to a regional education director. The structure beneath the regional management will be for the Local Authorities

and regional management to discuss and agree. It is envisaged that the organisational structures beneath the regional management team will adapt over time. We will examine the existing legislation in respect of statutory officers to ensure it contains appropriate provisions, so that, over-time, clarity can continue to be provided as to how a regional model would work in terms of statutory officers responsibilities.

**Consultation Question 26:**

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

## 6. COMMUNITY COUNCILS

- 6.1.1 The WFG Act provides a shared vision for public services in Wales for the future. Community Councils should all be considering how they can increasingly work with other partners and local citizens to contribute to the well-being of their area, regardless of whether they have a legal duty to do so or not.
- 6.1.2 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, those services which can have a significant impact on an individual's well-being. Where Community Councils exist within an area, Local Authorities and Public Services Boards will look to them to be a voice of communities. Like Local Authority Councillors, Community Councillors must represent and be representative of their communities. They should actively engage with their local people and businesses to help identify ambitions and needs of local communities, but also to understand the strengths and assets that their communities have.
- 6.1.3 There is enormous variability in current arrangements, not only in terms of coverage, but in responsibilities, budgets and ambition. As such it is important that we take the opportunity to consider what we could learn from the high performing Community Councils and give consideration to how we might support all Community Councils into this space. This includes consideration of the support that Community Councils might need, but also the flexibility that would help them go further in their ambitions.
- 6.1.4 We need to open up an honest debate about what the future of Community Councils might look like, and consider what the right organisational format is to support local communities. To contribute to this debate the Welsh Government will commission a comprehensive review of the Community Council sector. Until we have concluded that work we do not intend to proceed with structural reform or to commission the Local Democracy and Boundary Commission for Wales to undertake reviews of Community Council arrangements at this time.
- 6.1.5 Whilst we need to look to the longer term future of Community Councils, the sector cannot stand still. There are things that can be done now to strengthen the role of Community Councils and improve their operation and governance, enabling them to take on the provision of services and assets to local communities where they choose to do so.
- 6.1.6 We have developed an 'agenda of action' to help build resilience and renewal in the sector in the short to medium term. Many of these are actions we can take together using existing powers.
- Producing a toolkit to support Community Councils in working through what is required in taking on new services and assets, building on experiences of the key ingredients.
  - Re-energising ties between Community Councils and Local Authorities and provide a platform to share the good examples across Wales, bringing the new cadre of county and Community Councillors together after the Local government elections next year at a conference focused on strengthening these key relationships.

- Facilitating the creation of clusters of smaller Community Councils, by making some modest funding available to support the initial setting up of joint arrangements.
- Commissioning the Local Democracy and Boundary Commission for Wales to draw up guidelines for Local Authorities to secure consistency in the manner in which community reviews are conducted.
- Supporting Community Councils to raise awareness of and encourage participation in Community Council elections, and to increase diversity.

6.1.7 Some of the actions we can take would require us to legislate, and we intend to use this opportunity to do so.

- Making the General Power of Competence available to innovative ambitious Councils looking for more freedom to serve their communities. The proposal we have previously consulted on remains essentially the same, with some changes planned to how Councils which meet the requirements and pass a resolution are referred to: and how long Councils continue to hold the status after passing a resolution
- Previously we proposed placing a duty on Local Authorities to consider whether certain training should be compulsory for members of Community Councils. We still believe there would be value in all Community Councils considering whether they have the skills and expertise needed to be able to operate effectively. Therefore we intend to place an obligation on Community Councils to consider and plan for their training needs, and publish and review their plan regularly. The duty could be met in a way which was proportionate to the size and responsibilities of the Council.
- Ensuring citizens are kept informed and have the right to make representations on any business conducted at a Council meeting, learning from where this is done well. This is part of an ethos of co-production.

**Consultation Question 27:**

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

## 7. ELECTIONS AND VOTING

- 7.1.1 This White Paper is being published as the Wales Bill comes towards the end of its Parliamentary journey. Therefore many of the proposals that we are seeking views on in this chapter are predicated on the National Assembly for Wales assuming greater responsibility in these areas. We are therefore seeking initial views to help inform thinking on reforms to electoral registration and voting arrangements. The National Assembly will be considering separately the potential for reforms to its elections. A more detailed consultation will take place later this year, subject to the Wales Bill being passed, on the detail of reforms.
- 7.1.2 Proposals Welsh Government are likely to consider are; a review of postal voting procedures, the use of all-postal elections, electronic voting, electronic counting of votes, voting at places other than polling stations, and proposals to hold elections on different days. Consideration will also be given to whether local returning officers/ electoral registration officers would be allowed to trial these reforms in different ways better to meet the needs of different communities and locations. Proposals will be brought forward to remove entitlement to personal fees for returning officers.
- 7.1.3 Welsh Government also intends to explore how a single electronic register for Wales might be developed. This would include looking at issues such as; data sharing, automatic voter registration, and greater access to register information by Local Authority staff. Importantly, consideration will be given to reducing the voting age to 16 for local government elections. It should be noted that the franchise for elections to the National Assembly is the same as that for local government. On the basis of the provisions of the Wales Bill, the Assembly would be able to determine whether that arrangement would remain for the future.
- 7.1.4 Welsh Government remains committed to moving to a five-year term for local government. However in doing so we would require greater transparency for those standing for office. We are considering a proposal to require candidates to make clear whether they were or are members of a registered political party, whether they were formally selected to stand for that party or not. All candidates would also be required to publish election statements to a central website to allow voters easily to access information on the manifestos of all candidates. Welsh Government intend to take forward previous proposals preventing Assembly Members from also serving as Councillors concurrently.
- 7.1.5 Each Local Authority has its own democratic mandate and is made up of Councillors who serve as the directly elected representatives of local people. It is vital that the system for electing local Councillors is one which commands the respect and confidence of local people. Therefore we are exploring the following reforms which would allow local government greater flexibility to put in place local electoral arrangements.
- 7.1.6 Currently Local Authorities in Wales use the 'First Past the Post' system<sup>18</sup> of voting. It has been used in local government elections in Wales for well over a century. 'First Past the Post' means that candidates with the most votes win

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<sup>18</sup> First Past the Post System: Voters put an X next to their favoured candidate and the candidate with the most votes in the constituency wins.

seats. For example, an area is divided into a number of electoral wards and each ward has a fixed number of Councillors, this can range from one up to as many as five. In an election, voters in a ward have as many votes as there are Councillors (although the voter need not use every vote). The votes cast for each candidate are counted and totalled. If the ward is entitled to one Councillor, then the candidate with the most votes in that ward is elected; if the ward is entitled to two Councillors, the two candidates with the most votes in that ward are elected, etc up to five candidates.

- 7.1.7 Supporters of the ‘First Past the Post’ system take the view that the voting and counting procedures are simple and there is a straightforward relationship between where a candidate finishes in the final tally and whether or not they are elected. Opponents claim that the system produces results which are often disproportional, (i.e. the system favours the strongest party locally and therefore does not reflect the preferences of voters across the area). Critics also take the view that this system encourages tactical voting and votes can be “wasted” i.e. cast for candidates who have little or no chance of winning, or for the winning candidate above the level they need to win.
- 7.1.8 The Welsh Government believes, subject to powers in this area being devolved to Wales, that like the National Assembly for Wales, local authorities as a tier of government should have the opportunity to consider the appropriateness of their own voting arrangements.
- 7.1.9 There are several other systems in use elsewhere. For example, elections to the National Assembly for Wales, the Scottish Parliament and the London Assembly are conducted under the ‘Additional Member’ system<sup>19</sup>; elections in Great Britain to the European Parliament are held under the ‘Party List’ system.<sup>20</sup> The ‘Additional Member’ and ‘Party List’ systems require voters to choose from a list of candidates presented by a registered political party. Whilst Independent and non-affiliated candidates are able to stand their chances of election are much reduced.
- 7.1.10 The Northern Ireland Legislative Assembly and local Councils in both Scotland and Northern Ireland are elected using the ‘Single Transferable Vote’ system.<sup>21</sup> In the ‘Single Transferable Vote’ system voters are asked to rank the available candidates in order of preference. To be elected, a candidate must achieve a minimum “quota”, or share of the votes, determined by a calculation based on the number of people voting and the number of seats to be filled. By ranking their vote, if the voter’s preferred candidate has no chance of being elected or has enough votes to achieve

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<sup>19</sup> Additional Member System: A hybrid voting system where voters are asked to vote in two ways. It combines elements of First Past the Post where voters mark an X next to the candidate they want to represent them in their constituency, and proportional representation, where voters mark an X next to a party who have a list of candidates to represent a larger regional constituency.

<sup>20</sup> Party List System: Parties present lists of candidates, seats are awarded according to their party’s share of the vote. This is usually done using an electoral formula or a quota.

<sup>21</sup> Single Transferable Vote System: Voters rank candidates in order of preference. To get elected, candidates need to reach a set share of the votes (determined by the number of seats to be filled). Each voter gets one vote, which can transfer from their first-preference to their second-preference. If your preferred candidate has little chance of being elected or has enough votes already, your vote is transferred to your second choice candidate in accordance with your instructions.



and exceed the quota, their vote may be transferred from the voter's first-preference to their second-preference.

- 7.1.11 The 'Single Transferable Vote' system produces election results which generally reflect the proportions of votes cast for the different political parties, groups and independents across the total area. This system does not present the same difficulties for independent or non-affiliated candidates as the 'Additional Member' or 'Party List' systems.
- 7.1.12 The Welsh Government considers that, because of the substantial presence of independent candidates, among the alternatives, the other electoral system which best reflects the current and future needs of local government in Wales is the 'Single Transferable Vote'. As such, the Welsh Government proposes to make legislation which will allow Councils in Wales to decide which voting system best reflects the needs of their local people and communities. Local Authorities will be able to use the 'First Past the Post' or the 'Single Transferable Vote' systems for elections to their Council.<sup>22</sup> It will be for Councils themselves to make the choice of voting systems for their own localities.
- 7.1.13 Councils will continue to use the current electoral system, until such time as they decide to change. If a Council decides to change electoral arrangements, it must use the new system for at least the next two whole Council ("ordinary") elections which follow the decision. After two whole Council elections under the new electoral system, a Council will be able to switch back to the previous system if it chooses to do so. By-elections will be held using the same electoral system as is being used for the whole Council elections.
- 7.1.14 The Welsh Government does not intend to extend the option to Community Councils of the 'Single Transferable Vote' system at this time. It will be considered as part of the review of Community Councils paragraph 6.1.4 refers.

**Consultation Question 28:**

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

**Consultation Question 29:**

*The Welsh Government would welcome any views on the potential financial and non-financial benefits and costs associated with the proposals in the White Paper.*

**Consultation Question 30:**

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

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<sup>22</sup> The proposal is conditional on the National Assembly for Wales being granted responsibility for local government elections under the Wales Bill currently going through Parliament

**Consultation Question 31:**

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

**Consultation Question 32:**

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

**Consultation Question 33:**

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

## 8. ANNEX ONE: Status of Proposals Consulted on as Part of the Previous Draft Bill Consultation

**Table One: Status of Previous Draft Bill Provisions**

Policy Proposal	Included in new Bill	Commentary
<b>Part 1: Local Government Areas and Councils</b>		
Local government areas ( <i>Compulsory Mergers</i> )	Omit	Compulsory mergers are no longer Government policy.
County Councils	Retain	These sections are mainly intended to update and make clearer the language used to express the basic constitutional arrangements for Local Authorities in Wales. Retention is part of a long term process to make the ancient and sometimes complex law of Local Authority constitutions more open and transparent. Section 12 (change of name of Council) will be retained but amended to refer to county boroughs also, since county borough status will not be abolished as originally proposed.
Establishing the Councils for the new counties	Omit	Proposal was consequential upon compulsory mergers.
<b>Part 2: General Power of Competence</b>		
The general power	Include	There was widespread support for a general power of competence. This proposal will be included in the new Bill.
Eligibility for the general power for Community councils	Amend	Basic proposal remains, some changes to the community councils which meet the requirements and pass a resolution are referred to: and how long councils continue to hold the status after passing a resolution.
<b>Part 3: Promoting Access to Local Government</b>		
Public participation in local government	Retain	This proposal will be included in the new Bill. It would place a duty on Local Authorities to encourage local people to participate in the Council's decision-making processes, input their views and have them taken into account. would also require Councils will be required to consult widely on their budget proposals.
Community area committees	Amend	Omit requirement to have Area Committees of the kind expressed in previous provisions. The White Paper seeks views as to whether, for those local authorities which might wish to operate or continue to operate area committees, any changes are required to the current provisions.
Improvement requests	Omit	There was not sufficient support for this proposal.

Policy Proposal	Included in new Bill	Commentary
Access to meetings etc	Amend	Duty on Leaders/mayors to address public meetings to be modified to enable flexibility about how Leaders engage with the public. This will include a requirement to publish how they intend to do this and report on how successful their initiatives have been. Other proposals in this section retained for inclusion in the new Bill.
Duty to publish a constitution guide	Retain	This proposal will be included in the new Bill. It will require Councils to produce an easy-to-read summary of their constitution, enabling people to see how decisions are made and by whom.
<b>Part 4: Functions of County Councils and Their Members</b>		
Duties on members of county Councils	Amend	Retain in principle but make some minor amendments such as the duty to hold surgeries to be changed to one of facilitating discussion of constituents' issues with them in private; annual reports duty to be replaced by one requiring Councillors to say how they have carried out communications with their electorate. In response to consultation responses, we intend to extend the period of time from two to three weeks for Councillors to respond to correspondence.
Breaches of duties	Amend	A Member receiving a sanction from a standards committee can become subject to a petition which, if receiving sufficient signatures (at least 20% of the local electorate), would trigger a by election.
Further provisions about duties on members	Retain	Leaders of political groups to be required to promote good standards of conduct amongst their Members. This proposal will be included in the new Bill. The provisions relating to the role of standards committees in providing advice and training on the new duties of members will also be retained.
Executives of county Councils	Amend	We will retain the need for leaders to agree objectives with their Cabinet Members, but allow flexibility about the regularity of review.
Appointment of certain chief officers	Retain	This proposal will be included in the new Bill. It will require leaders to make arrangements to manage the performance of the chief executive and also provide that the Head of Democratic Services become a chief officer position.
Overview and scrutiny committees and standards committees	Retain	This proposal will be included in the new Bill and will require the establishment of joint overview and scrutiny committees where services are being delivered collaboratively.
Minor amendments to other legislation	Retain	These will be included in the new Bill.

Policy Proposal	Included in new Bill	Commentary
<b>Part 5: County Councils: Improvement of Governance</b>		
Duty to make arrangements to secure good governance	Retain	This proposal will be included in the new Bill.
Corporate plans	Omit	The WFG Act in effect already asks local authorities to produce a corporate plan.
Assessments of governance arrangements	Retain	This proposal will be included in the new Bill. Local Authorities will be required to secure good governance, this will be tested through regular self assessment and period peer review.
Governance reviews and intervention	Retain	This proposal will be included in the new Bill.
Co-ordination between regulators	Amend	This proposal will be included in the new Bill but amended following feedback from regulators.
Corporate governance and audit committees	Retain	This proposal will be included in the new Bill.
<b>Part 6: Community Councils</b>		
Review of Community Council arrangements	Omit	An independent review to take a more comprehensive look at the future of the community council sector is being commissioned, .
Members of Community Councils to complete training	Amend	Rather than require Community Councillors to undertake specific training community councils will be placed under a duty to consider their training needs and prepare and publish a plan setting out how it proposes to respond to the training needs identified.
Community Council election dates	Amend	The proposal to change the term of office from four years to five years is retained but the change no longer needs to be linked to the timescales for introducing compulsory mergers and will be linked to the introduction of five year terms for principal authorities generally.
<b>Part 7: Workforce Matters</b>		
Guidance on workforce matters	Amend	Consideration will be given to retaining a statutory guidance power, enabling Welsh Ministers to issue guidance about workforce matters.
Public Services Staff Commission	Omit	The Staff Commission will not be put on a statutory footing but will continue until April 2018.
<b>Part 8: General and Schedules</b>		
<b>General</b>		
Interpretation	Amend	Will need to reflect final content of Bill on introduction.

Policy Proposal	Included in new Bill	Commentary
Application of Act in relation to counties and county boroughs until 1 April 2020	Omit	Provision was consequential upon compulsory mergers.
Powers to make consequential etc provision / regulations and orders	Amend	Will need to reflect final content of Bill on introduction.
Coming into force	Amend	Will need to reflect final content of Bill on introduction.
<b>Schedules</b>		
Counties in Wales	Omit	Provision was consequential upon part 1, chapter 1
New Councils: first ordinary elections	Omit	Provision was consequential upon part 1, chapter 1
New Councils: finance	Omit	Provision was consequential upon part 1, chapter 1
Transitional etc provision	Omit	Provision was consequential upon part 1, chapter 1
The 1972 Act: amendments and transitional provision	Retain with some omitted	Most of these provisions are linked to the intention to update and make clearer the language used to express Local Authorities' constitutional arrangements and these will be retained. County borough status will continue so the provisions which removed the status are not needed and will be omitted. Omit the provisions which removed the options to have elections by halves and thirds. Principal authorities will continue to have the options available to them.
Assistants to Local Authority executives	Retain	Enables appointment of deputy cabinet members.
Consequential amendments: chief executive	Retain	Council Leaders will be required to set objectives for chief executives.
Community area committees: further amendments and repeals	Omit	Consideration now being given to amending existing legislation which provides for local authorities to have area committees, rather than replacing it.
Renaming of county Council audit committees	Retain	Broadens power of audit committees and renames as Audit and Corporate Governance Committees

**Table Two: Status of Proposals in the Accompanying Consultation Document to the Draft Bill (where not covered in the White Paper above)**

Policy Proposal	Included in new Bill	Commentary
<b>Part 1: Local Government Areas and Councils</b>		
Accounts and Audit Requirements	Include	If there are any changes required to the existing framework as a result of mandatory and systematic regional working, these will need to be reflected in the new Bill.
Council Tax	Exclude	Linked to Local Authority merger proposals.
Non-Domestic Rates	Include	Additional powers for Billing Authorities to require information from non-domestic rate payers and inspect non-domestic properties, where necessary for the investigation of potential fraud or avoidance of rates.
<b>Part 3: Promoting Access to Local Government</b>		
Conduct of business (review of schedule 12, LGA 1972)	Include	This will enable notices of meetings and other papers to be produced electronically only, if so desired.
Removal of the restriction on having community council meetings in licensed premises	Include	This will enable community councils to hold meetings in licensed premises. There is no longer an intention to propose that community councils adopt standing orders prohibiting the consumption of alcohol at meetings.
<b>Part 4: General Power of Competence</b>		
Delegation of functions to third parties	Include	It is proposed to reform Part 2 of the Deregulation and Contracting Out Act 1994 to provide for a new regime that will allow Local Authorities to delegate the exercise of certain of their functions to third parties, by order made by the Welsh Ministers.
Electoral Qualifications – 'serving on more than one council	Exclude	Consideration of whether an elected member of a principal council should be able to serve on a Community Council, or a community Councillor should be able to serve more than one community council, will form part of the review of the community council sector.
Remote attendance at meetings	Include	This will make it a requirement for Local Authorities to have arrangements for remote attendance.
Remuneration of members: power for WMS to guide the	Exclude	Welsh Ministers can provide view to IRP in the remit letter if so desired.

Policy Proposal	Included in new Bill	Commentary
IRP to review model of remuneration.		
Powers to dismiss Senior Officers	Exclude	No enthusiasm to follow English route of dispensing with role of Independent Person.
Transfer of Local Authority assets / community asset transfer	Exclude	Existing guidance on community asset transfers was updated in March 2016 and will continue to be kept under review.
<b>Part 5: County Councils: Improvement of Governance</b>		
State of Local Government Report	Omit	We do not intend to pursue powers in this area.
Single Information Portal	Omit	Legislation would not be required to create an information portal
Complaints	Omit	Complaints handling would be considered under the broader 'good governance' requirement
<b>Part 6: Community Councils</b>		
Community councils: publication of annual report	Omit	No longer proceeding with this requirement.
Performance Management of Community Councils	Omit	Consultation on the previous draft bill showed general support for performance management but confirmed this was already happening as part of good employment practices and did not need to be further legislated for.
Review of Community Council legislation	Omit	Consideration is being given to potential for consolidation of existing legislation but any proposed changes to the provisions in the Local Government Act 1972 would need to be informed by the review of the community council sector.
Community Polls	Omit	Provisions in relation to polls conducted for the purpose of forming or dissolving a community council will stay in place pending the review of the community council sector and any legislative reform which follows.



**9. ANNEX TWO: Consultation Questions**

Your Name	
Organisation (if applicable)	
Email/ telephone	
Your address	

**CHAPTER 2**

<p>Consultation Question 1. (Para 2.2.1): The Welsh Government believes that it appropriate to consider 'tests' to frame thinking around regional working.</p> <p>a) Do you think the 'tests' set out are helpful in guiding thinking?</p>
<p>b) Are there other tests or considerations that might also be used?</p>
<p>Consultation Question 2. (Para 2.3.35): In this White Paper the Welsh Government has set out a number of areas which it believes should be required to be delivered on a regional basis.</p> <p>a) Do you agree that these areas should be delivered regionally?</p>
<p>b) What practical considerations should we consider in taking these proposals forward?</p>
<p>c) What other 'ancillary' powers would be required to ensure the effective exercise of the functions exercised regionally?</p>
<p>Consultation Question 3. (Para 2.3.43): In this White Paper the Welsh Government has set out a number of areas which it believes could also be delivered on a regional basis.</p> <p>a) Do you think that Local Authorities should also be required to work regionally to deliver these functions?</p>
<p>b) Are there any other practical considerations we should be aware of?</p>
<p>Consultation Question 4. (Para 2.3.43): Are there any other functions that would benefit from a systematic approach to regional working?</p>

Consultation Question 5. (Para 2.3.43):

Welsh Government believes that, subject to engagement with local government and other partners, there should be flexibility to enable Welsh Ministers to mandate additional functions to be undertaken regionally.

Do you agree or disagree? Why?

Consultation Question 6. (Para 2.3.44):

The Welsh Government believes that the new arrangements should not prevent Local Authorities using their existing powers to undertake additional functions regionally.

Do you agree or disagree? Why?

Consultation Question 7. (Para 2.4.16):

The Welsh Government believes that some back office and transactional services ought to be organised and delivered regionally or nationally.

Which services do you believe could best be organised and delivered these ways?

Consultation Question 8. (Para 2.4.16):

The Welsh Government believes that overcoming data sharing issues is key to taking forward greater regional working of back office functions.

a) What legislative obstacles have made progress on sharing services difficult?

b) How have they been or could they be overcome?

c) What challenges does data sharing pose?

Consultation Question 9. (Para 2.4.16):

The Welsh Government believes sharing more back office functions would be helpful. There are a number of options:

- Enable the NHS Wales Shared Service Partnership for providing services to local government (and others)
- Establish a similar model to provide back office services to local government (and others).
- Establish an alternative model to provide back office services to local government (and others).

a) Which do you believe would be most appropriate to best support regional working? Why?

b) What other alternative models could work effectively and what steps could the Welsh Ministers take to enable or encourage local government-led alternative models to be implemented?
<p>Consultation Question 10. (Para 2.4.21): The Welsh Government believes that joint understanding and planning of public sector assets is essential to maximize their impact and that this requires regional mapping of estates assets and future intentions .</p>
a) How can this joint governance and decision making best be achieved?
b) Is the larger economic footprint the right one?
<p>Consultation Question 11. (Para 2.5.16): The Welsh Government believes a strengthened joint committee (a 'Joint Governance Committee') offers an appropriate governance model for regionally delivered services and intends to set out a framework for local government to use to deliver this.</p>
a) What should the democratic accountability and scrutiny arrangements be for such a model?
b) Should each participating Local Authority have equal voting rights or should they be weighted in some way?
<p>Consultation Question 12. (Para 2.6.5): The Welsh Government believes that in order to put in place arrangements which reduce complexity for Authorities and their partners the position for Bridgend needs to be considered. Although Bridgend is fundamentally concerned in this, other partners including other Local Authorities and the Local Health Boards also have valid interests. We are therefore seeking views on how best to address the issues set out here.</p>
<p>Consultation Question 13. (Para 2.7.9): The Welsh Government believes that 'Option3: A framework and a Footprint' is the most appropriate model for future regional working.</p>
a) What are your thoughts on the proposed mandatory economic development footprint for 'Joint Governance Committees'?
b) How could a framework approach for sub-regional working in other services areas operate in practice?

c) Is it appropriate for there to be flexibility for regional working to cross economic development boundaries in exceptional circumstances? Which circumstances would they be?

d) How should the governance arrangements at the mandatory economic development 'Joint Governance Committees' have oversight of sub regional working?

Consultation Question 14. (Para 2.7.9):

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

Consultation Question 15. (Para 2.8.7):

The Welsh Government believes that a mandatory financial framework should be developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent Local Authorities.

a) Should the expenditure of 'Joint Governance Committees' be met by constituent Local Authorities, in proportions to be agreed locally, to ensure the most flexible approach?

b) Should the framework provide for a default position if local agreement cannot be reached, and how such a process might be triggered?

c) What further considerations might relate to, or need to be included in, a financial framework?

Consultation Question 16. (Para 2.10.7):

The Welsh Government believes that to support organisations to move to a more consistent and regional approach to delivering services it will be necessary to issue statutory guidance where there is an identified need.

Do you agree or disagree? If you agree, what types of advice, guidance and support on leadership and workforce matters might lead to greater local, regional and national consistency?

Consultation Question 17. (Para 2.11.4):

The Welsh Government believes it would be helpful if Public Services Boards could collaborate or merge across Local Health Board Boundaries.

Do you agree or disagree? Why?

Consultation Question 18. (Para 2.11.4):  
The Welsh Government believes Public Services Boards should be allowed to de-merge as well as merge. Do you agree or disagree? Why?

### CHAPTER 3

Consultation Question 19. (Para 3.1.7):  
The Welsh Government would welcome comments on what minimum expectations there should be in considering the appropriateness of voluntary merger.

### CHAPTER 4

Consultation Question 20. (Para 4.2.3):  
The Welsh Government would welcome comments on any of the proposals set out previously in the draft Local Government Bill and associated consultation paper, Annex One refers.

Consultation Question 21. (Para 4.3.8):  
The Welsh Government believes that Part 1 of the Local Government (Wales) Measure 2009 should be repealed for all 'Improvement Authorities'.

Do you agree? Why?

### CHAPTER 5

Consultation Question 22. (Para 5.2.8):  
The Welsh Government believes there should be minimum expectations on Councillors for interacting with their local constituents.  
Do you agree or disagree? If so, what should these minimum expectations be?

Consultation Question 23. (Para 5.3.2):  
The Welsh Government believes it could be helpful to make some minor changes to existing area committee legislation to increase their flexibility.

What do you believe these changes should be?

Consultation Question 24. (Para 5.4.3):  
The requirement for Local Authorities to work on a regional basis will require Councillors, the Local Authority and employees to balance the responsibilities they have to their local area, with those for the larger region.

How best could this be achieved?

Consultation Question 25. (Para 5.5.4):

The Welsh Government intends to make a return to a form of the committee system available to Local Authorities where it best meets local circumstances.

How would this option best work within the context of the proposals for new regional arrangements?

Consultation Question 26. (Para 5.6.4):

The Welsh Government believes it may be appropriate to limit future designation of relevant statutory Senior Officer posts to a regional level where the functions are being delivered regionally.

Do you believe this is appropriate? Why? If so, how might this best be delivered?

## CHAPTER 6

Consultation Question 27. (Para 6.1.7):

The Welsh Government believes there are things that can be done now to help build resilience and renewal in the sector in the short to medium term and would welcome comments on the list of actions at paragraph 6.1.6. Views on any other actions which could be taken are also welcomed

## CHAPTER 7 & General Questions

Consultation Question 28. (Para 7.1.14):

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

Consultation Question 29. (Para 7.1.14):

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

Consultation Question 30. (Para 7.1.14):

The Welsh Language Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on the opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language. The Welsh Government seeks views on that assessment.

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

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

Consultation Question 31. (Para 7.1.14):

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

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

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

Consultation Question 32. (Para 7.1.14):

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

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

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

Consultation Question 33. (Para 7.1.14):

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