

GWYNEDD COUNCIL



Report to a meeting of the Council

Date of the meeting: 3 May 2018
Report by : Councillor Dyfrig Siencyn, Council Leader
Contact Officer Dilwyn Williams, Chief Executive
Title of the item: The Government Green paper “Strengthening Local Government: Delivering for people”.

1. The Welsh Government have published a consultative document under the title “Strengthening Local Government: Delivering for People” which consults on “options to create stronger and more powerful by bringing them together to create new authorities.”
2. The paper sets out the case for change and then under the heading “Options for strengthening local government”, it notes that there is only one credible option for doing so which is to merge authorities and the paper is effectively a consultation on how best to do it.
3. The full green paper can be seen by following the link below.

<https://beta.gov.wales/strengthening-local-government-delivering-people>
4. It asks 33 specific questions, some of them dealing with fine detail but rather than trying to construct answers to those questions, the purpose of this report is to engender a discussions on principles which the Council should adopt for use in any future discussion on the issue in future. We can then formulate a response which is consistent with those principles.
5. A response is required to the consultation by the 12 June.
6. The appendix to the report sets out the background and summarises the key issues in the green paper. On the basis of past discussions and our own experiences, proposals are made on the principles which should guide us in any future discussions.
7. These are summarised below as a basis for discussion at the Council.

Principle 1: The principal focus should be the ability of the public sector to deliver that which is important to the individuals which we serve.

Principle 2: Service should be provided at the most local level possible.

Principle 3: We wish to see a meaningful role for town and community councils in terms of them being responsible for and delivering some services in any pattern of public services developed for the future. We also therefore welcome the cross-party inquiry currently being undertaken to see if there is a need for change in order to ensure that the community council level can fulfil whatever role should be undertaken by them.

Principle 4: Accepting that there will be some functions which must be delivered by larger authorities, a balance needs to be struck between authorities of an appropriate size and retaining links with the communities they serve in order to protect local accountability and democracy.

Principle 5: In order to facilitate a national conversation a piece of work should be commissioned to establish what should be done by each level of government so that we can realise the ambition noted in paragraph 6.13 of the paper which states that we need to ensure that we do not have two tiers of government trying to do the same job. We need to be much clearer about the boundaries between the roles of the Welsh Government and local government and respect these roles.

Principle 6: We agree with the conclusions of the Williams Commission that better and more selective use needs to be made of collaboration and that the key to that is to leave local government itself to decide if it is beneficial or not. We certainly agree that the current complex collaborative working environment which has developed under the Government's direction needs to be simplified and lines of accountability clarified.

Principle 7: Any discussion on collaborative working should be led by the benefits that would accrue to the people of Gwynedd in terms of improving our ability to achieve that which is important to them or doing so more efficiently but setting that determination against any effect on local accountability.

Principle 8 : We believe that leadership is more important than the size of an authority. We consider Gwynedd Council to be of an appropriate size taking into account the challenges identified in the various studies to which references have been made, but as the Council's main responsibility is to protect the interests of Gwynedd's citizens, and in view of the criteria noted in principle 7, we should not close the door on any possibility which could lead to cost savings in management, central support or back office costs, which could in turn reduce the cuts which the council might have to make over the next few years.

Principle 9 : Accordingly, the Council is prepared to take part in any discussion which would facilitate such an investigation in order to establish the potential benefits which a merger would offer, but any final decision would need to clarify the benefits against any weakening of accountability.

Principle 10 : In any redesign there needs to be an assurance that any proposals do not create wards which are too large and make the work of the elected member in engaging effectively with their community more difficult. In particular, we must have assurances that we will not see more multi member wards, as such a provision can cloud the accountability of individual members within their electorates.

Principle 11 : The implementation of a language policy which is clear in its presumption in favour of the Welsh language is fundamental to any future proposal and the Council will not compromise on that fundamental principle.

The history of discussions on the future of Local Government and the contents of the latest green paper “Strengthening Local Government : Delivering for people”.

The history

1. The appropriate structure for local government has been the subject of much discussion since the Commission on Public Service Governance and delivery (the Williams Commission) published its report in January 2014.
2. It is difficult to summarise the 347 pages in that report without over simplifying. It was a report on the whole public sector and it identified the difficulties which public sector organisations were facing in general, but no attempt was made to try and establish which functions should be undertaken at each level of government and in the end, most attention was focused on the proposals to reduce the number of local authorities.
3. The Commission’s report noted that severe and sustained pressure on budgets and an increase in service demand by our citizens meant that the only viable way to meet the needs and aspirations of our citizens is by designing and implementing solutions which prevent rather than respond to critical solutions.
4. It is noted that the public sector is not in a position to be able to face these changes because the public sector structure is too complex with too many public organisations and some are too small and face multiple and severe risks to governance and delivery.
5. Many organisations were criticised for being slow to respond to pressure for change with their governance arrangements and those of partnerships often ambiguous and inadequate
6. The public sector values were not aligned with the challenges they faced allowing parochialism, defensiveness and insularity rather than innovation, flexibility and responsiveness.
7. In addition to these aspects relating to organisations such as local authorities the Commission also made a number of observations which had implications for the way in which the Welsh Government was operating.
8. For example, bearing in mind that it was the Government that had created a number of them the Commission states that “formal structures and relationships within the public sector are so complex as to inhibit both the

service improvements they claim to pursue and the accountability they seek to enhance. They also create and sustain short-term organisational cultures”.

9. They noted that much of the complexity arises from the multiple policy mechanisms (such as legislation, regulation, guidance and funding) which different departments of the Welsh Government use in dealing with service providers. Many of these place prescriptive and detailed requirements on other organisations in different ways; there is not always a clear rationale for why a particular mechanism has been chosen; nor is there always a sense that different policy mechanisms and programmes interact coherently and effectively. Sometimes, these differences frustrate collaborative action by local partners.
10. The Commission was particularly concerned at the Government’s use of specific grants stating that “they control, and thus focus attention on inputs rather than on outputs”. They were also critical of the tendency to create unnecessary legislative requirements; “the practice of legislating to require public bodies to ‘have regard’ to a specific concept or objective in their decision-making processes simply complicates those processes without necessarily achieving anything in terms of the objectives concerned”.ⁱ
11. The Commission’s response to their analysis was to :-
 - Reduce the complexity of the public sector by simplifying accountability, removing duplications, streamlining partnerships, making much better and more selective use of collaboration and maximising the synergy between organisations, including service delivery and ‘back-office’ functions;
 - Increasing the capacity of local authorities by mergers so as to combat the problems faced by small scale establishments and facilitate service integration and partnership working;
 - Strengthen governance, scrutiny and accountability measures.
 - Create a new approach to leadership based on shared public service values and based on collaboration and focussing on the citizen;
 - A different approach towards performance management through a single and concise set of national outcomes.

[The second bullet point is interesting considering that it is noted in the report that “it is a myth that there is some ideal structure or configuration of the public sector in Wales or anywhere else that will eliminate all problems of governance and delivery by design. The fact that governments around the

world have sometimes believed that myth, and embarked on widespread structural change for its own sake, does not make it real”].

12. This report led to a white paper by the Minister Leighton Andrews with the title “Reforming Local Government : Power to the People” which proposed that there should be a merger of authorities and asked for volunteers to take the first steps on that journey.
13. In October 2014 the Council discussed the white paper and their response at the time was -
 - The Council’s main responsibility is to safeguard the interests of Gwynedd residents and the services provided for them. Because of this, and accepting the reality that change is unavoidable, the responsible thing to do is not to close the door on any possibility that could lead to savings in management, central or back-office costs that could, in turn, reduce the scale of cuts that any council would have to make in the coming years.
 - As a result, the Council was willing to take part in any discussions that would facilitate that in order to identify what benefits could follow if the council amalgamated with another council or councils.
 - In doing so, the Council noted some important considerations on which it would seek assurances and some questions that needed answering before the Council would be able to proceed further in terms of submitting an offer to amalgamate. These were -
 - i. Ensuring accountable local democracy is crucial in moving ahead and any governance arrangements for the future must include arrangements for ensuring a dialogue on public services at a more local level than that of the current councils. Centralising in larger councils does carry a risk of distancing accountability from local communities and there is a need to improve the accountability and engagement of councils and individual members with residents and communities.
 - ii. The pattern of public services for the future must include a meaningful role for town and community councils in terms of being responsible for and providing services.
 - iii. In terms of the accountability of local members, assurances should be sought that the Boundary Commission proposals should not create wards that are too large, making the work of local members in engaging effectively with their communities harder. Specifically, assurances are sought that there will be no more multi-member wards, since such provision can confuse the accountability of local members within their wards.

- iv. Operating a firm Language Policy to support the Welsh Language is crucial for any new council that Gwynedd would be part of in the future
 - v. Certainty is required on the financial and asset position of every partner in order to assess the sort of financial position that any new council would inherit.
14. Despite the Council's mature response, it is fair to say that the general response to the proposals across Wales was lukewarm to say the least.
 15. Later, Mark Drakeford became the Minister and in January 2017 he published another white paper "Reforming Local Government : Regeneration and Renewal" where he announced due to the lack of support for wholesale reorganisation, those proposals would not be discussed further.
 16. Instead, the new white paper suggests that there is a desire amongst Leaders and Chief Executives for more regional working in Wales. The paper goes on to acknowledge that we should think carefully about the advantages and disadvantages of regional working. Whilst the paper emphasises a number of advantages of regional working and identifies a wide range of opportunities where this should be done, the other side of the coin is not highlighted i.e the disadvantages.
 17. It suggested developing a systematic and mandatory method of working on a regional basis.
 18. Throughout all of the discussions to this point whilst local democracy and accountability was mentioned in the Commission's report and in the two papers published by the government, one gets the impression that at best it was only being paid lip service rather than establishing it as a central principle.
 19. A number of engagement events were conducted across Wales to discuss the white paper and the Welsh Local Government Association's note of the conclusions reached at those meetings highlights clearly that there was a consistent message that strong local accountability and democracy needed to be a clear consideration when weighing up any case for moving towards more regional commissioning or management.
 20. It appears therefore that the message from the local government community was that local accountability should form the cornerstone in any case for change, but in the rush to "sell" further collaborative working there is a danger that this cornerstone has been relegated to the background by the Government or worse still, completely forgotten.

21. In addition, it appeared that the Commission's messages regarding the complicated environment which had been created in the field of collaboration had not been given any consideration.
22. We now have a new Cabinet Secretary, Alun Davies who has said in the WLGA Conference and at a meeting I had with him that he wished to empower local authorities and reduce the detailed control which was being placed upon us from Cardiff. I welcomed this message and was looking forward to the actions to make it a reality.
23. He has now published a green paper with the title "Strengthening Local Government : Delivering for people" and we need to submit a response by the 12 June.

The Green Paper

24. The Green Paper wants a strong and empowered local government which can provide bold, determined and focused local leadership. It is eager to see councils with the strength and the scope to work in the best interests of the communities they serve and use public money effectively for the public good. We cannot argue with this vision.
25. The paper acknowledges that local democracy is a core part of Welsh identity but notes that a stronger local government is required with the ability to address the challenges we face.
26. The question I suppose is what evidence is there that this is not currently the case.
27. When reading the green paper, it is evident that it relies heavily on the findings of the Commission's report referred to earlier and notes that smaller councils face significant challenges in delivering consistently, securing the resilience, expertise and leadership capable of transforming their organisations and supporting their communities in a complex and changing world. They have further restrictions because of their proportionally greater administrative overheads.
28. The paper also highlights that local government has said that it is broadly supportive of the case for reforming local government and greater levels of regional working. It's difficult to know where this idea has come from as this is not my impression from the meetings I have attended.
29. It draws attention to the fact that local government has also noted that there are local services at the point of collapse despite the fact that Welsh Government has protected funding for local government in Wales.

30. Again, the basis for this interpretation is unclear to me as it notes in support of the contention the fact that local government finance increased by 4% between 2010/11 and 2017/18, but the Gwynedd settlement figures show that we suffered a reduction in grant of £16m over the period. This is not +4% !
31. It notes that continually increasing expenditure is not the solution (although we've seen a reduction) and that we need to transform services. To support this they refer to the history of prolonged attempts to promote collaborative working in local government on a voluntary basis and refers specifically to the slowness of pooling budgets in social services and health and the lack of appetite to develop joint local development plans. It is ironic to note that one of the smallest local authorities in Wales (Isle of Anglesey) is an authority which has done so (jointly with ourselves).
32. It is even more ironic to note that the reason why pooled budgets have not gained traction in the North is because the Government is forcing us to implement the policy in a way they think it should be done despite the fact that we know at the local level that it is not the way to go about it. It is not an objection to the concept that we have but rather the way in which they are insisting we implement it. Exactly the concern which the Williams Commission expressed.
33. Unfortunately the paper does not reflect upon why these concepts are not gaining traction and if it had done so, it would conclude that the reason was exactly that which the Minister himself had stated he wished to see being reduced – namely the intervention from Cardiff when people closer to the coal face know best what needs to be done.
34. Our experience in North Wales suggests that the expansion of regional collaborative working has at times resulted in the clouding of accountability and making the environment in which we are trying to deliver for our citizens needs even more complicated. In the context of local democracy this cannot be a good thing.
35. That is not to say that a regional or sub regional collaborative model cannot offer benefits.
36. There are some issues where perhaps local determination is less important than the benefit which could accrue in having a regional, sub-regional or national mode of working. The Growth bid would be a prime example.
37. However, a decision on each case should be taken on its own merits taking into account potential benefits set against any potential loss of local accountability, rather than following the mantra that big is always necessarily better.

38. We cannot argue that there is no such thing as economy of scale, but here can also be a diseconomy of scale. Sometimes, an organisation can become so big that the cost of trying to coordinate is greater than the expected cost saving of scale, and the service can often end up being less responsive, which reduces our ability to fulfil that which is important to the individual and we end up providing a “vanilla” solution to all.
39. The green paper goes on to outline that regional working will continue to play a crucial role in those areas where the topic lends itself to scale or where there are benefits from multiple local authorities being engaged (although it does not make any reference to the implications for local accountability).
40. Another issue of concern is that the paper notes that the Education Consortia will continue and have the potential to do more. There is a potential here for greater clouding of accountability. It notes that integrating health and social care and implementing the vision set out in the Parliamentary Review of Health and Care is ever more pressing. Another irony here is that they say this when the report actually encouraged more local delivery.
41. However, the paper notes that joint working in itself will not be sufficient and that it is time to examine creating fewer, larger authorities. The vision is that creating such authorities would make them stronger and more sustainable. Combining this with appropriate regional delivery, we would build on the advantages of our present system and get to grips with the challenges we face.
42. It then goes on to mergers (including Anglesey and Gwynedd) and discusses three ways of implementation:-
- Voluntary mergers
 - A phased approach with early adopters merging first followed by other authorities
 - A single comprehensive merger programme
43. There is no discussion as to whether or not merging authorities is the right answer. They note that they have no other credible alternative proposition. Even if it is accepted that merging is the answer, it does not question whether now is the time to do so.
44. They recognise that there will be a cost to the process of change and that they will use the consultation process to update the evidence on costs and benefits to help inform final decisions. This of course suggests that there is evidence in the first place. Certainly, there is a feeling from the start that the “evidence” presented in the Commission report is suspect to say the least. However, the paper notes that they believe that there are still significant financial benefits to be gained.

45. One of the paper's weaknesses is that it weds itself to the illusion that if we reorganise, the advantages will answer the problems which local government faces.
46. In discussing how they came to a decision on the areas to merge, the paper notes that they have been constructed according to how any new authority areas relate to and take account of their communities ensuring democratic accountability is maintained, creating a sufficient scale to empower any new authority to protect public services and placing local government in a position of strength and sustainability for the future.
47. They do not determine a perfect size for a local authority. They note that the new areas will give the opportunity for more innovative approaches to service delivery and a greater ability to attract and retain the skills needed to deliver these services.
48. Oddly, the fact that Powys is a large geographical area means that there is no proposal to merge (although the principle being pursued in the report is sustainability).
49. It notes that after the reorganisation, collaborative working should continue and having fewer players around the table would create a more coherent sense of purpose and enable faster decision-making.
50. This seems to suggest that we should have fewer voices (and thus less democracy) in favour of quicker decisions.
51. If the comprehensive merger option is chosen, the intention is that the merger would take place in 2022 with the elections to the new councils taking place in June 2021. The remainder of part 5 deals with other transitional arrangements.
52. There is a section in the paper that deals with budgets but this is rather vague and it is not clear what exactly is under consideration.
53. The content of part 6 of the paper then goes on to set out the proposals for strengthening local democracy and giving the powers and flexibility which new local authorities need, but specifically it emphasises that they are for those who have chosen to come forward to merge (not for those who have not).
54. It notes the need for the role of an elected member to be more attractive and to ensure that they are properly remunerated; it also notes that the Welsh Government will work with local government to champion the role of elected members and help communities understand and value the important part councils play in their lives.

55. One aspect to be welcomed is that clause 6.13 of the paper states that “we cannot afford to have two tiers of Government trying to do the same job. We need to be much clearer about the boundaries between the roles of the Welsh Government and local government and respect these”. Such a statement should be welcomed but will there be actions to support this vision – some statements in the report suggest otherwise.
56. It is intended to legislate for a general power of competence for principal councils which merge and community councils which meet eligibility criteria.
57. It is sad to see the weary suggestions relating to transactional services. They are going to invite merging authorities to be a part of the process of designing regional solutions for such services. They warn that those who do not come forward will be expected to adopt arrangements shaped by others.
58. Our previous experience in North Wales in trying to establish such a regime for the 6 authorities showed that having spent time and money looking at the proposal, the business case for undertaking such a venture did not stack up.
59. They also note the opportunity for efficiency savings by creating shared services to deliver administrative tasks. They note that this is not about creating anonymous shared services remote from people but about releasing staff to undertake front line services.
60. It appears that they have not had the opportunity to learn the lessons of having undertaken a whole systems approach as we have been able to do through our Ffordd Gwynedd initiatives which show that if you take the “administrative” work out of the work flow to be done elsewhere, the danger is that you will increase waste, failure demand and greater coordination costs – matters which do not receive much focus when “proponents of scale” laud the success of their efforts.
61. Indeed this approach to “administrative work” betrays a lack of understanding as to how modern local government services are provided and that there is no longer such a thing as “pure administration”. Any task which could be classed as administration is often an integral part of delivery. If it is only “administration” it is likely to have been removed as part of any whole system review in any case.
62. There is a specific section about the Welsh Language which notes very optimistically that the creation of new authorities will present an opportunity to strengthen the use of the Welsh language as the language of internal administration in local authorities. I imagine that political will is more likely to lead to this than any council restructuring.

63. In respect of community and town councils (which need to be part of any discussion regarding accountable local government – especially if principal councils are going to get larger) it refers to the cross-party review which is currently under way to identify how community councils can be strengthened and which will submit a report in October. It does not say any more about the issue or how it will impinge upon the green paper's proposals.

Possible Principles

64. In accordance with the Ffordd Gwynedd principles, the first principle we should note in undertaking any future discussion is that **the principal focus should be the ability of the public sector to deliver that which is important to the individuals which we serve.**
65. This would mean that we need to be able to be answerable to the individual for doing so and therefore as a second principle; **services should be provided at the most local level possible.**
66. If we set Westminster aside for the moment, in accepting that we have 3 levels of democratic government in Wales – the community councils; principal councils and Welsh Government – naturally, the community council level is the most local possible.
67. We therefore welcome the cross-party inquiry currently being undertaken to see if there is a need for change in order to ensure that the community council level can fulfil whatever role should be undertaken by them. **We wish to see a meaningful role for town and community councils in terms of them being responsible for and delivering some services in any pattern of public services developed for the future.**
68. **Accepting that there will be some functions which must be delivered by larger authorities, a balance needs to be struck between authorities of an appropriate size and retaining links with the communities they serve in order to protect local accountability and democracy.**
69. In order to decide what should be done by each level of government, **a piece of work should be commissioned to establish what should be done by each level so that we can realise the ambition noted in paragraph 6.13 of the paper which states that we need to ensure that we do not have two tiers of government trying to do the same job. We need to be much clearer about the boundaries between the roles of the Welsh Government and local government and respect these roles.**
70. We agree with the Williams Commission's statement that better and more selective use should be made of collaborative working and that the key to this is to leave local government itself to decide is it of benefit or not. We certainly agree that the current complex collaborative working environment

which has developed under the Government's direction needs to be simplified and lines of accountability clarified.

- 71. From the Council's viewpoint, any discussion on collaborative working should be led by the benefits that would accrue to the people of Gwynedd in terms of improving our ability to achieve that, which is important to them, or doing so more efficiently but setting that determination against any effect on local accountability.**
 72. In relation to the question of whether the Gwynedd Council is of an appropriate size to be accountable and avoid the possible weaknesses identified in the various documents noted above, accepting that we need to build on the concept of wellbeing area meetings, we believe that the Size of the current Council is appropriate.
 73. Having said that, in relation to the question of whether there should be mergers, we should reiterate our stance in 2014 which was that the prime responsibility of this Council is to protect the interests of Gwynedd's citizens and the services provide for them. **We should therefore we should not close the door on any possibility which could lead to cost savings in management, central support or back office costs, which could in turn reduce the cuts which the council might have to make over the next few years.**
 74. As a result , the Council is prepared to take part in any discussion which would facilitate such an investigation in order to establish the potential benefits which merging with others would offer, but any final decision would need to clarify the benefits against any weakening of accountability.
 75. In any redesign there needs to be an assurance that any proposals do not create wards which are too large and make the work of the elected member in engaging effectively with their community more difficult. In particular, we must have assurances that we will not see more multi member wards, as such a provision can cloud the accountability of individual members within their electorates
 76. Throughout all of this, the implementation of a language policy which is clear in its presumption in favour of the Welsh language is fundamental to any future proposal and the Council will not compromise on that fundamental principle.
-