

CABINET MEETING: 16 MARCH 2017

'REFORMING LOCAL GOVERNMENT: RESILIENT AND RENEWED' WHITE PAPER

REPORT OF THE CHIEF EXECUTIVE

AGENDA ITEM: 2

PORTFOLIO: LEADER (ECONOMIC DEVELOPMENT & PARTNERSHIPS)

Reason for this Report

1. To consider the City of Cardiff Council's response to the Welsh Government consultation on the White Paper entitled 'Reforming Local Government: Resilient and Renewed'.

Background

2. On 18 February 2016, the Cabinet agreed a response to a previous consultation undertaken by the Welsh Government on a Draft Local Government (Wales) Bill. The Draft Bill sought to provide the legislative framework for a programme of significant local democratic and governance reforms, including the mergers of existing councils to create 8 or 9 new county councils in Wales.
3. Following the National Assembly for Wales elections in May 2016, the new Welsh Government Cabinet Secretary for Finance and Local Government, Mark Drakeford AM, confirmed in June 2016 that the compulsory mergers of councils in Wales would not proceed, with councillors to be elected to existing councils in May 2017 serving a full 5-year term and elections to existing councils also taking place in 2022. This would assist in providing stability over a 10-year period to support a future process of local government reform, not reorganisation.
4. The Welsh Government's policy proposals for regional working were further outlined by the Cabinet Secretary in an Oral Statement in the Senedd on 4 October 2016 and at the WLGA Annual Conference in Cardiff on 3 November 2016. He made clear his intention to ensure that there was an enhanced level of 'mandatory and systematic regional working' in Welsh local government to deliver key services, with the existing 22 local authorities in Wales being retained as the important 'front door' through which people access local public services.

5. The Cabinet Secretary met with a range of stakeholders, including the WLGA and the Leaders & Chief Executives of all 22 local authorities in Wales, during summer and autumn 2016. In addition, regional engagement events with members and officers were also held during November and December 2016. This process assisted in informing the Welsh Government's proposals as set out in the White Paper.
6. The White Paper was published for consultation by the Welsh Government on 31 January 2017. The closing date for submissions in response to the consultation on the White Paper is 11 April 2017.

Issues

Regional Working

7. The White Paper outlines the Welsh Government's preferred approach for the mandatory delivery of specific council services (i.e. economic development, transport planning, strategic land use planning, building control) on a regional footprint based primarily on the three city-region areas in Wales, with other services (i.e. education improvement, social services, public protection, Additional Learning Needs) being delivered regionally, but with councils having the flexibility and discretion to determine the appropriate regional footprints. The White Paper also seeks views on the proposed regionalisation of other services, including housing, waste, community safety and youth justice.
8. The White Paper confirms that the Welsh Government will continue to encourage and support voluntary mergers of those local authorities who wish to do so. However, the Welsh Government will need to seek new powers or amend the Local Government (Wales) Act 2015 as the previous specified timetable set out in that legislation has now lapsed.
9. The Welsh Government is also seeking views on whether a Combined Authority model should be included in future legislation as an option should governance arrangements evolve towards this model. The provision for this model to be introduced in Wales has been supported previously by the City of Cardiff Council.
10. The proposed approach to regional arrangements set out in the White Paper will mean that local authorities will have to consider how back office and administrative services can best support regional working and create opportunities for the sharing of support services. The White Paper identifies the following four broad categories of shared services:
 - Joint procurement (e.g. National Procurement Service)
 - Shared platforms (e.g. Public Sector Broadband Aggregation)
 - Shared service delivery (e.g. regulatory services; archives services)
 - Shared back office functions (e.g. ICT services)
11. The White Paper includes some suggested activities where shared services may be taken forward on a national or regional basis:

- Technology platforms – to offer greater consistency of services and cost savings (e.g. new Planning Portal, Community Care Information Service)
 - Specialist services – where expert knowledge or skills can sometimes be in high demand or short supply (e.g. internal audit; Welsh language; legal services; asset management; some finance functions; assurance around cyber threats and management)
 - Joint or shared transactional services – where processes are consistent or could reasonably be expected to be so (e.g. council tax collection and wider revenue and benefits; payroll; transactional services that use the same IT systems)
12. The White Paper notes that statutory Public Services Boards (PSBs) created by the Well-being of Future Generations (Wales) Act 2015 already have powers to collaborate or merge, which some have already done. The White Paper suggests that other PSBs in Wales may consider this approach in the context of greater regional working and seeks views on proposed amendments to the current legislation, which does not allow for PSBs to cross Local Health Board boundaries or to ‘de-merge’ once they have merged.

Regional Governance

13. The Welsh Government is proposing to implement a consistent or systematic approach to regional governance through the establishment of new, enhanced Joint Governance Committees to oversee the regional delivery of services. This approach is based on the current Joint Committee model used widely within local government, but would be supported by clearer powers and delegations.
14. It is proposed that there would be separate Joint Governance Committees depending on the regional footprint and/or services being delivered and these would typically be made up of the lead Cabinet Members for the relevant services. The Welsh Government would specify membership, delegation of functions, voting arrangements, funding flows and scrutiny arrangements.
15. Alongside this approach, the Welsh Government is proposing that a mandatory financial framework is also developed to ensure that the expenditure of the regional Joint Governance Committees is met through pooled financial contributions from the constituent local authorities and that each Committee should produce a Medium Term Financial Plan and be required broadly to balance income and expenditure in-year.

Local Leadership, Performance and Governance

16. The White Paper contains a number of proposals that were included in the previous Draft Local Government (Wales) Bill, which were generally supported by local government. These include the introduction of the power of general competence in Wales; 5-year terms for local elections; the creation of new Corporate Governance and Audit Committees and the repeal of the improvement planning duties of the Local Government Measure 2009, which will help to streamline corporate planning and

improvement work in the context of the requirements of the Well-being of Future Generations (Wales) Act 2015.

17. Similarly, the Annex to the White Paper provides details of those proposals that were included previously in the former Draft Local Government (Wales) Bill, but which have since been amended or have been omitted from the White Paper on the basis of feedback received from local government. Further details are set out in the Annex to the White Paper, but examples include:
 - the proposal for the powers of Area Committees – which councils already have the power to establish – to be strengthened, rather than introducing new Community Area Committees.
 - the proposed requirement for Leaders to set and report on the objectives of Cabinet Members has been reduced from annually to twice per electoral term.
 - the proposed timescale within which councillors would be required to respond to written correspondence has been extended from two to three weeks.
 - the proposed duty on councillors to hold surgeries has been amended to require them to facilitate discussions with constituents in private.
 - the proposed duty on councillors to publish annual reports has been replaced with a duty on councillors to demonstrate how they have communicated with their electorate.
 - the previous proposal to introduce ‘improvement requests’ has been omitted from the White Paper.
18. The White Paper includes the proposal to revoke Section 13 of the Local Government Act 2000 which specifies the allocation of executive and non-executive functions, allowing councils more discretion to allocate council functions. The Welsh Government is also seeking views on providing the option for councils to consider a return to the committee system instead of leader and cabinet model of decision-making in local government.
19. Under the new Wales Act 2017, the National Assembly for Wales will gain competence over National Assembly and local government electoral arrangements. As a result, the White Paper includes a number of new proposals by the Welsh Government relating to electoral reform. More significantly, it includes proposals to allow 16 and 17 year olds to vote and local authorities to choose their own voting system – either by the First Past The Post or Single Transferable Vote systems. Any council that decided to introduce a new voting system would then have to keep it for the next two ordinary elections. Further consultation on the electoral reform proposals set out in the White Paper is expected to take place later in 2017.

Consultation Response

20. A copy of the Council’s draft consultation response to the White Paper is attached as **Appendix A** to this report.

21. The White Paper was considered by the Council's Democratic Services Committee on 8 March 2017. The views expressed by the Committee are set out in a letter from the Chair of Democratic Services Committee to the Cabinet Member for Skills, Safety & Engagement, which is attached as **Appendix B** to this report. The Cabinet may wish to consider amending the draft consultation response to the White Paper to take account of these views.
22. It is therefore proposed that authority should also be delegated to the Chief Executive, in consultation with the Leader of the Council, to make any further amendments to the Council's consultation response in advance of formal submission to the Welsh Government by 11 April 2017.

Reason for Recommendations

23. To approve the City of Cardiff Council's submission in response to the Welsh Government consultation on the White Paper entitled 'Reforming Local Government: Resilient and Renewed'.

Legal Implications

24. The White Paper is the Welsh Government's current statement of intent about the future of local government in Wales, prior to commencing the legislative process required to bring about reform. The White Paper is also part of a consultation process which is more broadly described in the text of the report. It provides the Council with the opportunity to express views which may help to shape the Welsh Government's future intentions and any future legislation.

Financial Implications

25. The proposed response to Welsh Government has considered the potential financial impact and opportunities arising. The 2017/18 Budget report approved at Council on 23 February 2017 contained a section on Medium Term Financial Plan and financial resilience in this period of difficult settlements and uncertain times. Looking forward, when developing the 2018/19 Budget Strategy in conjunction with a review of the Medium Term Financial Plan the progress of these proposals need to be tracked in order to ensure assumptions built into the medium term remain appropriate.

RECOMMENDATIONS

Cabinet is recommended to:

1. approve the draft submission in response to the Welsh Government consultation on the White Paper entitled 'Reforming Local Government: Resilient and Renewed', as set out in Appendix A to this report; and

2. delegate authority to the Chief Executive, in consultation with the Leader of the Council, to make any further amendments to the Council's consultation response in advance of formal submission to the Welsh Government by 11 April 2017.

PAUL ORDERS

Chief Executive

10 March 2017

The following appendix is attached:

Appendix A: Reforming Local Government: Resilient and Renewed White Paper – Consultation Response by the City of Cardiff Council

Appendix B: Letter from the Chair of Democratic Services Committee (dated 9 March 2017)

The following background papers have been taken into account:

Welsh Government White Paper – Reforming Local Government: Resilient and Renewed

https://consultations.gov.wales/sites/default/files/consultation_doc_files/170130-white-paper-en.pdf

Cabinet Report, 18 February 2016 – Draft Local Government (Wales) Bill