



COUNCIL - 5TH JUNE 2018

SUBJECT: CAERPHILLY COUNTY BOROUGH COUNCIL RESPONSE TO THE STRENGTHENING LOCAL GOVERNMENT GREEN PAPER

REPORT BY: INTERIM CHIEF EXECUTIVE

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 Green Paper: 'Strengthening Local Government: Delivering for People'.

2. SUMMARY

- 2.1 This report sets out a proposed Caerphilly County Borough Council response to the consultation on the Welsh Government Green Paper: 'Strengthening Local Government: Delivering for People'. The proposals in the Green Paper seek views on the reorganisation of local authorities in Wales by way of three options:

- Option 1 - Voluntary Merger by 2022
- Option 2 - A phased approach with early adopters merging by 2022 and all other authorities by 2026
- Option 3 - A single comprehensive merger programme by 2022

The Green Paper proposes the merger of Caerphilly County Borough Council with Newport City Council.

3. LINKS TO STRATEGY

- 3.1 The Green Paper sets out the Cabinet Secretary for Local Government and Public Services vision for the future of local government, reference is made to the Well-being of Future Generations Act (Wales) 2015 within the consultation.

4. THE REPORT

- 4.1 Welsh Government published the White Paper: 'Strengthening Local Government: Delivering for People' on the 20th of March 2018. The Green Paper builds upon previous proposals for local government reform contained within:

- The Report of the Commission on Public Service Governance and Delivery (January 2014) - The Williams Commission.
- White Paper- Reforming Local Government (July 2014).
- White Paper - Reforming Local Government: Power to Local People (February 2015).
- Devolution, Democracy and Delivery- Draft Local Government (Wales) Bill (November 2015).
- White Paper – Reforming Local Government: Resilient and Renewed (January 2017).

- 4.2 The current Green Paper (hyperlink at Background Papers) sets out Welsh Governments vision to strengthen and empower communities and councils across Wales. It seeks views on strengthening local democracy, strengthening local government and finding agreement on a future footprint.
- 4.3 The Paper proposes that Caerphilly County Borough Council merges with Newport City Council, its specified footprint, and seeks view on one of three timelines:
- Option 1 - Voluntary Merger by 2022
 - Option 2 - A phased approach with early adopters merging by 2022 and all other authorities by 2026
 - Option 3 - A single comprehensive merger programme by 2022
- 4.4 The Green Paper is set out in a number of themes: the Case for Change; Options for Strengthening Local Authorities; Finding Agreement of a Future Footprint; a Democratically Led Process; Strengthening Local Government Through the Process; and the role of Community and Town Councils. The tone of the paper is summarised below.
- 4.5 Welsh Government set out their **Case for Change** as Wales needing strong democratically accountable councils, working at the right scale to protect local services. The future sustainability of local government is cited as the reason for the proposals. Issues such as the resilience of services, particularly in smaller councils, are described as lack of expertise and leadership, capability, capacity and greater administrative overheads (Williams, 2014). The Paper reflects upon the previous discussions around mandated regional working (Resilient and Renewed 2017) and the views of local government in Wales that there was no appetite for mandated regional services. The view of Welsh Government is that continually increasing expenditure is not a solution and that the status quo is not an option.
- 4.6 The Paper recognises the City Deal and regional working through Education Consortia and Health and Social Care but considers that this is not enough to address financial and service challenges. Changing the size and number of local authorities is described as providing a platform for radical transformation and long term sustainability.
- 4.7 The Paper suggests that larger, stronger local authorities are needed to ensure the sustainability of services and provide a platform for transformation in delivery and outcomes for people. The **Options for Strengthening Local Government** set out the future footprint: the change process - including elections to the proposed new authorities; the support and assistance Welsh Government intends to give; and an emergency power for merger with failing authorities. The timelines for merger are as set out at paragraph 4.3 above. The specified footprint for merger of Caerphilly County Borough Council is confined to merger with Newport City Council. In considering the costs for change the Paper reflects back to the regulatory impact assessment of the 2015 Draft Local Government Bill but notes that an updated impact assessment would be needed.
- 4.8 The Paper states in **Finding Agreement for a Future Footprint for Local Government** that it is important to have a clear template for the future footprint. It reports that an earlier consultation (Reforming Local Government, 2014) proposing a West Gwent authority comprising Caerphilly, Blaenau Gwent and Torfaen County Borough Councils expressed reservations about this option. And that the responses to a regional authority comprising Caerphilly, Blaenau Gwent, Torfaen, Newport and Monmouthshire Councils (Draft Local Government Bill, 2015) considered that the area would be too large to be democratically accountable. The Paper says that the proposed groupings for South East Wales are to be tested through consultation.
- 4.9 The Paper sets out a number of challenges in finding an agreement:
- Staffing issues
 - Systems and process alignment
 - Service reconfiguration and transformation
 - Workforce issues

It considers the status of other regional delivery including health boards, police forces, education consortia, fire and rescue services and city and growth deals. The Annexes to the paper consider some of the comparison data for population, population density, age, number of households, revenue and capital budgets, council tax raising ability, council tax at Band D, number of FTE staff, number of social services staff, proportion of Welsh speakers, and Councillor to elector ratios.

- 4.10 In considering **A Clear and Democratically Led Process** the proposed transition process is set out including the timing of elections to Shadow Authorities and that Transition Committees should be set up. For all options it is intended that Shadow Authorities would operate for 12 months prior to vesting day. The Local Democracy and Boundary Commission for Wales would be directed to undertake electoral reviews of the proposed new authority areas and make recommendations by August 2020. Transition Committees and Shadow Authorities would be tasked with setting the budgets and medium term financial plans of the proposed new authorities.
- 4.11 In the section **Strengthening Local Government and Support Through the Process of Change** the Paper states that the future of local government is dependent on local Councillors having a meaningful role. In it Welsh Government recognise the pressures on local elected members and that the role is unattractive to many people, that Councillors should reflect the diversity of populations and that the commitment given should be remunerated appropriately.
- 4.12 The Paper asks what additional powers and flexibilities local authorities would wish to see. In respect of transforming services the Paper suggested that larger authorities would have the critical mass of expertise, skills and capacity needed to develop innovative and flexible services, this is considered to be particularly so for smaller authorities. The Paper sets out the offer of support that Welsh Government intend to give in terms of early practical support on issues such as workforce development, service integration and digital developments. For workforce issues the Paper proposes using the existing social partnership arrangements in the Workforce Partnership Council and the Local Government Joint Council. Shared services are considered and whether new common systems could be adopted rather than adopting existing legacy systems. The shared use of public sector assets is also considered.
- 4.13 The role of **Community and Town Councils** is referenced, in particular the current cross-party review of their potential role. The review is due to report in October 2018.
- 4.14 Political leaders have been involved in drafting the proposed response at Appendix 1. Political Groups and individual Councillors are able to respond separately to the consultation, which closes on the 12th of June 2018.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 The Green Paper identifies the Well-being of Future Generations (Wales) Act 2015 as providing the basis for driving a different kind of public service in Wales, and using the five ways of working to guide how public services should work to deliver for people. The Paper references the Welsh Government and Future Generations Commissioners 'Framework for Service Design'.

6. EQUALITIES IMPLICATIONS

- 6.1 Consultation questions include the views of Caerphilly County Borough Council on the effect of the proposals on the Welsh language, a children's rights impact assessment and the possible effects on those with protected characteristics. Responses to these questions have been drafted as in Appendix 1.
- 6.2 The Green Paper is accompanied by Welsh Government's Equality Impact Assessment, a Welsh Language Impact Assessment and a Children's Rights Impact Assessment.

7. FINANCIAL IMPLICATIONS

- 7.1 If the Green Paper is implemented through a new Local Government Bill there will be significant financial implications.

8. PERSONNEL IMPLICATIONS

- 8.1 If the Green Paper is implemented through a new Local Government Bill 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 endorse the proposed response to the consultation on the Welsh Government Green Paper: 'Strengthening Local Government: Delivering for People'.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To enable officers to submit a response to the Welsh Government's consultation by the 12th June 2018.

12. STATUTORY POWER

- 12.1 No relevant statutory power. Previous responses to local government reorganisation consultations have been agreed by Council.

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Consultees: Christina HARRY, Interim Chief Executive
Cllr David Poole, Leader
Cllr Colin Mann
Cllr Kevin Etheridge
Mark Williams, Interim Corporate Director, Communities
Dave Street, Corporate Director, Social Services
Rob Hartshorn, Head of Policy and Public Protection
Lisa Lane, Interim Monitoring Officer
Anwen Cullinane, Senior Policy Officer (Equalities and Welsh Language)

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

Report to Full Council 7th March 2017 'Caerphilly County Borough Council Response to the Reforming Local Government: Resilient and Renewed White Paper'

Green Paper- Strengthening Local Government: Delivering for People
<https://beta.gov.wales/strengthening-local-government-delivering-people>

Appendices:
Appendix 1

Proposed Caerphilly County Borough Council Consultation Response

Appendix 1

Annex C: Consultation Questions

Your Name	Christina Harray, Chief Executive (Interim)
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You can find out how we will use the information you provide by reading the privacy notice in the [consultation document](#).

Chapter 3

Consultation Question 1

In Chapter 2, we restated our commitment to regional working in key areas but recognised the need for this to be supported by further change. In chapter 3, we set out the broad options for moving toward fewer, larger local authorities and summarise features of the process which would be common to each option.

- a) What practical steps could the Welsh Government take to make current regional working easier and more effective, for example in relation to education consortia, social services and the City Regions and City and Growth Deals?

This Authority is only in favour of regional working when it is supported by sound business cases, that make sense in terms of service improvement/efficiency and, importantly, where there are demonstrable benefits to the residents of Caerphilly.

Regional working for Caerphilly County Borough has an established history on what is ostensibly known as the 'Gwent' or 'Greater Gwent' footprint. More latterly, and to support the Cardiff Capital Region City Deal, the footprint for partnership working has extended over the 10 authorities in south east Wales. Regional working has often been mandated by Welsh Government policy, legislation and funding with a requirement that local delivery of Welsh Government policy must be on a footprint most often coterminous with the local health board and police force. For Gwent this is a neat package as both main partner bodies are also coterminous. Hence we have established close working relationships with the five constituent local authorities in the area and our wider partners. We recognise the arguments of the Williams Commission that smaller local authorities were more likely to be challenged in delivering resilient and sustainable services. Since when, the impact of austerity has worsened, and we would assume that a similar examination now may paint a bleaker picture. However, Caerphilly County Borough Council is the largest local authority in the Gwent footprint and, while decreasing budgets have been, and continue to be, a significant challenge, it has not suffered to the extent of smaller neighbours and other authorities in Wales. In a time of scarce financial resources, even for stronger authorities, we cannot see that a wholesale local government reorganisation is something that should be considered, the financial benefits are debatable at best.

Reforming Local Government: Resilient and Renewed proposed mandated regional working. We contend that was yet another imposition from Welsh Government that had the potential to add another layer of complexity to local governance and accountability. The recent history of regional working has been predicated on a need to follow policy direction in some cases, regional funding in others, or legal requirements in others. None of this has offered any level of consistency in the decisions that have effectively mandated regional working through these blunt tools. Different Cabinet Secretaries, and notably Divisions, within Welsh Government have had different approaches resulting in a plethora of governance arrangements and we would argue very much less accountability. The result is a complex latticework of regional working, governance boards and officer groups not all of which are required to have

democratic oversight, or if they do this is repeated five times over in each local authority in Gwent.

However, health and social care and educational achievement are examples where scale has the potential to bring benefits to service delivery. For health and social care our key health board partner should benefit from lack of repetition across five authorities and while it is difficult to navigate issues such as pooled budgets there should be some perceptible benefits for service users in a fully integrated health and social care system. We anticipate that the outcome of the recent Parliamentary Review will move us further along this path.

Likewise for educational achievement and some specialist services where resilience can only be achieved by bringing expertise together to support service delivery there should be some tangible benefits on the front line.

However, there have been examples where there have been no identifiable benefits to service users where regional working has been predicated on following hypothecated funding streams and the requirement to produce Gwent level business plans that we would argue has had no benefit on the front line not least because the delivery agents, the services and community organisations that we co-deliver with, are local. This has often resulted in service managers having to jump through hoops to satisfy Welsh Government, diverting time, effort and energy from what is important to us; effective, responsive local services.

Economies of scale should be a significant driver in regional working. Local government reorganisation in 1996 broke up large spending services like highways, education and social services and while the financial landscape was relatively healthy these smaller geographies have been more responsive to local need, more democratically accountable and delivered more effectively. The financial challenges since 2008 have meant that larger local authority services have, necessarily in the case of social care and education, had to be protected at the expense of others resulting in resilience challenges as budgets and capacity have been lost. However, mandating regional delivery for services that are facing resilience challenges comes with its own level of complexity. Not least the financial issue of pooled budgets and the governance issue of service level agreements that place more risk and less certainty on front line provision when the only driver is saving costs. Long term commitment to partnership is problematical when the member authorities of such arrangements have different political landscapes and different financial resilience. Arm's length services face a 'race to the bottom' to find the minimum acceptable level of service that suits all members. There is a 'governance gap' in such arrangements with less local democratic oversight and scrutiny, unless robust regional scrutiny is in place. Large collaborations and their governance arrangements such as the City Deal Joint Cabinet have clear value as the benefits brought to the area have the potential to change generational outcomes for the better. Collaborations on a smaller scale should be based on sound business cases with demonstrable benefits, or they risk being less likely to be worth this democratic input and less responsive to local need.

Collaboration and regional working should not be mandated by Welsh Government. Local authority leadership has the maturity and expertise to determine the most appropriate delivery model, collaboration is one of them, which would work best for local citizens at the front line, and which will not bring improved delivery outcomes and greater sustainability for services. We have some notable examples of successful regional working including the City Deal, Valleys Task Force, Blaenau Gwent and Caerphilly Youth Offending Service, Gwent Frailty Programme, Gwent Missing Children Project, Blaenau Gwent and Caerphilly Social Care Workforce Development, South East Wales Emergency Duty Team, Prosiect Gwyrdd etc.

To assist the effectiveness of existing collaborative approaches and enhance further collaborations, Welsh Government must actively support further "double devolution" – i.e.

devolution of powers to the local level. This area has not progressed at the pace required to support the collaborations, in areas such as the Cardiff Capital City Region, City Deal.

b) What are your views on the common elements to the process of mergers we outline in this section?

Caerphilly County Borough Council retains its position that a stand-alone Authority is the best outcome for our communities, although our extensive collaborative working across the region, and notably, our participation in the Cardiff Capital Region City Deal is highly valued by the Council.

Outside those regional collaborations mentioned above, or those which we would seek to strengthen with our neighbours for service resilience purposes, we remain unconvinced that the financial arguments for local government mergers are made robustly. The last detailed proposals were drafted in 2015. Since then there is significantly less money in the system that might be available to cover the hidden and transparent costs of wholesale restructure. The cost benefit equation does not seem to be borne out any longer, even with a ten year horizon to recoup the savings benefits this seems overly ambitious and unachievable. We note the intention to revisit the calculations and will respond if further information becomes available.

We have managed to support front line services thus far, even facing the ongoing challenges, and so the argument that services suffer from unsustainable costs and overheads has not materialised in this authority. Our Medium Term Financial Planning has been robust and prioritised the front line. We have revisited our financial planning principles for the period 2018-2023 and will continue to emphasise front line services and services to vulnerable people.

We have regarded Option 1 Voluntary Mergers as largely the status quo and so will confine this consultation response to Option 2 Phased Approach, and Option 3 Comprehensive Mergers.

c) What are your views on the options for creating fewer, larger authorities which we have set out?

Caerphilly County Borough Council retains its position that a stand-alone Authority is the best outcome for our communities. We are even more perplexed that the line has been drawn around ourselves and Newport City Council than we were with the map drawn by Williams for a merger of the three West Gwent authorities, and the 2015 statement by Leighton Andrews for a merger of the 5 Gwent authorities. At the time we stated that this authority is large enough and robust enough to stand alone. We maintain that stance. Please see further in this response as to why we believe that Welsh Government have made a fundamental error in this latest footprint for reorganisation.

This paper has gone as far as to consider the process for reorganisation as opposed to concentrating on the reasons why the footprint has been chosen. We suggest that a step back should be taken and a greater examination of the key data and financial information is required before considering process, particularly for the footprint proposed affecting this authority.

We are extremely concerned at the mention of an emergency power to merge a seriously failing authority with a stronger neighbour, or neighbours. We suggest that existing powers

for commissioner run authorities under the Local Government (Wales) Measure 2009 should be sufficient to support authorities in difficulty.

As explained we do not intend to dwell on Option 1 although we note that previous voluntary merger proposals were rejected wholesale by the then Cabinet Secretary. We regard this option as one which is available to us albeit we fundamentally disagree with the proposed footprint within which we would be restricted i.e. should we chose to take this path we can only merge with Newport City Council. Option 2- We would not be seeking a voluntary merger within our 'permitted' footprint by 2022. For authorities that would be seeking such mergers, and for Option 3, we think that the timescale is too challenging. A new Local Government Bill is unlikely to emerge in sufficient time to allow this to happen. We note that the Assembly considered that it was unlikely to have the mandate to support the last draft Local Government (Wales) Bill when it began this term. We wonder, therefore, what has changed that now makes the progression of a new Act more likely.

Mandated merger by 2026 offers a more realistic timescale however we respectfully request that you do not consider this statement as our support of a merger programme, as set out in the green paper, for Caerphilly County Borough Council. We agree that allowing some authorities to merge, if they were minded to, and others to wait until a statutory deadline would present a confused delivery landscape across Wales.

Option 3- This really is an impossible timescale. We fail to see how the political backing for a Bill could be achieved in time to allow full and comprehensive merger by the 1st April 2022 across the whole of Wales. Not least, we do not see that we have the leadership capacity to drive through change of this scale and pace in addition to existing challenges. There are significant risks in pursuing this option that will undoubtedly pervade through confusion, haste, ill-considered decisions, poor accountability, and reduced quality of front line service.

d) Are there other options for creating fewer, larger authorities we should consider?

The proposed merger of authorities as proposed will have a detrimental impact upon the £1.2bn economic investment programme of the Cardiff Capital City Region City Deal. The terms of reference and other supporting documentation forming the governance of the City Deal is predicated upon the 10 sovereign local authorities. If the proposed mergers were to take place, this would require the total reconsideration of the make up on the City Deal and the associated governance framework – essentially starting again “from scratch”. This distraction would likely affect the achievement of the agreed “gateway targets” focussed upon economic growth. These would not be met and the funding would be lost and more importantly a unique opportunity for the south east Wales region would be lost.

Furthermore, another associate consequence to the City Deal if mergers were to take place is one of capacity. The Joint Cabinet consisting of 10 Leaders and Chief Executives is leading the direction and pace of the City Deal investment programme. If mergers were to take place, the Chief Executive capacity currently within the City Deal Joint Cabinet, would be lost, as inevitably, the Chief Executive's focus would be on developing the required organisational and workforce changes associated with the creation of new Councils.

e) Do you have evidence on costs, benefits and savings of each option which can inform decision-making? If so, please provide details.

The last calculations undertaken by Welsh Government on this issue were to support the last draft Bill in the 2014/15 financial year. These envisaged a 10 year return on cost. Four years

on we believe that that any savings on offer may have significantly diminished as authorities are continually reducing overheads and back-office costs. A recalculation must be undertaken to evidence decision making. While authorities face continuing austerity it is impossible to predict how funding and increasing service pressures will balance out. However, we have a strong track record of managing these constraints on service delivery and would argue that the uncertain financial landscape is not the time to be considering wholesale reorganisation. At best this will be a distraction from continuing to deliver high quality services responsive to local need. At worst it will undermine the effective practice that has supported us through this difficult period up until now by creating a drain on strategic managerial capability that we simply do not have in these challenging times.

CIPFA recommended in 2015 that any boundary drawing should be independently completed and should be agreed based on public service provision and the ability of proposed authorities to meet local need. Further they suggested that the regulatory impact assessment did not assess the full costs for councils. The regulatory impact assessment suggested reorganisation costs of over £200 million to local government for issues such as staff and estates costs, redundancy and rebranding, etc. CIPFA's estimates were between £160 and £268 million. We suggest that the proposed savings are no longer there to make this viable.

Since 2008 we have achieved cumulative savings of over £88,900,000. Since 2014-15, when the last regulatory impact assessment for reorganisation was done, we have taken over £52,400,000 out of our budgets. The percentage annual savings requirement increased significantly from 2014-2015. Any revised assessment of cost and benefit must recognise the very different financial landscape, even four years on.

We cannot see any clear efficiencies set out in the paper other than a statement that they will be the answer to allowing us to deliver more for less. Neither have we experienced difficulties in recruiting and retaining staff, taking the whole authority into consideration. Any new regulatory impact assessment must take account of the new landscape and should set out very clearly what the proposed efficiency savings are and what assumptions have been used in making the new calculation.

We would be particularly interested to see some quantification of the anticipated social benefits in a new regulatory impact assessment.

Chapter 4

Consultation Question 2

Chapter 4 has explained the need for clarity on the future footprint for local government and the range of factors which should be taken into account to determine a new configuration. It sets out a suggested future footprint for local government, which could be reached via each of the options set out in the previous chapter.

a) Do you agree that providing clarity on the future footprint of local government is important?

We agree that the alignment of regional boundaries with that of our key delivery partners has advantages and, as we have stated, for the area we all call Gwent, this is neatly the police, and local health board. Similarly we agree with previous Welsh Government policy not to disaggregate the existing authorities. Responsive local democracy and robust scrutiny should be maintained but we are not convinced that the economic and social benefits are set out. We also maintain that Welsh Government should not legislate against local government collaboration on an alternative footprint where there are clear, demonstrable benefits of doing so.

Our response to the Draft Local Government (Wales) Bill 2015 expressed our concern that a 'Gwent' authority would be too large and not in touch with the needs of local communities. We maintain this view.

Our response to Reforming Local Government in 2014 stated that this authority, as the 4th largest by population and population density, the 5th largest by number of households, and with the 5th largest revenue budget and staffing, is big enough and resilient enough to stand alone. However, it is accepted that this position is not replicated in the smaller authorities.

The proposed merger footprint, placing this authority with Newport, makes less sense than the 2014 proposed West Gwent merger. The differences between Caerphilly County Borough and Newport City Council are marked. We cannot comprehend the decision making that has arrived at this proposal other than a broad equality of population for the 10 proposed local authority areas. Caerphilly County Borough is a semi-rural authority with 80% green space, and several principal towns and villages dispersed along the valley bottoms, often aligned to former mining communities. The existing border between this authority and Newport City Council is short in comparison to the total border and land area, effectively creating a pinched elongated proposed authority that will come with associated costs and difficulties in managing services over a geographically dispersed area. There are only three transport routes connecting the two authorities, the B4591 through the residential area between Rogerstone and Risca, the A467 Risca bypass, and the A468 connecting through sparsely populated rural Lower Machen. The costs in managing whole authority services across this divide should be factored into any consideration of mandated merger. We suggest that the area would have to continue to function as two, even if merged, with the associated costs and repetitions of service bases/ depots etc. Practically there is only one real connecting thoroughfare that could be used to move service provision around the combined authority, the A467.

Capital asset rationalisation would not be achieved beyond that which the authority is currently exploring with its Public Services Board partners. We suggest that Welsh Government look again at the flow between the two areas and consider what economies of scale and resilience are practically achievable.

The settlements in Caerphilly County Borough range from smaller towns and more isolated villages in upland areas to larger conurbations in the Caerphilly Basin and Mid Valleys East area. There are five principal centres (Caerphilly, Blackwood, Risca, Bargoed and Ystrad Mynach) supported by four local areas (Newbridge, Rhymney, Nelson and Bedwas). The county borough is a mixture of urban and rural communities. Overall the county borough comprises 50 distinct towns and villages. Three quarters of the borough is used for agriculture and forestry. However, the health of the area is comparatively poor with 8.6% of males and 7.8% of females, aged 16-74, long term sick or disabled. The percentage of workless household is higher than the Welsh average as are the numbers of ESA and Incapacity Benefit claimants. Employment patterns are higher than the Welsh average for manufacturing and skilled trades.

In comparison to Caerphilly county borough, Newport is a small coastal city with a much more ethnically diverse population concentrated around the city centre, with a relatively few more affluent outlying areas. Housing density is higher with more residents living in flat/maisonette/apartments. Employment is more likely to be in retail and service industries.

Caerphilly County Borough Council has retained its Housing stock and delivers its Sport and Leisure Service in house. Newport City Council no longer retains these services.

In general, we believe that the data presented by Welsh Government in Annex B is selective

and has not provided a sound basis for the decision that has proposed this merger. A better assessment would consider the possible future demands on public services and should particularly consider topographical constraints.

Caerphilly County Borough Council retains its position that a stand-alone Authority is the best outcome for our communities.

The Independent Group on Caerphilly County Borough Council believe there are currently too many local authorities within Wales and numbers should be reduced through consultation. Not a forced merger with Newport City Council which is flawed, with this the only option from the Minister.

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

We note the factors have included ensuring democratic accountability is maintained and that authorities are of sufficient scale. Our response to the scale argument is set out above. We do not believe that the factor described for how authorities relate to and take account of their communities has featured very strongly in the decision to draw a line around Caerphilly County Borough and Newport City Council. The areas are vastly different. The recently released Thriving Places Index for Wales show that the economic, social, environmental and cultural positions of the two authorities differ markedly in several respects. The demography and landscape, relative deprivation, health challenges and post-industrial factors are significant. Whereas Caerphilly scores highly for sustainability and income inequality it has more significant health challenges. Newport conversely has poorer community safety and cohesion indicators but less deprivation. This data is not surprising given the difference in rurality, industrial legacy, community diversity etc. The public sector response to the well-being of both areas is different and cannot be managed in the same way across both.

The data tables in Annex B of the consultation are quite selective. The differences in staffing, particularly social services staffing are notable. We are aware that there is more outsourcing of social services provision in Newport City Council. We have not outsourced services to the same extent. We are concerned that rationalisation of provision could affect our population. An issue which is of concern for us given our aging population and escalating demand.

We would suggest that the issues that impact on public sector demand should be more clearly examined in any comparison data. There is little beyond basic age related demographics and population density presented. Without an assessment of how available resources can meet demand any paper exercise is badly informed. The environmental differences between each authority are quite distinct, support for rural industries and protection of our outstanding natural environment are issues we fear could suffer in a combined authority. Likewise we are concerned that our more deprived northern valleys communities may not fare well in any resource allocation when compared to the social problems facing a diverse city area.

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

Please see above.

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

No alternative suggestions, Caerphilly County Borough Council retains its position that a

stand-alone Authority is the best outcome for our communities, but the Council is willing to enter focussed discussions regarding the sustainability challenges facing other Authorities.

e) In the context of these proposals, are there other ways we should simplify and streamline joint working arrangements at regional level and among public bodies within the new authority areas? If so, what are they?

Splitting the current Gwent area into two does not facilitate joint working with our Police and Health Board partners as they would be working with two local authority areas. All relevant Welsh Government policy and legislation thus far has driven Gwent wide working. Is the assumption that the structures that have grown up around this footprint would be dissolved? If that is the case it is yet another directional turn that Welsh Government would require of local authorities. Presumably the desire to create larger authorities would suggest that regional working would become less necessary? Where collaboration across Gwent had made sense for us in a business delivery perspective it has worked well. We maintain that we have the maturity and expertise to determine what produces the best outcomes for our populations and where regional working assists us and, importantly, where it does not. We have good working relationships with our partners in Gwent and do not see that creating larger local authorities would add any benefits to regional cross-sector working.

Regional economic development is working across a much wider footprint than Gwent and has proved that boundaries on a map are no barrier to shared commitment and understanding. The City Deal footprint too, is also offering tangible benefits now and for the future.

The Public Services Boards (PSBs) across Gwent collaborate, although the local assessments of well-being are very different, and hence Boards need to be responsive to their local populations. The Gwent PSBs are working to ensure consistency of delivery across the area with a coordinating officers group agreeing matters of consistency and alignment with the Regional Area Plan for social care. Delivery for the Area Plan and Well-being Plan will rely on local delivery partners in each area, particularly for communities and the third sector.

Chapter 5

Consultation Question 3

Chapter 5 sets out the proposed approach to transition and implications for establishing Transition Committees and elections to Shadow Authorities under each option.

a) Do you agree with the proposed process of transition: namely establishing Transition Committees and ensuring elections to Shadow Authorities can be held ahead of vesting day for the new authorities?

We would point out that the Leader and Cabinet are currently focussed upon the Cardiff Capital Region City Deal and rightly so, as this brings a more tangible prospect for improving the long term well-being of our communities. Any reorganisation will be extremely time consuming and, given the impossible timescales in Option 3, is neither realistic nor achievable. Similarly the senior officer support that would be required from Corporate Services is unlikely to have the necessary capacity in these challenging times. The authority has set itself an ambitious transformational change programme to meet the challenges it faces and improve services to the public, in the context of reducing budgets. Derailing the important work by requiring preparatory work to combine with another authority is an unwanted and unwarranted distraction that we cannot offer any positive response to.

The creation of a Shadow Authority would be costly and will require the support of officers who would also be managing day to day business. Given the fact that savings in services has meant less staffing we cannot see where this support will come from. An inadequately resourced process introduces risks and instabilities to the existing authority, and the proposed new authority.

Assembly Elections in May 2021 followed by Principal Elections to Shadow Authorities and Community Elections in June 2021 pose a real issue. These elections (which are already complex) may well be more so with new voting methods and franchises (16 year olds) and new initiatives like mobile voting all being introduced. From a voters point of view there is likely to be widespread confusion and voter 'fatigue'. The 'snap' General Election last year, after Local Elections, showed that we struggle with such a strain on resources.

b) Do you agree that, if option 1 were pursued, we should set a date by which voluntary merger proposals should come forward in each electoral cycle?

We have no view on this question as we do not envisage a voluntary merger either within our 'permitted' footprint or outside of it at this time. Caerphilly County Borough Council retains its position that a stand-alone Authority is the best outcome for our communities.

We recognise the challenges facing the smaller authorities in terms of resilience and sustainability. Should Welsh Government take a view that it wished to bolster smaller authorities we would be prepared to enter into discussions. However, this may be subject to additional consideration around police and health board boundaries in a similar vein to proposals for Bridgend County Borough Council.

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

The proposed process is yet another policy direction from yet another local government Cabinet Secretary. The anticipated benefits of reorganisation cannot be justified against the resource costs involved.

Consultation Question 4

The consultation suggests holding any local government elections in June 2021.

Are there any reasons why June 2021 would not be a suitable date? If so, please suggest an alternative date with the reasons why that would be more suitable.

Please see answer to Question 3 a) above.

Consultation Question 5

The Welsh Government recognises that there are some plans or assessments, for example the preparation of assessments of wellbeing by Public Service Boards, which are linked to electoral cycles. We will make provision to make sure these tie into any new electoral cycles going forward. Are there any other plans or matters which might be tied into the electoral cycle which we need to consider?

As far as we are aware the following Welsh Government legislation also has timelines tied to electoral cycles:

- Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015- also aligns to ordinary elections- Section 6
- Social Services and Well-being (Wales) Act 2014- population needs assessment to be completed per electoral cycle, and Area Plan to be produced within one year of the needs assessment- Section 14A

It would be extremely useful if all this legislation were captured in the same way with a clear understanding of alignment to electoral cycles. It would be even more useful if the requirement for strategic assessment and planning could be streamlined and further aligned. In some cases the direction of these strategic plans is necessarily influenced by political view. In other cases this may be less so. Requiring several sets of high level assessment and planning on the same timeline is a pressure on partnership resources.

Consultation Question 6

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

The Local Democracy and Boundary Commission for Wales is reviewing this authority in 2019 as part of their regular programmed work. Whether they have the resources to undertake the electoral reviews of the proposed new authorities would be a matter for them, although we wonder what capacity would be needed to review all authorities in Wales at the same time.

Chapter 6

Consultation Question 7

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

Members are key consultees on issues affecting their communities; they can often suggest solutions to problems and also provide links to local groups.

When Members are elected an audit of their skills and knowledge could be undertaken and people with particular areas of expertise identified. This could be used by the local authority when planning engagement and consultation with local communities.

Better use of social media, to allow Councillors to forward any concerns raised from their social media accounts. This would give Councils the opportunity to gather views on issues when there are views where the public may not be willing to engage in formal consultation.

b) How could we better recognise the level of responsibility involved in being a local councillor? What changes to the remuneration and support councillors receive would enable a wider range of people to become involved in local democratic representation?

The workloads of all Councillors are increasing, they are expected to be available 24/7 and the current remuneration does not reflect the time some councillors often allocate their various roles. In order to attract diverse and representative candidates there are a number of areas that could be addressed:

- Family Absence - the Local Government (Wales) Measure 2011 introduced Family Absence which allowed 26 weeks for maternity absence, 2 weeks for Adoption Absence and up to 3 months for Parental Absence. Surely it is unfair to only allow 2 weeks for adoption when families can be adapting to significant changes, and as Corporate Parents surely local authorities should be leading the way in supporting people considering adoption.
- The support as contained within the Annual Reports of the Independent Remuneration Panel are not prescriptive, therefore each Local Authority will interpret them differently. If the intention is to encourage people to consider Public Office from all walks of life, the support provided should be clearly defined so that there is no ambiguity surrounding what they can expect in terms of IT, telephones etc.
- If the plan is to reduce the number of Councillors and increase the ratio of constituents to Councillor, the level of support for members would need to increase, research support and, administrative support to organise their workloads.
- A larger authority with fewer Councillors would decrease democracy as Councillors would become further detached from communities.

Consultation Question 8

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

We agree that in many cases both tiers of Government in Wales are being expected to do the same job. This is not a sustainable position and we believe that local government is best placed to determine, and respond to, the needs of its communities.

We would wish to reiterate our response to the letter from the Cabinet Secretary dated the 8th December 2017 in relation to powers and flexibilities:

- We ask that Welsh Government continues to reduce the number of specific grants by transferring funding to the RSG.
- We would also like to move to three-year financial settlements. The difficulties for Welsh Government due to the lack of clarity in terms of its funding from the UK Government are understood, but this is something that needs to be considered given the scale of the financial challenge faced by the public sector.
- There is currently some flexibility around the use of capital receipts for service transformation projects. It would be helpful to extend this further.
- We agree that Local Authorities in Wales should be given the general power of competence so that they can explore more innovative ways of generating income.
- Change Big Lottery Fund criteria to allow grant funding to support council-run community services, particularly those most at threat such as libraries and leisure centres.
- Remove the Treasury Imposed cap on Housing borrowing allowing Welsh councils to borrow more for house building since the public sector clearly gains a bankable asset and there is no need for this to appear on the books as public borrowing. This would support the Welsh Government priority of building more affordable homes and also provide an opportunity for Local Authorities to lend to RSLs.
- Renewed consideration of "green taxes" to protect the environment including charges on chewing gum, plastic bottles, and polystyrene packaging for takeaway foods, with the revenue being ring-fenced to local authorities to invest in street cleansing.
- Greater freedom for Local Planning Authorities to get on with producing development plans that are delivered locally. Accepting that the role of Government is to set broad strategic priorities it is unnecessary and often unhelpful for LPAs to have to run

development plans past counterparts in Welsh Government. Contrast that with development management where, quite rightly, Welsh Government hardly get involved at all with the determination of planning applications, and leave the decisions to be made by the LPAs.

- In relation to food safety, the current system of food business registration is not fit for purpose. Under existing arrangements, most businesses can start producing food without having to demonstrate that they can do so safely. We know, however, that the public's expectation is that the local authority carries out a check first. The current approach is also not in the best interest of businesses as invariably businesses that do not have contact with local authority officers prior to trading end up with a poor food hygiene rating on first inspection. We need an approach that can better support businesses that wish to start up, grow or diversify. We would therefore like to see the introduction of a "prior approval" or licensing system for food businesses.

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

Please see above which was a response in respect of both powers and flexibilities.

We note the analysis work undertaken by the WLGA on the plethora of corporate planning, governance and reporting duties in the Well-being of Future Generations (Wales) Act 2015, the Accounts and Audit (Wales) Regulations 2014, the Draft Local Government Bill 2015 and the current Local Government (Wales) Measure 2009. We would welcome an open and honest dialogue around the duplication of these arrangements with a view to developing a single set of robust planning and corporate governance arrangements to remove duplication and confusion.

Consultation Question 9

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

We would wish to reiterate our response to 'Reforming Local Government Resilient and Renewed' that the following transactional services may benefit from being organised on a wider geographical footprint. At that time we proposed that, subject to an appropriate business case, 'Greater Gwent' would seem a sensible footprint and would wish to maintain that stance:

- Welsh language
- IT provision
- Legal Services
- Payroll
- HR transactional services
- Procurement
- Information Governance
- Performance
- Internal Audit
- Administration of Housing Benefits and the Council Tax Reduction Scheme
- Contact centre arrangements potentially with public sector partners
- Order processing and Creditor Payments

b) How might such arrangements be best developed?

As we have stated we believe that local government has the maturity and expertise to

determine which collaborative arrangements work best for its needs and those of the communities they serve.

Appreciating that Welsh Government has funded the exploration of regionalised arrangements in the past, that perhaps have not always borne fruition, there may be a case to develop a route map for transactional services and provide appropriate resources to achieve service alignment. Regional Scrutiny Committee structures may be needed to support truly regional services.

Consultation Question 10

a) In ensuring we deliver a consistent approach across Wales, where consistency is important, how do you think the advice and support on each of these matters could be best provided?

The Green Paper recognises the difficulties in combining authorities, unfortunately, however, it takes a 'rose-tinted view' of how these difficulties may be overcome with a suggestion that additional support from Welsh Government could help overcome these. We maintain that even with suggested support that it is highly unlikely to be enough to surmount the problems of combining services, staff, assets, systems and processes, finances and budget structures. The last time a reorganisation happened there were significantly more resources both in terms of capacity and finance to support the change. This is very much not the case now. We strongly feel that we do not wish our resources to be distracted from delivering high quality services for our residents onto a track that will take a huge amount of effort for what we see as negligible, or non-existent, potential gain.

The suggestion of using capital receipts to support transformation costs highlights the optimistic thinking at play. How would this be applied consistently across Wales and across the borders of the proposed new authorities? Capital receipts are already earmarked to support services through austerity.

The 2015 assessment of costs to local government was over £200 million. As far as we see it this could have only come from reductions in services that would impact on the public. CIPFA stated then that the costs had been underestimated and we maintain that return on investment is not possible as any available savings are likely to have already been taken in services. We are now facing service reductions on a large scale in order to balance our budget. Redundancy and compensatory payments would offset any savings that could be made in combining staffing, and as we have always strived to maintain front line services, as far as we possibly can, we cannot comprehend a future which would require us to reduce what we provide at the customer interface. You have highlighted that central support services would be necessary to drive the changes which have, as a consequence of decreasing budgets, suffered from reductions in capacity. This is particularly so for Caerphilly County Borough Council where we have sought to take savings in these areas if possible rather than disrupt front line services. To now expect those slimmer structures to support a reorganisation introduces risks that we are wholly opposed to. We want to use our corporate services capacity to drive transformation and improvement from within, not have that capacity diverted. We doubt that Welsh Government could provide the additional support needed to drive forward this agenda in a way that ensures continuation of service delivery and minimal impact to the public.

You rightly point out that the potential levers to bring improved services such as digital transformation, and a truly embedded use of the sustainable development principle in the Well-being of Future Generations Act, including working more closely with communities, offer options for transformation. These are tools that we are already engaged with and are

exploring. Using WCCIS as an example of a transformative programme may not be a good example as we know that colleagues in health are far behind local authorities in embedding the system.

We maintain that we have the ability and expertise to decide how we can collaborate in shared services, to identify where the tangible benefits are, what the inputs may be and to balance the equation in any decision making. We expect that Welsh Government would take a less paternalistic view and agree with us on this point.

In terms of our estate we are already speaking to our PSB partners about the best use of our assets and so we do not feel that there are any unexplored options that will help us develop plans for the sustainable use of our combined assets. We are linking with the National Assets Working Group in this respect.

c) Are there any other challenges or opportunities from structural change or providing additional powers and flexibilities that have not been identified above? If these areas require support, what form should this support take?

We believe that we have answered this question above. Noting the intention of Welsh Government to provide additional support we do not think that, realistically, this can be provided to all 22 authorities at the same time, and to the same level, to enable the degree of consistency that would be required.

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

We have no comment to make on this point since we maintain that a reorganisation at this time would detract from what we are trying to achieve for our communities.

However, if this were to progress an agreed phased approach based upon voluntary agreed mergers would be preferable.

Consultation Question 11.

We would like to know your views on the effects that the proposals within this consultation would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

a) What effects do you think there would be?

The Welsh speaking population of Caerphilly County Borough Council is higher than that in Newport City Council. We have supported our Welsh learners via the Welsh in Education Strategic Plan 2017-2020; we have around 3000 pupils in Welsh medium primary education and have increased our secondary school provision with a capacity of around 2,348 by 2025 due to a second site being completed in 2013. This compares with between 600 and 700 primary pupils in Newport and a new secondary school.

We have a robust 5-year Welsh Language Strategy for the area built upon our close working relationships with providers in the third sector. We run our translation service through a combination of internal and external provision. We have received relatively few complaints through the Welsh Language Commissioner.

It is our position that the proposal to combine this authority with Newport City Council would

have a detrimental effect on the Welsh language in view of the very different prevalence of usage, educational provision and service provision in Welsh.

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

We maintain, as we have set out above, that the amalgamation with Newport City Council is not the right 'fit' for us for all of the reasons explained. The Welsh language is just one such illustration of the difference between the two areas.

Consultation Question 12

Please also explain how you believe the proposed policy within this consultation could be formulated or changed (if required) so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Please see above.

Consultation Question 13

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

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

None identified.

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

None identified.

Consultation Question 14

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

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

The Black and Minority Ethnic population of the Newport City Council area is significantly higher. 2.9% of homes in Newport do not have English or Welsh as a main language, compared to 0.5% in Caerphilly County Borough. The density of Black and Minority Ethnic groups is markedly higher in the Newport City Council area, with the council also being an asylum dispersal area.

Given the differences in the two areas we envisage that the proposed merger footprint may be detrimental to Black and Minority Ethnic communities if the same level of service currently provided to them is diluted.

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

The public sector demands are different across the two areas and it would be difficult to rationalise an equitable level of service across both that met the needs of Black and Minority Ethnic communities and also, for example, met the needs of deprived communities in the northern valleys.

Deprivation is not a protected characteristic but it is recognised as being socially isolating, prejudicial and discriminatory.

Consultation Question 15

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

We fail to understand why, in the midst of austerity, we are being asked to respond to another Welsh Government reorganisation proposal. Since austerity began to affect local government finances we have responded to the challenge. We are still delivering services well, our customer satisfaction levels remain high with 74% of residents satisfied, or very satisfied, with the services provided by the council according to the most recent household survey. A robust plan has been developed that ensures the Council is able to deliver high quality, effective services over the next 5 years. However, we recognise that the resilience and sustainability of the smaller authorities is questioned and, if this is the challenge to be addressed, a more focussed and proportional response is needed and continued dialogue with local government is required in order to provide solutions that are appropriate and responsive to the needs of our citizens. Caerphilly is happy to continue discussions on this basis. We have to question why Welsh Government is leading us down yet another path; we maintain that the status quo is the best option for the communities of Caerphilly County Borough.