



## COUNCIL – 7TH MARCH 2017

**SUBJECT: CAERPHILLY COUNTY BOROUGH COUNCIL RESPONSE TO THE REFORMING LOCAL GOVERNMENT WHITE PAPER**

**REPORT BY: INTERIM CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To seek Council approval for the proposed Caerphilly County Borough Council response to the consultation on the Welsh Government White Paper: 'Reforming Local Government: Resilient and Renewed'.

### **2. SUMMARY**

- 2.1 This report sets out a proposed Caerphilly County Borough Council response to the Welsh Government White Paper: 'Reforming Local Government Resilient and Renewed'. The proposals in the White Paper propose 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.

### **3. LINKS TO STRATEGY**

- 3.1 The White Paper sets out the Cabinet Secretary for Finance and Local Government's vision for Local Government in Wales highlighting links to the Well-being of Future Generations Act (Wales) 2015, its ways of working and the Well-being Goals.

### **4. THE REPORT**

- 4.1 Welsh Government published a White Paper: 'Reforming Local Government: Resilient and Renewed' on 31st January 2017 which builds upon previous proposals for local government reform contained within the 'Draft Local Government (Wales) Bill' issued in November 2015. Many of the proposals within that draft Bill were supported however proposals for wide ranging mergers were not supported and are no longer being pursued. Welsh Government are currently working to a timetable which would see a Local Government Bill introduced in summer 2018, to commence in 2019, with mandated regional working arrangements in place in 2020.
- 4.2 Within the White Paper Welsh Government identify a need for reform, supported by greater regional working, building on the majority of the proposals previously consulted upon and state that they wish to develop a more equal partnership with citizens. As well as setting out arrangements for regional working the White Paper describes a strengthened role for Councils and Councillors; provides a framework for any future voluntary mergers; and sets out the role of Community Councils. It also outlines initial steps for financial reform. An overview of the proposals within the White Paper is provided below.

### 4.3 Regional Working

The White Paper outlines a number of options for regional working and favours an approach whereby some services would be prescribed onto a footprint, and others would be listed as having to be regionalised, but the footprint would be at the discretion of councils. The White Paper proposes the following in relation to regional working:

- Economic Development, transport planning and strategic land use planning on the 3 existing WLGA regions which are broadly coterminous with the economic development regions (Cardiff Capital Region, Swansea Bay City Region and North Wales Economic Ambition Board). The separate Growing Mid Wales and Swansea Bay City Region would be governed by the Central and South West regional board.
- Education Improvement, additional learning needs, social services, public protection, promotion of the Welsh language, and some back-office services; but the footprint would be subject to local discretion
- views are sought on whether other services might be regionalised, including housing, waste, community safety, and youth justice.

A series of 'tests' have been developed intended to help inform considerations of the appropriateness for regional working. These are reproduced at Appendix 2.

4.3.1 Welsh Government proposes new, enhanced 'Joint Governance Committees' to oversee regional services, based on the current joint committee model but with clearer powers and delegations. There would be separate Joint Governance Committees depending on the footprint and/or services being delivered and would typically be made up of the lead cabinet members for the relevant service areas. Welsh Government intends to clarify powers and delegations, including:

- Membership - typically be made up of the lead cabinet members for the relevant service areas;
- Delegation of functions – prescribed set of functions that must be exercised regionally by local authorities;
- Voting arrangements – each local authority would have equal representation and voting powers;
- Funding flows – Welsh Government to provide a mandatory framework on how the money would flow from local authorities to Joint Governance Committees (see below);
- Scrutiny arrangements – Welsh Government will provide a range of options for scrutiny, including local scrutiny, regional scrutiny, regional task and finish scrutiny groups or a mixture. The White Paper proposes that there should be a duty on scrutiny 'to consider the regional interest as well as the interests of their particular Local Authority'.

### 4.4 Regional Funding and Workforce

Welsh Government proposes a mandatory financial framework is developed to ensure expenditure of regional 'Joint Governance Committees' is met through pooled contributions from the constituent local authorities. The amounts to be pooled would be determined by local agreement, but the framework also 'provides for a default arrangement which would be invoked where local agreement is not reached.' The detail of this is not specified in the White Paper. Welsh Government proposes that each 'Joint Governance Committee' produce a Medium Term Financial Plan and should be required broadly to balance income and expenditure in-year. Consideration will be given as to whether a limited reserves facility would be permitted.

4.4.1 The White Paper states that the role of the Chief Financial Officer (S151) and other statutory officers needs to be further explored given potential tensions between local and regional demands. The White Paper notes that the workforce is the most valuable asset of the public sector and that 'no single workforce model has been adopted' by local authorities. The Paper notes that the Public Services Staff Commission will no longer be a statutory body and will

close in March 2018, but that workforce matters relating to regionalisation will be brought to the Workforce Partnership Council.

#### **4.5 Public Services Boards**

The White Paper highlights that Public Services Boards, will also need to consider whether it would be appropriate to organise themselves to reflect new regional arrangements. Existing legislation already allows for Public Services Boards to merge, based on the Local Health Board footprint. Welsh Government suggest that 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.

#### **4.6 Voluntary Mergers**

Welsh Government propose to either seek new powers in order to give effect to voluntary mergers or to amend existing legislation allowing for voluntary mergers where Local Authorities choose to come together in to a single larger Authority.

#### **4.7 A Framework for Local Leadership**

The White Paper reiterates the Cabinet Secretary's call for mutual respect and trust between local government and commits Welsh Government to refreshing the statutory Partnership Scheme with local government. It sets out that Welsh Government is committed to reduced burdens and bureaucracy and increasing financial flexibility, how the Welsh Government should set the overarching strategy and outcomes that are expected, but that local government will have flexibility to 'operate in ways that best meet local needs'. However, the White Paper states that sometimes this will mean delivering outcomes in a consistent way, for example setting minimum standards and on other occasions this could mean creating consistency in governance arrangements to ensure there is transparency in decision making.

4.7.1 The White Paper includes a proposed general power of competence which was welcomed by local government in the last draft Bill. The power should allow councils to be more innovative and lend or invest money; or setup 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.

4.7.2 The White Paper includes a number of proposals regarding local democracy and Councillors much of which were previously included in the draft Local Government Bill. These include:

- Leaders would have to set and report on objectives of their cabinet members (twice per term rather than annually as originally proposed in the draft Bill);
- Group leaders would have a duty to promote good standards of conduct;
- Standards Committees would consider alleged breaches of 'prescribed performance duties';
- Duty on Local Authorities to produce a public engagement strategy (with specific reference to engagement in local democratic process);
- Broadcasting of council meetings to be made statutory and allow members to attend meetings remotely;
- Councillor correspondence, surgeries and annual reports – still form part of the proposals, but the proposed duty to hold surgeries has been revisited although councillors must make clear how constituents can access and communicate with them;
- Area Committees – Welsh Government intends reviewing the flexibilities and powers available to area committees (which councils already have the power to establish).

#### **4.8 Performance and Governance**

Welsh Government intends to repeal the Local Government Measure 2009 and the associated improvement and planning duties; much of the local government planning and performance framework is now aligned under the Well-being of Future Generations (Wales)

Act 2015. Councils will be expected to ensure good governance arrangements (as per CIPFA guidelines), this should be underpinned by new Corporate Governance and Audit Committees and self and peer assessment. Welsh Government also intends to revoke Section 13 of the Local Government Act 2000 which specifies the allocation of executive and non-executive functions, allowing councils more discretion to allocate council functions. Views are also sought on allowing councils the option to return to the committee system instead of the Leader and Cabinet model of decision-making in local government.

#### **4.9 Community Councils**

Welsh Government plans to commission a comprehensive review of the Community Council sector before it announces any fundamental structural reforms. However, in the meantime, Welsh Government intends to undertake action to support the sector, including:

- Producing a toolkit to support Community Councils in working through what is required in taking on new services and assets;
- Re-energising ties between Community Councils and Local Authorities;
- Facilitating the creation of clusters of smaller Community Councils;
- 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;
- Making the General Power of Competence available to community councils which meet certain requirements;
- Placing a duty on Community Councils to consider and plan for their training needs;
- Ensuring citizens are kept informed and have the right to make representations on any business conducted at a Council meeting.

#### **4.10 Elections and Voting**

Under the Wales Bill, the National Assembly would gain competence over local and National Assembly electoral arrangements. The White Paper suggests that proposals the Welsh Government would consider are;

- a review of postal voting procedures and the use of all-postal elections, electronic voting;
- electronic counting of vote;
- voting at places other than polling stations, and proposals to hold elections on different days;
- Proposals will be brought forward to remove entitlement to personal fees for returning officers;
- 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.

The White Paper reiterates the Cabinet Secretary's previous commitment to move local elections to a five-year term.

##### **4.10.1 Other proposals include:**

- Requiring 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;
- preventing Assembly Members from also serving as Councillors concurrently;
- consideration will be given to reducing the voting age to 16 for local government elections;

- Proposals to allow local authorities to choose their own voting system (first past the post or Single Transferable Vote (STV)). Any council that decided to introduce a new voting system would have to keep it for the next two ordinary elections.

4.10.2 Welsh Government are seeking initial views on the proposals for elections and voting summarised above and Members are asked to consider and provide any initial views for inclusion in the consultation response in relation to the proposals set out in Chapter 7 of the White Paper on elections and voting (consultation question 28).

4.11 A round table discussion was held with the political leaders on drafting the Caerphilly County Borough Council response to the consultation. Political Groups and individual Members are able to respond separately to the consultation which closes on 11th April 2017. The proposed Caerphilly county borough council response to the White Paper consultation questions is attached at Appendix 1.

## **5. WELL-BEING OF FUTURE GENERATIONS**

5.1 The White Paper identifies the Well-being of Future Generations (Wales) Act 2015 as setting the scene for the Wales we want and clearly setting 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 states that it will work with others to set out the key priorities for public services.

## **6. EQUALITIES IMPLICATIONS**

6.1 A thorough consideration to equality and Welsh language issues are contained within the White Paper. There is an accompanying Equality Impact Assessment to the consultation document, and a Welsh Language Impact Assessment.

## **7. FINANCIAL IMPLICATIONS**

7.1 If the White Paper is implemented there will be significant financial implications.

## **8. PERSONNEL IMPLICATIONS**

8.1 If the White Paper is implemented there will be significant personnel implications.

## **9. CONSULTATIONS**

9.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

## **10. RECOMMENDATIONS**

10.1 That Council considers whether it wishes to submit any initial views for inclusion in the consultation response in relation to the proposals set out in Chapter 7 on elections and voting and if this is agreed members are asked to provide an agreed response for inclusion in the Council response.

10.2 That, subject to 10.1 above, Council endorse the proposed response to the consultation on the Welsh Government White Paper: 'Reforming Local Government: Resilient and Renewed'.

## 11. REASONS FOR THE RECOMMENDATIONS

11.1 To enable officers to submit a response to the Welsh Government's consultation

Author: Rob Hartshorn, Head of Public Protection

Consultees: Chris Burns, Interim Chief Executive

Cllr Keith Reynolds, Leader

Cllr Colin Mann

Cllr Dave Rees

Nicole Scammell, Acting Director, Corporate Services

Christina HARRY, Corporate Director, Communities

Dave Street, Corporate Director, Social Services

Kath Peters, Corporate Policy Manager

Gail Williams, Interim Head of Legal & Democratic Services

Anwen Rees, Senior Policy Officer (Equalities and Welsh Language)

Background Papers: Welsh Government White Paper: 'Reforming Local Government: Resilient and Renewed'.

Report to Full Council on the 26th January 2016 'Caerphilly County Borough Council Response to the Draft Local Government (Wales) Bill'

Appendices:

Appendix 1 White Paper Consultation Questions Caerphilly Council Response

Appendix 2 Welsh Government 'Tests' for Regional Working