

FULL COUNCIL REPORT

Date Written	9 April 2015
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Service Area	Corporate Services
Exempt/Non Exempt	Non exempt
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To: Mayor, Ladies and Gentlemen

MERTHYR TYDFIL COUNTY BOROUGH COUNCIL'S RESPONSE TO THE WELSH GOVERNMENT WHITE PAPER – “REFORMING LOCAL GOVERNMENT: POWER TO LOCAL PEOPLE”

PURPOSE OF THE REPORT:

To approve Merthyr Tydfil County Borough Council's response to the Welsh Government's White Paper - "Reforming Local Government: Power to Local People".

1.0 INTRODUCTION AND BACKGROUND

- 1.1 The White Paper – “Reforming Local Government: Power to Local People” was issued by Welsh Government on the 3 February 2015 with responses required by the 28 April 2015.
- 1.2 The White Paper is a detailed and lengthy document that sets out the Welsh Government's statement of intent about the future of Local Government in Wales. It identifies the Welsh Government's proposals for reform in the following fields:
 - 1.2.1 local democracy;
 - 1.2.2 the roles and remuneration of Elected Members and senior officers;
 - 1.2.3 community governance and Community Councils;
 - 1.2.4 community rights;
 - 1.2.5 corporate improvement;
 - 1.2.6 service performance;
 - 1.2.7 scrutiny,

- 1.2.8 audit;
- 1.2.9 inspection and regulation and
- 1.2.10 finance.

- 1.3 In addition to the White Paper itself a 32 page summary version was produced along with a consultation document for Young People. A web based consultation survey has been designed by Welsh Government which consists of a detailed survey containing more than 300 questions and shorter version of the survey which focuses on the main matters of public interest. This information can be accessed via the following web link: <http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en>

2.0 RESPONSE

- 2.1 In line with many Councils and the Welsh Local Government Association a narrative response has been drafted that deals with the main issues in the White Paper. The draft response is consistent with and supports the current draft response produced by the Welsh Local Government Association.
- 2.2 The draft response on behalf of Merthyr Tydfil County Borough Council is provided in Appendix 1 to this report for Members consideration. Also attached as Appendix 2 is a glossary of terms for information.

3.0 FINANCIAL IMPLICATION(S)

- 3.1 This is a consultation response to the Welsh Government's White Paper and therefore there are no direct financial implications for the Council at the present time. Clearly there will be a range of implications for the Council in the future depending on the direction taken by Welsh Government in relation to these proposals.

4.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

- 4.1 A Single Integrated Plan and Sustainability Impact Assessment is not required for this report as it is a response to a Welsh Government consultation. As stated above there will be a range of implications for the Council in the future depending on the direction taken by Welsh Government in relation to the proposals.

5.0 EQUALITY IMPACT ASSESSMENT

- 5.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

5.2 Welsh Government will need to undertake the appropriate Impact Assessments as part of the process of bringing forward legislation.

6.0 RECOMMENDATION(S) that

6.1 The response to the Welsh Government's White Paper - "Reforming Local Government: Power to Local People" as provided in Appendix 1 to this report be approved.

GARETH CHAPMAN
CHIEF EXECUTIVE

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
White Paper Reforming Local Government : Power to Local People	3 rd February 2015	http://wales.gov.uk/consultations/localgovernment/power-to-local-people/?lang=en
Everyday Summary Version of the White Paper.	3 rd February 2015	As above
Young Persons summary.	3 rd February 2015	As above
WLGA draft response to the White Paper	31 st March 2015	WLGA website

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.

DRAFT

Reforming Local Government White Paper – Power to Local People**Response from Merthyr Tydfil County Borough Council****Chapter 1 - Welsh Government Vision for Local Government in Wales**

Chapter 1 sets out the history and development of Local Government in Wales. This is the context for Welsh Government's vision of more inclusive and accountable Local Government which shares power and responsibility with the communities it serves.

The White paper states that whilst Local Government structural reform is necessary, it is not sufficient and 21st Century Local Government in Wales will require a new kind of political leadership which is not institutionalised as part of Local Authority bureaucracy, and democratic representation which is a more balanced reflection of the diversity of our communities.

Merthyr Tydfil County Borough Council responds as follows:

1. The Council welcomes the debate that has started on developing a vision for the future of local democracy in Wales and is committed to taking this forward in an open and constructive manner.
2. The "activist" council model has benefits but will require greater autonomy for local authorities than is afforded currently by central government and recognition that a public service ethos is fundamental.
3. The principles of localism and subsidiarity need to be embraced by all levels of government in Wales.
4. We fully support a power of general competence for all Welsh Councils
5. We support the concept of a Constitutional Convention following the general election with every nation and region in the country engaged in a dialogue with our communities about how power needs to be dispersed and how sub-national devolution can be strengthened.
6. The Welsh Government should rapidly move forward to de-hypothecate all specific grants following the approaches in England and Scotland.
7. We agree that Councils need to reflect the diversity of the communities they represent, modernise the way they work and use their resources as effectively and efficiently as possible.

Chapter 2 - Balancing the responsibilities of National and Local Government

Chapter 2 recognises that a new approach is needed to underpin central & local relations in Wales and will be achieved by a review of the body of local government legislation. It also highlights that Welsh Government remains firmly of the view that both structural and organisational reform of Local Government is necessary.

Merthyr Tydfil County Borough Council responds as follows:

1. Clarity is needed from Welsh Government on how local government reorganisation is to be funded and for an end to the current ambiguity on structures.
2. An independent review of central local relations in Wales is needed to define and set out responsibilities and accountabilities and to improve the interface between devolved and local government.
3. We support the WLGA proposal for an annual meeting between all Welsh Government Ministers and the 22 council leaders to discuss new ideas, the implementation of legislation and the direction of strategic policies. This can be used as an opportunity to discuss new approaches.
4. We support a review of all current local government legislation and local authority constitutions.

Chapter 3 - Renewing Democracy

The proposals in this section deal with suggested reforms aimed at renewed democracy. These include reducing the number of councillors across Wales, term limits, right of recall, possible election by thirds etc. This chapter has proved the most controversial to date in the discussion around the White Paper. The tenor of discussions thus far has failed to recognise the time, commitment and service of existing councillors in relation to working in their communities and improving councils.

Merthyr Tydfil County Borough Council responds as follows:

Councils will be elected on a fixed five year election cycle in line with Parliament and the Assembly.

Views are sought on whether Council elections should be phased in thirds.

1. We fully support a five year fixed term electoral cycle.
2. We do not support the proposals for 3 year electoral cycles.

Council Leaders to have explicit duties in respect of diversity and standards of behaviour, including bullying and harassment of councillors and staff

1. We fully support the promotion of more diversity in Welsh Local Government and the provisions of the report "On Balance".
2. The promotion of diversity in local government must start with the selection processes of the political parties.

A review to reduce the level of remuneration of councillors, Leaders and Cabinet members.

1. We feel that Welsh Government should undertake a national review of comparative levels of remuneration beyond local government across the public sector, including non-elected bodies in Wales.
2. We do not feel that the case has been made for reducing allowances at a time when the size of authorities and the scale of responsibilities are increasing.
3. The work of the Independent Review Panel needs to be examined to understand why a system of allowances subject to objective evaluation and accumulated benchmarking since 2007 is now deemed not fit for purpose.

Number of Elected Members

1. We are of the view that a definitive view on council structures needs to be reached before the question of councillor numbers can be answered.

2. We believe that any proposals must examine the optimum level of representation for a locality rather than focusing on averages across the UK.
3. We support the WLGA in calling for the immediate formation of a Commission between Welsh Government, the Boundary Commission and WLGA to make progress on the way forward on levels of representation.

Term limits of Elected Members

1. The Council does not support the concept of term limits. We are fully prepared to engage in a national debate on term limits, this must be on the condition that it covers all levels of political representation in Wales.

Recall of Elected Members

1. The Council does not support concept of the right to recall. We are prepared to engage in a national debate on the right to recall this must be on the condition that it covers all levels of political representation in Wales.

Electoral Qualification

1. We do not support lifting the electoral qualification for officers to stand as councillors in their own authorities.

Roles and Responsibilities of the Chief Executive, Term limits on chief executive appointments & Cost of Senior Management in Local Government

1. We support the WLGA view that consideration should be given to initial fixed term contracts for Chief Executives so as to avoid the need to legislate in this area.
2. We are not persuaded by the case for a public services appointments commission and believe that it denies the key principle of local democratic choice in senior appointments.
3. We support the idea of the Staff Commission having a role in commenting upon and reconciling salary levels for senior managers within a more consistent national framework across all public services.

Chapters 4 & 5 - Connecting with Communities and Empowerment

This section examines the potential role of area boards and reforms to town and community councils. It stresses the importance of member led community governance, however some of the proposals also add to the complexity of local governance frameworks which actually confuse and diminish the accountability of members at the local level.

Merthyr Tydfil County Borough Council responds as follows:

1. We support the concept of member led community governance.
2. In some cases Area Boards can add value but only when there is local demand and not when imposed through national frameworks.
3. We support the WLGA call on Welsh Government to implement the Williams Report recommendations on reducing complexity before any new localized structures are put in place.
4. We support the proposal to give the new principal councils the power to lead reform of town and community councils.
5. We do not believe that a full review of governance and structures of Community councils can be completed by 2022.
6. We are committed to public service provision through local government and, while accepting that alternative models of service delivery must be explored and considered, we believe that the future sustainability of public services will rely on direct provision by councils.

Chapter 6: Corporate Governance and Improvement

The White Paper outlines continued commitment to the concept of self-improvement, where councils themselves remain responsible for identifying their own improvement priorities, identifying and mitigating improvement challenges and risks and managing service performance. The White Paper therefore proposes a repeal of the more general improvement provisions in Part 1 of the Local Government (Wales) Measure 2009 and reaffirms an intention to retain Ministerial intervention powers, including a new power to commission an independent governance review of an authority in certain circumstances.

Merthyr Tydfil County Borough Council responds as follows:

1. We welcome the Welsh Government's continued commitment to and strengthening of an improvement regime based on self-assessment and self-improvement.
2. We support the general proposals to strengthen the role of Audit Committees, but the Welsh Government should also seek to clarify the distinct remit and roles of audit and scrutiny.
3. We do not support the proposed reforms to ensure that the chair of Audit is an independent member or that Audit Committees should include a greater proportion of independent members.
4. We welcome the White Paper's recognition of the value of peer review, but believe it should remain a sector-led, sector-owned and sector-commissioned model and should not be statutory or prescribed.
5. We recognise that it is appropriate that Welsh Ministers retain a back-stop power to provide support or intervene in certain circumstances but such an approach should be clearly codified and subject to consultation.

Chapter 7: Performance in Local Government

The White Paper further explores the key components of effective governance and self-improvement and outlines proposals for a requirement for councils to publish a corporate plan that covers the short, medium and long term, annual reporting arrangements covering performance for the previous year. The White Paper also clarifies Welsh Government intention to streamline the performance measurement regime in line with the Williams Commission recommendations and proposes the establishment of an online information portal including councils' performance information and performance documentation and reports.

Merthyr Tydfil County Borough Council responds as follows:

1. We support many of the aims of the White Paper around seeking to streamline and more effectively and transparently measure, manage and report council performance.
2. We welcome the Welsh Government commitment to working with partners in developing the proposed new, streamlined approach
3. We do not support proposals for 'financial penalties' that will unfairly undermine performance and attainment of standards. The White Paper does not explore the potential of minimum standards in detail.
4. We support the proposal that councils should produce a comprehensive corporate plan, but we are not convinced it will lead to clearer demarcation of the respective roles of councillors and senior managers and, given its comprehensiveness and complexity, it will not support public engagement or accountability.
5. We support the White Paper proposals around openness and transparency of council business and we recognise the potential for increased service provision and customer contact through digital channels.

Chapter 8: Strengthening the Role of Review

The White Paper outlines the Welsh Government's plans continued commitment to the concept of local democratic oversight and scrutiny of local government and, potentially, partner organisations. The White Paper outlines proposals to further clarify, support and strengthen local scrutiny, the relationship of scrutiny with external inspectorates and regulators and improved coordination of information and activities of such external bodies.

Merthyr Tydfil County Borough Council responds as follows:

1. We support many of the principles and objectives that underpin the chapter on strengthening the role of review and many of the individual proposals are also endorsed.
2. We support the introduction of 'Key Decisions' to clarify the key issues which scrutiny should consider and may be subject to call-in when appropriate. Similarly scrutiny forward work planning could be strengthened, but prescription should be proportionate.
3. We recognise the contribution and value of co-optees but it should be a matter for local determination regarding the role and voting rights of co-optees.
4. We do not support the proposal to legislate to ensure that collaborative or jointly commissioned services have a joint scrutiny committee. Local accountability arrangements should be left to the discretion of constituent authorities;
5. We support the proposals around strengthening the links between external inspection and regulatory bodies.
6. We support in principle the proposed joint 'whole system assessment' of authorities, but a biennial assessment does not appear to be proportionate and could place a significant burden on authorities.

Chapter 9: Reforming Local Government Finance

This chapter highlights longer term proposals for reform of the finance system in Wales supported by changes to the way local services are funded and the mechanisms for distributing, raising, managing and accounting for the funding.

Merthyr Tydfil County Borough Council responds as follows:

1. The arena of local government finance is the key issue facing local councils and reform should be given greater prominence within the White Paper
2. We support the White Paper proposals on council tax revaluation, reform of the local government funding formula and new approaches to local taxation.
3. We support the WLGA in establishing an Independent Commission on Local Government funding to examine the crisis in local government and encourage the Welsh Government to participate in this work.

GLOSSARY OF TERMS

Term	Explanation
Activist Councils	Councils engaged in delivering modern, accessible, high quality public services with their communities.
Audit	Audit is concerned with accuracy. It considers whether a set of data about an organisation (e.g. its financial statements) is properly calculated and fairly presented. The independent examination of data, statements, records, operations and performance (financial or otherwise) of a Local Authority to ensure public money is being spent efficiently and effectively.
Cabinet	<p>The Leader and Cabinet model was introduced following the Local Government Act 2000. The Cabinet consists of the Leader and other Cabinet Members, usually formed by the majority party in the Local Authority. Each member of the Cabinet holds a separate portfolio, such as education, social services, culture, etc.</p> <p>The Leader and Cabinet are responsible for policies, plans and strategies, and for recommending them to the full Council.</p>
Community Council	A Community Council is a public representative body. It is established to attend to local interests and to organise community activities. Community Councillors are elected to a Community Council by public poll.
Community of Interest	A 'community of interest' is defined not by space, but by some common bond (e.g. feeling of attachment) or entity (e.g. farming, church group). It is a gathering of people assembled around a topic of common interest. Its members take part in the community to exchange information, to obtain answers to questions or problems, or to improve their understanding of a subject.
Community of place	A community of place or place-based community is a community of people who are bound together because of where they reside, work, visit or otherwise spend a continuous portion of their time. Such a community can be a neighborhood, town, coffeehouse, workplace, gathering place, public space or any other geographically specific place that a number of people share, have in common or visit frequently.
Constitution	Local Authorities are required by law to have a constitution which sets out their standing orders (the rules under which they operate) and various other matters such as how elected

	members must behave, and job descriptions for key roles.
Council	The Council is the full body of elected members in a Local Authority, including members of the Executive and all other Elected Members. It does not include any employees of the Local Authority. Some decisions may only be taken by full Council and may not be delegated to the Executive, committees of the Council or to employees.
Councillor	Another term for an Elected Member. It can refer to Elected Members of Principal Local Authorities or Community Councils – the meaning is generally clear from the context.
Elected Member	A person elected by public poll to a Local Authority
Executive	Within the context of this White Paper, this is another term for the Leader and Cabinet.
External review	Critical review of the decisions and actions of a Local Authority by external bodies, in particular the Wales Audit Office, and the bodies charged with inspecting social services (Care and Social Services Inspectorate Wales) and education (Estyn).
Head of Paid Service	A statutory role charged with providing and managing the staff of a Local Authority.
Inspection	Inspection is concerned with competence. It considers whether an organisation and/or the services it provides are of an adequate standard, whether in terms of public need or expectation or of an accepted professional practice.
Internal review	In this paper, this phrase is mostly synonymous with scrutiny, but it also includes other mechanisms such as review by the Executive of its performance or effectiveness, or the actions of internal audit and governance functions.
Localism	The White Paper suggests that following reorganisation, the “activist” council model will create the foundation “for local government to determine with local people the bulk of local priorities”.
Local Authority	A County or County Borough Council in Wales. See also Unitary Authority. In this document we use the term Local Authority except where specified.
Local Government	Local government is a form of public administration which exists as a lower tier of administration. The term is used to contrast with offices at a higher level referred to as central or national government (i.e. the Whitehall Government or the Welsh Government). Local government act within powers delegated to them by legislation or directives of the higher level of government.

Local Service Board	Local Service Boards (LSBs) are non-statutory partnerships across the 22 Local Authority areas in Wales. They agree and oversee a single-integrated plan for the area; the single integrated plan brings together four statutory plans (the Community Strategy, the Children and Young People's Plan, the Health, Social Care and Well-being Strategy and the Community Safety Partnership Plan). The membership, structure and approach of LSBs vary across Wales, but all have the key leaders and chief executives of the major public service providers in the area.
Non-executive member	An Elected Member who does not sit on the Cabinet of a Local Authority
Officers	Individuals employed by a Local Authority.
Peer Review	Critical review of the decisions and actions of a Local Authority conducted on the invitation of the Local Authority by capable individuals such as senior officers from another public body or retired senior officers.
Public service	The concept of public service is based on a social consensus that certain services should be available to all, regardless of income. Public services benefit all of society rather than just the individual who uses the service. A public service is a service which is provided by government to people living within its jurisdiction, either directly (through the public sector) or by financing provision of services.
Public Services Board	The Well-being of Future Generations (Wales) Bill proposes to change Local Service Boards into statutory Public Services Boards.
Regulation	Regulation is concerned with compliance. It considers whether an organisation's activities conform to legal or similar requirement; and may lead to formal action if they are found not to be.
Scrutiny	Investigation, enquiry or examination of the decisions of a Local Authority executive, or of the actions or decisions of a Local Authority officer, or into policy areas.
Seat	A place in an elected legislative or other body, individuals are elected to a seat by public poll.
Self-Assessment	Critical review of the capability and capacity of a Local Authority conducted by the Authority itself. Self-assessment is used to explore strengths and identify areas for self-improvement. Focused on supporting an organisation to develop their ambition and approaches to system and service transformation.

<p>Social enterprises, mutual, cooperative and collective ownership models</p>	<p>A business or service with primarily social objectives whose surpluses are principally reinvested for that purpose in the community, rather than being driven by the need to maximise profit for shareholders and owners.</p> <p>The key characteristics of a social enterprise are:</p> <ol style="list-style-type: none"> 1. They trade, i.e. sell, goods and/or services and any profit or 'surplus' made as a result of their trading activities is either ploughed back into the business or distributed to the community they serve. 2. They have a clear social purpose. This may include job creation, or the provision of local facilities e.g. a nursery, community shop, or social care for the elderly. 3. They are owned and managed by their employees. <p>A social enterprise can be a Community Interest Company, a Company Limited by Guarantee, a Company Limited by shares, or an Industrial or Provident Society. Many also take charitable status, such as Housing Associations.</p>
<p>Subsidiarity</p>	<p>The principle of subsidiarity is the presumption that power is transferred to the level of government closest to the people. Subsidiarity is also an organising principle that matters ought to be handled by the smallest, lowest or least centralised competent authority. Political decisions should be taken at a local level if possible, rather than by a central authority</p>
<p>Term Limit</p>	<p>A statutory restriction on the number of terms an official or officeholder may serve.</p>
<p>Uncontested seat</p>	<p>A seat on an elected legislative or other body where only one candidate is put forward. As such no votes are actually cast and the candidate is by definition the victor.</p>
<p>Unitary Authority</p>	<p>A Unitary Authority discharges all the main functions of a Local Authority. In England, and in Wales in the past, these functions have been shared between different tiers of Local Government, such as County and District Councils. In this document we use the term Local Authority except where specified.</p>