

Cardiff Metropolitan; Hodge Economic Research Group: Consultation Responses to the WG White Paper: Resilient and Renewed Local Authorities

SECTION 2

<p>Consultation Question 1. (Para 2.2.1): The Welsh Government believes that it appropriate to consider ‘tests’ to frame thinking around regional working.</p>
<p>a) Do you think the ‘tests’ set out are helpful in guiding thinking?</p>
<p>Yes</p>
<p>b) Are there other tests or considerations that might also be used?</p>
<p>No Comment</p>
<p>Consultation Question 2. (Para 2.3.35): In this White Paper the Welsh Government has set out a number of areas which it believes should be required to be delivered on a regional basis.</p>
<p>a) Do you agree that these areas should be delivered regionally?</p>
<p>Yes. Some of the areas clearly need to be managed regionally. These include economic development, transport and certain land-use planning functions. In other cases much depends on the specifics of the locality, the size of the local authorities and the opportunities for co-operation. Generalisation is more difficult for social and educational policies. We return to the question of ancillary powers required.</p>
<p>b) What practical considerations should we consider in taking these proposals forward?</p>
<p>c) What other ‘ancillary’ powers would be required to ensure the effective exercise of the functions exercised regionally?</p>
<p>Consultation Question 3. (Para 2.3.43): In this White Paper the Welsh Government has set out a number of areas which it believes could also be delivered on a regional basis.</p>
<p>a) Do you think that Local Authorities should also be required to work regionally to deliver these functions?</p>
<p>Local authorities should be required to work regionally to deliver the functions enumerated in question 2. In other areas it may be appropriate to allow local variation. The government has sufficient ability to “lean on” councils where they appear to be reluctant to undertake valuable co-operation.</p>
<p>b) Are there any other practical considerations we should be aware of?</p>
<p>Consultation Question 4. (Para 2.3.43): Are there any other functions that would benefit from a systematic approach to regional working?</p>
<p>No.</p>

<p>Consultation Question 5. (Para 2.3.43): Welsh Government believes that, subject to engagement with local government and other partners, there should be flexibility to enable Welsh Ministers to mandate additional functions to be undertaken regionally.</p> <p>Do you agree or disagree? Why?</p>
<p>Disagree. If Ministers have the ability to mandate that other functions are conducted regionally, the concern would be that this would lead to instability. Changes of Ministers or of local authority control could lead to political differences resulting in existing arrangements being disrupted by Ministerial order. It is important that any restriction of local authority power be seen to be in the clear interests of better, more responsive government and not simply the result of political differences. It is probably safer if such changes require legislation by the National Assembly, i.e. require primary not secondary legislation.</p>
<p>Consultation Question 6. (Para 2.3.44): The Welsh Government believes that the new arrangements should not prevent Local Authorities using their existing powers to undertake additional functions regionally.</p> <p>Do you agree or disagree? Why?</p>
<p>Agree. The corollary of leaving co-operation in some policy areas to the initiative of local authorities is that they should be enabled to undertake it in areas that the government has not thought of, as well as not undertake it in areas that the government has thought of.</p>
<p>Consultation Question 7. (Para 2.4.16): The Welsh Government believes that some back office and transactional services ought to be organised and delivered regionally or nationally.</p> <p>Which services do you believe could best be organised and delivered these ways?</p>
<p>Strongly agree. Even in cases where strictly local decision-making by directly elected officials is in order there is no reason why they cannot share services and realise scale economies. Finance is an area where pooled expertise would be better. Local authorities have already pooled pension funds (perhaps to excess). Tax collection and cash management are other financial functions that could benefit from aggregation bringing more expertise to bear and facilitating efficient computerisation. The combined units would be more formidable and interesting clients for private banks.</p>
<p>Consultation Question 8. (Para 2.4.16): The Welsh Government believes that overcoming data sharing issues is key to taking forward greater regional working of back office functions.</p> <p>a) What legislative obstacles have made progress on sharing services difficult?</p>
<p>No fundamental obstacles of principle appear to block the changes suggested above so detailed legislative obstacles should be surmountable.</p>
<p>b) How have they been or could they be overcome?</p>
<p>c) What challenges does data sharing pose?</p>

<p>Consultation Question 9. (Para 2.4.16): The Welsh Government believes sharing more back office functions would be helpful. There are a number of options:</p> <ul style="list-style-type: none"> • Enable the NHS Wales Shared Service Partnership for providing services to local government (and others) • Establish a similar model to provide back office services to local government (and others). • Establish an alternative model to provide back office services to local government (and others). <p>a) Which do you believe would be most appropriate to best support regional working? Why?</p>
<p>None of these approaches appears to be entirely satisfactory. This issue bears on the efficiency and accountability of regional administration. We address these issues below in answer to question 11.</p>
<p>b) What other alternative models could work effectively and what steps could the Welsh Ministers take to enable or encourage local government-led alternative models to be implemented?</p>
<p>Consultation Question 10. (Para 2.4.21): The Welsh Government believes that joint understanding and planning of public sector assets is essential to maximize their impact and that this requires regional mapping of estates assets and future intentions .</p> <p>a) How can this joint governance and decision making best be achieved?</p>
<p>This question is couched in such general terms that we find it difficult to answer. Evidently the public sector estate should be managed efficiently, and to the extent that asset management does or should spill across authority areas, the management structure should take account of that. It is not true of all public assets, however, that they are of interest to other authorities, functional or geographical. It is not obvious that some public assets cannot be efficiently managed in a decentralised way. There is no law against different authorities talking to each other and appropriate quasi-price systems can also be constructed to incentivize co-operation where appropriate. There can be managerial diseconomies as well as economies of scale. The question, therefore, needs to be addressed by asset classes rather than for the public estate in its entirety.</p>
<p>b) Is the larger economic footprint the right one?</p>
<p>Consultation Question 11. (Para 2.5.16): The Welsh Government believes a strengthened joint committee (a 'Joint Governance Committee') offers an appropriate governance model for regionally delivered services and intends to set out a framework for local government to use to deliver this.</p> <p>a) What should the democratic accountability and scrutiny arrangements be for such a model?</p>
<p>The Joint Governance Committee approach, if combined with a separate civil service structure to support it, seems to us to risk lacking both accountability and dynamism. Elected representatives for different areas coming together to</p>

determine policy for a combined area with no general electorate, and serviced by its own bureaucracy, bears a resemblance to arrangements within the European Union, which have recently been rejected by the Welsh public as insufficiently democratic. It is also an arrangement in which responsibility for outcome is diluted with the ever-present opportunity to blame others for shortcomings.

We understand the desire to develop regional structures organically with the consent and participation of local authorities and applaud the instincts behind this approach. However we think the current proposal will predictably lead to slow, hesitant and compromised decision-making and a lack of accountability in the public perception. This may be tolerable where functions will continue to be discharged locally albeit within a framework of regional co-operation and asset allocation – such as social care or education. With exceptional leadership it could certainly be made to work but arrangements should not be designed so as to rely on exceptional leadership.

For functions like transport and land-use planning and economic development, which are more essentially regional, there is a clear need for a firmer allocation of personal responsibility for outcomes. This can come at either of two structures:

Firstly there could be one or more representatives elected for the region to constitute a Mayor and cabinet in charge of those regional functions. There would be direct election of the Mayor while the relevant local councils could constitute an electoral college for some members of his Cabinet. The elected regional members would cease to represent a particular locality. Their responsibility would be clearly identified as the economic and transport functioning of the region.

Secondly, if the Joint Governance Committee model is insisted upon, then there must be greater accountability at the official management level. In that case the JGC would act as the supervisory Board of an executive agency, which would be an economic development and transport agency for the region. Its chief executive would have responsibility with a management team of running the agency following broad policies set down by the supervisory Board, advised by him/her. The post would be appointed after open competition. S/He would be accountable for delivery and liable for sanction if the JGC judged that to be sub-standard. As such, the agency would have its own terms and conditions of employment and be quite distinct from the local or national civil service, though secondments from these would be possible.

These are too different models but they share the feature that there is a group of people whose undivided responsibility is to the welfare of the region and the delivery of its plans. Those people have to be sufficiently empowered to move affairs along, and high profile enough to carry the can for failure, be the sanction electoral or in career terms. Civil servants who can shelter behind politicians who have divided responsibilities and loyalties make for a situation where practical accountability will be lacking. It will necessarily be seen as a remote arrangement by the general public and will fail to engage their interest and participation.

We recommend that the Welsh government discusses with local authorities which of these two approaches for introducing accountability and dynamism they prefer, and that is then adopted.

b) Should each participating Local Authority have equal voting rights or should

they be weighted in some way?
Consultation Question 12. (Para 2.6.5): The Welsh Government believes that in order to put in place arrangements which reduce complexity for Authorities and their partners the position for Bridgend needs to be considered. Although Bridgend is fundamentally concerned in this, other partners including other Local Authorities and the Local Health Boards also have valid interests. We are therefore seeking views on how best to address the issues set out here.
No comment
Consultation Question 13. (Para 2.7.9): The Welsh Government believes that 'Option3: A framework and a Footprint' is the most appropriate model for future regional working.
a) What are your thoughts on the proposed mandatory economic development footprint for 'Joint Governance Committees'?
Option 3 does seem reasonable and the example given especially so. We see economic development, transport and land-use planning as the pre-eminent regional functions and clearly those responsibilities should be geographically consonant. Other functions where regional working is desired or necessary should be arranged common-sensibly reflecting the local situation. They could fall under a regional Mayor, if one there be, but that is not necessary. Not all local government functions are closely interrelated. There is no particular reason why the footprint for economic development should exactly match the footprint for social care so no necessary issue is raised if social care arrangements cross economic development boundaries. The tests which the Government proposes (question1) to considerations of regional working can be applied separately to functions that are not closely related. It may well be they dictate different outcomes with respect to regional working or to its footprint for different local government functions. The Welsh Government seems ready to contemplate a number of JGCs operating for different policy areas. It should then be ready to accept a JGC operating alongside a regional Mayor with similar or slightly different geographical jurisdictions. A certain complexity or messiness is an inevitable corollary of the organic approach, proceeding by consent with respect for differing local conditions and preferences.
b) How could a framework approach for sub-regional working in other services areas operate in practice?
c) Is it appropriate for there to be flexibility for regional working to cross economic development boundaries in exceptional circumstances? Which circumstances would they be?
d) How should the governance arrangements at the mandatory economic development 'Joint Governance Committees' have oversight of sub regional working?
Consultation Question 14. (Para 2.7.9): The Welsh Government are seeking views on the appropriateness of seeking powers to create a Combined Authority, in particular, comments on what minimum

expectations there should be in considering the appropriateness of creating a Combined Authority would be welcomed.
A combined authority or at least legal entity is required either for a regional Mayor and cabinet to govern or for a regional development and transport agency to service.
<p>Consultation Question 15. (Para 2.8.7): The Welsh Government believes that a mandatory financial framework should be developed to ensure the expenditure of each 'Joint Governance Committee' is met through pooled contributions from the constituent Local Authorities.</p> <p>a) Should the expenditure of 'Joint Governance Committees' be met by constituent Local Authorities, in proportions to be agreed locally, to ensure the most flexible approach?</p>
The existing budgets of local authorities devoted to the three functions identified as requiring a combined authority should be allocated to that authority. A financial framework for other joint working could leave scope for local decision-making but should certainly define a default position.
b) Should the framework provide for a default position if local agreement cannot be reached, and how such a process might be triggered?
c) What further considerations might relate to, or need to be included in, a financial framework?
<p>Consultation Question 16. (Para 2.10.7): The Welsh Government believes that to support organisations to move to a more consistent and regional approach to delivering services it will be necessary to issue statutory guidance where there is an identified need.</p> <p>Do you agree or disagree? If you agree, what types of advice, guidance and support on leadership and workforce matters might lead to greater local, regional and national consistency?</p>
This issue is greatly simplified if the second option – of a regional development and transport agency – is adopted. Otherwise the question is a tautology: it will be necessary to issue statutory guidance “when there is an identified need”. No one could disagree.
<p>Consultation Question 17. (Para 2.11.4): The Welsh Government believes it would be helpful if Public Services Boards could collaborate or merge across Local Health Board Boundaries.</p> <p>Do you agree or disagree? Why?</p>
This is not a question where we have an informed view.
<p>Consultation Question 18. (Para 2.11.4): The Welsh Government believes Public Services Boards should be allowed to de-merge as well as merge. Do you agree or disagree? Why?</p>
This is not a question where we have an informed view.

SECTION 3

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

Conformity with the Welsh government's own check list (cf question 1) is a good start. Subject to the tests there should be a bias to accepting voluntary mergers.

SECTION 4

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

This is not a question where we have an informed view.

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

Do you agree? Why?

This is not a question where we have an informed view.

SECTION 5

Consultation Question 22. (Para 5.2.8):
The Welsh Government believes there should be minimum expectations on Councillors for interacting with their local constituents.

Do you agree or disagree? If so, what should these minimum expectations be?

Councillors are subject to the democratic sanction of being voted out of office. It is up to the constituents themselves to establish their own expectation and to vote depending on whether these have been met. Competition among political parties is supposed to maintain standards. This can be enhanced by an appropriate voting system – see response to question 28

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

What do you believe these changes should be?

This is not a question where we have an informed view.

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

How best could this be achieved?

It is highly unlikely that the balance can be achieved under the proposed structure. See our answer to question 11.

Consultation Question 25. (Para 5.5.4):

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

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

If a JGC structure is adopted, there will need to be specialist committees for each policy area. The structure threatens to be a constipated system for making decisions and driving the implementing of policies. Where regional implementation is required we believe a dedicated agency is necessary. In the absence of such an agency an elected Mayor and Cabinet would be necessary to get things done.

Consultation Question 26. (Para 5.6.4):

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

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

These questions can be resolved most simply and efficaciously by creation of regional delivery agencies with their own staff. We believe that a mayoral structure or a CEO and supporting positions of, and within a dedicated regionally based executive agencies would be the optimal structure, as outlined in our response to Question 11 above.

SECTION 6

Consultation Question 27. (Para 6.1.7):

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

The essential problem is that local government currently has responsibility for a range of functions or policy areas and the optimal size of authority is not the same for different functions. Existing unitary authorities are a compromise and in many instances are too small efficiently to discharge some functions (hence the need for regional working) and unnecessarily remote from local people for others (hence the importance of community councils).

We agree with those suggestions aimed at supporting community councils. In particular measures to raise local awareness and enforcing the right of citizens to be kept fully informed are most important.

We are also generally supportive of the usefulness of requiring compulsory basic training for community councillors to enable all councillors to fully engage with their roles. However, this requires sufficient funding to enable such training to be effective.

We also support facilitation of clustering of resources and services where appropriate, driven by local needs, responsibilities, and ambitions, and welcome the provision of financial support.

SECTION 7 & General Questions

<p>Consultation Question 28. (Para 7.1.14): The Welsh Government is seeking initial views on all of the proposals set out in Chapter 7 on elections and voting.</p>
<p>We thoroughly concur that the best voting system for local authorities is the Single Transferable Vote. Multi-member constituencies are unfamiliar in Parliamentary elections but local wards often have more than one councillor so the system fits naturally. It is also very useful in areas where one party predominates because it means the party has to put up several candidates. That can allow the electorate to have a say on issues that otherwise would be settled by intra-party discussion and is unambiguously an extension and improvement of democracy. Local issues are often not ones where ideological orientation is important and then there is not always a need for political parties to have a single monolithic view. STV is popular where it has been adopted for opening up the space for discussion.</p>
<p>Consultation Question 29. (Para 7.1.14): The Welsh Government would welcome any views on the potential financial and non-financial benefits and costs associated with the proposals in the White Paper.</p>
<p>This is not a question where we have an informed view.</p>
<p>Consultation Question 30. (Para 7.1.14): The Welsh Language Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on the opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language. The Welsh Government seeks views on that assessment.</p>
<p>a) Are there any other positive or adverse effects not identified in the assessment?</p>
<p>This is not a question where we have an informed view.</p>
<p>b) Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?</p>
<p>Consultation Question 31. (Para 7.1.14): The Children's Rights Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on children and young people. The Welsh Government seeks views on that assessment.</p>
<p>a) Are there any other positive or adverse effects not identified in the assessment?</p>
<p>This is not a question where we have an informed view.</p>
<p>b) Could the proposals be re-formulated so as to increase the positive effects or reduce any possible adverse effects?</p>
<p>Consultation Question 32. (Para 7.1.14): The Equalities Impact Assessment published alongside the White Paper outlines the Welsh Government's view of the effect of the proposals contained in the White Paper on protected groups under the Equality Act 2010. The Welsh Government seeks views on that assessment.</p>
<p>a) Are there any other positive or adverse effects not identified in the assessment?</p>
<p>This is not a question where we have an informed view.</p>

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

Consultation Question 33. (Para 7.1.14):

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

Please find above our response to the Reforming Local Government White Paper. We do not have particular expertise in some of the areas and we do not have strong views in all areas.

We do, however, firmly believe that the Government's proposals are deficient, indeed seriously deficient, in one area and that is the area to which we would wish to draw attention. Our case is set out mainly in our response to Question 11. Our view is that in relation to the regional management of three important functions – economic development, transport planning and land-use planning – we do not consider any of the options presented in the White Paper to be satisfactory. It appears evident to us that they will all suffer from a perceived lack of accountability and, partly in consequence, they will result in a lack of dynamism.

In the interests of accountability and dynamism we propose that the government modify the proposals in respect of these three functions. It should either contemplate the direct election of regional representatives to have undivided responsibility or, failing that, the proposed Joint Governance Committee (JGC) would require an executive agency with a high-profile CEO to advise on, and carry through delivery of JGC policies. These are different solutions but in both case they create a group with undivided loyalties and responsibilities and clear accountability for the delivery of policies. Without something like that in place, it is all too easy to predict a wealth of good intentions and continued disappointment over "delivery".