

**FLINTSHIRE COUNTY COUNCIL**

<b>Date of Meeting</b>	Tuesday 24 April, 2018
<b>Report Subject</b>	Welsh Government Consultation Paper <i>Strengthening Local Government: Delivering for People</i>
<b>Report Author</b>	Chief Executive

**EXECUTIVE SUMMARY**

Welsh Government has published a new 'green' consultation paper on the future of local government. This latest paper in a series of publications, spanning several terms of Government, is called *Strengthening Local Government: Delivering for People* and was published on 20 March.

The paper follows the previous White Paper *Reforming Local Government: Resilient and Renewed* (January 2017). This white paper had replaced the aborted Local Government (Wales) Bill (November 2015) of the previous Welsh Government, a piece of draft legislation which had proposed a structural reorganisation of local government. In a change of policy direction the white paper had advocated extensive regional collaborative working, supported by the unitary local authorities which are in existence, as an alternative to a structural reorganisation. The white paper had been broadly welcomed by the local government community.

This new green paper makes an 'about-turn' and advocates reorganisation, whether through voluntary mergers or a single directive merger programme, with the aim of having "fewer, larger local authorities with the powers and flexibility to make a real difference in their communities".

This report invites the Council to make a response to the green paper. The consultation runs until 12 June. The Welsh Government intent is to introduce a Bill into the legislative process in late 2018. This Bill would also include provisions for electoral reform, drawing on the recent and separate Welsh Government consultation.

A presentation on the green paper will be made at the meeting to prompt discussion.

**RECOMMENDATIONS**

1	That Council make a response to the White Paper.
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## REPORT DETAILS

1.00	<b>GREEN PAPER STRENGTHENING LOCAL GOVERNMENT: DELIVERING FOR PEOPLE</b>
1.01	Welsh Government has published (20 March) a ‘green paper’ called <i>Strengthening Local Government: Delivering for People</i> . The green paper is a consultative document which precedes a Bill intended to be tabled later in 2018. The paper is “a statement of intent for a stronger, more empowered local government in Wales”. The proposals within the paper “set out the desired approach for the future of local government to deliver stronger, more resilient and sustainable public services with democratic accountability at its core”. The full paper is attached as Appendix 1.
1.02	The paper follows the previous White Paper <i>Reforming Local Government: Resilient and Renewed</i> (January 2017). This white paper had replaced the aborted Local Government (Wales) Bill (November 2015) of the previous Welsh Government, a piece of draft legislation which had proposed a structural reorganisation of local government. In a change of policy direction the white paper had advocated extensive regional collaborative working, supported by the unitary local authorities which are in existence, as an alternative to a structural reorganisation. Whilst offering the facility for the voluntary merger of councils there was no intent in the white paper to enforce mergers or to pursue the option of a wholesale local government reorganisation. The white paper had received broad support amongst and across the local government community.
1.03	<p>The new green paper makes an ‘about-turn’ and advocates reorganisation, whether through voluntary mergers or a single directive merger programme, with the aim of having “fewer, larger local authorities with the powers and flexibility to make a real difference in their communities”. The paper sets out the case for change and then poses three options for the structural reform of local government:-</p> <ul style="list-style-type: none"> <li>• Option 1: voluntary mergers;</li> <li>• Option 2: a phased approach with early adopters merging first, followed by other local authorities; and</li> <li>• Option 3: a single comprehensive merger programme.</li> </ul> <p>The paper proposes a set of “indicative new authority areas” based on the merger of the current local authorities and on the existing boundaries. In a reductive model of ten local authorities, a three local authority proposition is made for the North Wales region with Flintshire and Wrexham being merged.</p>
1.04	The green paper goes on to lay out the transition process, the electoral review process and timetable, technical arrangements for financial planning for mergers, workforce planning, service reconfiguration, and the use of assets. The paper makes only limited references to new powers and flexibilities, and does not address the question of the fair and sustainable funding of local government.
1.05	The Council has made the following principal observations throughout this

	<p>series of consultations:-</p> <ul style="list-style-type: none"> <li>• the Council is open-minded on the question of local government reform and mergers;</li> <li>• there has to be a compelling case for change if reform is to be supportable with the ‘tests’ of any such case including the questions as to whether a smaller number of larger councils are capable of (1) being well governed and democratically accountable (2) performing as well or better than the current councils and (3) being financially sustainable;</li> <li>• any such case has to be supported by an objective and robust cost-benefit analysis;</li> <li>• any reform should include significant new freedoms and flexibilities to act;</li> <li>• any reform should be underpinned by a fair and sustainable funding base for local authorities;</li> <li>• any reform should be well planned and executed; and</li> <li>• any reform should be fully funded and supported by additional change management capacity given its likely scale.</li> </ul> <p>A risk-assessment of a major structural reform exercise might include:-</p> <ul style="list-style-type: none"> <li>• major structural re-organisations are complex exercises and cause distraction and disruption;</li> <li>• service performance and continuity could be adversely affected through senior capacity being reassigned to managing the transition from the status quo to the new set of local authorities;</li> <li>• confidence and morale amongst the workforce proving hard to maintain with an impact on recruitment and retention;</li> <li>• the financial benefits of reform, to be achieved through the economies of scale, could be over-estimated. As each year passes, and the current councils have to find more savings and efficiencies to balance their budgets, the scope for future savings through organisational change and service transformation diminish;</li> <li>• the costs of the transitional exercise could (1) be greater than estimated and (2) fall on the existing or new local authorities themselves to fund; and</li> <li>• the commitment to, and momentum for regional collaboration could be affected through the disruption and potential antagonism of a reform programme. Critical strategies such as the North Wales Economic Growth Bid could be negatively affected.</li> </ul>
1.06	<p>The Council is invited to make a response to the green paper. The consultation runs until 12 June. At Annex C, the green paper sets out a set of structured consultation questions for a response to be made. The Welsh Government intent is to introduce a Bill into the legislative process in late 2018. This Bill would also include provisions for electoral reform, drawing on the recent and separate Welsh Government consultation. The Council has already made a response to the earlier Welsh Government consultation on electoral reform <i>Electoral Reform in Local Government in Wales</i> (July 2017) (Appendix 2).</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None at this early stage of the consultative and legislative process.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The Council has responded to a number of previous Welsh Government consultations on local government reform and has made consistent comments in its responses.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None at this early stage of the consultative and legislative process.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A - Green Paper <i>Strengthening Local Government: Delivering for People</i> Appendix B – The response of the Council to the earlier Welsh Government consultation <i>Electoral Reform in Local Government in Wales</i> (July 2017)

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Previous Council reports and responses on earlier consultations (available on request).  Contact Officer: Chief Executive Telephone: 01352 702101 E-mail: <a href="mailto:chief.executive@flintshire.gov.uk">chief.executive@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>White Paper:</b> a policy paper which sets out the intention to pass legislation and is published for consultation and scrutiny.  <b>Green Paper:</b> a consultative paper which will precede a Bill.  <b>Bill:</b> the piece of draft legislation which precedes an Act in the legislative process.