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## **One Voice Wales**

### **Response to the White Paper**

# **Reforming Local Government: Power to the People**

**22 April 2015**

***Llais Cyngorau Cymuned a Thref yng Nghymru - The Voice of Community and Town Councils in Wales***

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## Introduction

One Voice Wales supports many of the proposals set out within the White Paper however following extensive consultation with our member councils opposes others. One Voice Wales supports the overall proposed direction of travel – “we want all our Councils to be activist councils; engaged in delivering modern, accessible, high quality public services with their communities” – however the local council sector considers that there is much more detail needed before it is able to assess whether the proposals will have a net beneficial impact for the communities of Wales if enacted on the basis of the content of the paper. One Voice Wales and its member councils are committed to retain public services where possible although the sector recognises it needs additional capacity and tools to deal with the challenges ahead and that funding support was needed to enable local councils to deal with the possibilities of transfer of services and assets in the coming months and years.

One Voice Wales supports:

- The introduction of a general power of competence; but is concerned by the omission of an analysis of the future functions of local government (at both levels - and between them). One Voice Wales has articulated in several responses relating to local government reform and /or community planning for there to be a clearer distinction of the roles of the two tiers of local government avoiding the current position of concurrent functions. Given that the service areas under greatest financial pressure in Unitary Authorities are those of a non-statutory nature One Voice Wales is of the view that the current 40 or so powers and duties of community and town councils should be used to define the future role of the sector. This will help to clarify to the electorate who is responsible for what and consequently accountable for the delivery of which services. One Voice Wales considers that a review and setting out of which tier of government does what is needed and followed by a clear map of the future structure of local authorities based on the outcome of this analysis ;
- The principle of alternative models of service delivery; but notes that delivery represents a significant challenge in building capacity in not only community and town councils but the Third Sector as well;
- Strengthened and streamlined performance management and information systems; but stress that the current availability of detailed information on the community and town council sector activity is largely unavailable and needs to be rectified to ensure a full and supportive role is played by the sector in Public Service Boards in the future. This could be achieved via the development of an annual information audit process.

One Voice Wales members have concerns and/or oppose:

- To limiting the terms of Councillors and other related measures. Whilst supporting greater diversity, One Voice Wales is unconvinced by the analysis of how to achieve it and considers that the White Paper does not provide direction on how to encourage new blood into the Community and Town Council sector;
- That the White Paper is silent on the issue of double taxation – as one consultee member councillor put it “less representation and more taxation”;
- Concerned that the proposals on Public Service Boards, Area Boards and related issues will increase complexity and diminish direct local democratic accountability. For Area Boards there is a lack of detail about their purpose, benefits and membership composition.

Further details on the workings of Area Boards are needed to ensure clarity of purpose and function and how community based bodies play a role in their functioning.

- The proposals for the forced merger of councils based on community reviews conducted by the new unitary authorities (OVW's preference was for clustering rather than the WG's current stance of mergers involving up to 3 councils)
- There was concern that the sector would be grouped with the third sector in relation to the allocation of representatives to serve on Area Boards. This would result in community and town councils possibly having just one representative on a Board. This approach would fly in the face of the current Charter model. It also raises the question as to how the sector representatives would be selected and the impossibility of them being able to represent other councils in a large unitary authority area
- Concern about the quality of the questionnaire used for the consultation with almost all questions being 'leading' in nature which would produce a quantitative assessment only.
- Concern about the loss of the individual identity of smaller communities if merged with a larger entity. It was considered that Wales was a nation of communities and the creation of larger councils would impact on community identity and probably significantly reduce the number of councillors interested in local governance as their interest rested solely with their own community area
- Councillors serving on larger councils will undoubtedly expect to receive fair remuneration including allowances which would ratchet up the cost of local democracy.
- The overriding issue that the White Paper fails to appreciate or address is the essential difference between urban areas and the deeply rural 2/3rds of Wales. Neither is best served by policies and procedures predominantly driven by urban imperatives or designed as a middle way construct that fails to properly address the distinct issues and characteristics of either.
- Need to guard against a potential major loss in Councillor numbers for the reasons outlined above.

### *(1.2) Democracy and Delivery*

One Voice Wales is recognised by the Welsh Government as the national representative body for community and town councils in Wales. It represents the sector on the Local Government Partnership Council and over three-quarters of the 735 community and town councils are already in membership, with numbers growing year on year. As well as our representative role, we also provide support and advice to councils on an individual basis and have previously launched, with Welsh Government support, a modular training programme for councillors. We believe strongly that community councils are well-placed to develop the economic, social and environmental well-being of the areas they serve and, as such, are active and proactive in debating key issues such as energy policies, environmental issues and strategic planning. Our sector is therefore well placed to contribute to a successful future nation, building community and public services from the bottom up.

### *(1.4) Balancing the Responsibilities of National and Local Government*

*"We set out our intention to legislate to complete the programme of Local Authority mergers. We intend to give a general power of competence to Local Authorities, and a power to ensure consistent provision of Community Councils or other democratic models of neighbourhood participation."*

It is clear from the recent Williams review that an approach needs to be taken towards the restructuring of the whole of the public sector in Wales, and that this includes both the functionality as well as the geographical boundaries appropriate to the delivery of all services. This White Paper looks specifically at a part of this challenge but, as a nation, we neglect other aspects at our peril. Specifically, regional working needs to be predicated on consistent and acceptable regional identity (even if this identity needs to be created in some areas initially), and the new “regions” of Wales will need to be supported widely across all sections of society, as they are to become long-term if not permanent geographical entities in themselves.

Developing “local authorities” as defined will result in a badly missed opportunity, as the resulting bodies will be neither “local” nor “authorities” in the ideally intended meaning of the words. The balance between centralised control and local accountability would be better served by creating a tier of “regional authorities” based on merged/amended unitary council boundaries (taking health board and other boundaries into account also), supplemented by a single tier of truly community based organisations grounded on the existing model of community and town councils.

This latter model is proven, accepted by the people of Wales and perfectly placed to evolve into the desired vehicle of local service delivery for the future. Above all, it is democratic and this model should be assumed for the whole of Wales in the future, with only associative or supportive reference to third party or other community based organisations in terms of local service delivery. In implementing such a national framework of community and town councils with new powers and agendas, it is accepted that these bodies will need to be fully reviewed and consideration given to new models of organisation such as local council clusters or even potentially merged arrangements.

However, to avoid starting the journey of reorganisation of public services at the very heart of each community in Wales would be to miss the opportunity of a generation. In the remainder of this document, references to “local authorities” as described in the White Paper will be described as “local/regional authorities”, which reflects the argument that they should be considered to be “regional” entities as described above.

#### *(2.4) Working Together*

*“The main public services currently come together through the Local Service Board, under the leadership of the Local Authority, to develop a single integrated plan for their area. This enables partners to agree their common objectives, in other words, their strategic priorities for tackling inequality and improving well-being in the area. This is crucially important to make sure everybody is pulling in the same direction and understands what their role is.”*

A major step to ensure full partnership working would be to ensure that the community and town council sector gets a seat on every Local Services Board in Wales. With the implications of the Future Generations Bill on larger community councils (income over £200k) there will be a need for closer working relations between the community and town council sector and current LSB member organisations - this would mean having a place on the Public Service Board within each Local Authority geography and able to play a full role in the decision making that impacts on the communities that locally elected councillors are accountable too.

One Voice Wales recognises that this will require new skills and capacity within the local councils sector however the White Paper was largely silent on the need for this to happen or consider how this is to be resourced. Preparation work needed to deliver a major change in the

community sector would be substantial and WG funding would be essential to deal with the costs involved. One Voice Wales members consider it necessary for the WG to allocate a block grant to increase the number of councils in Wales to ensure 100% coverage (The White Paper provided no clarity on how areas without a council would feature) and to fund the development of the capacity of the sector to take on a wider role. A block grant was also needed to fund those services that are devolved as well as the transfer of community assets.

The Planning Bill centralises control over planning matters yet there is an opportunity to link the work of Area Boards in the development of Place Plans (if included in the new Planning legislation) based on the geography of the Area Boards – this is a missed opportunity for linking democracy and community planning to administrative boundaries.

### *(2.10) General Power of Competence*

Section 2.10 identifies the rationale for a new general power of competence for both the new local authorities and Community Councils (depending on certain criteria being met). One Voice Wales welcomes this for the reasons outlined in the White Paper. However, the White Paper is largely silent on the functions of local government – both Unitary and Community and Town Councils - going forward. One Voice Wales considers this to be a significant omission as the purpose of the White Paper is the reform of local government – without a consideration of who should be responsible service delivery at the local authority or community level being undertaken as part of Bill preparations would be a missed opportunity in seeking effective public services reform.

Additionally, during our consultation exercises with One Voice Wales member councils the issue of double taxation remained prominent (It was noted that the WG's view was that this could be overcome through the use of the tax raising powers linked to the precept). One Voice Wales would welcome Welsh Government guidance on this matter.

### *(2.11) Other Powers*

*“We intend giving a general power to Local Authorities to ensure consistent and effective provision of Community Councils and other democratic models of neighbourhood participation, within their geographic areas (see 4.8 below).”*

One Voice Wales is concerned with this potential development. It is worrying that a newly created structure of local/regional authorities will be given the responsibility of setting into place an entire tier of democracy that needs to be fully operational and contributing critically to public life in Wales at a time when it will itself be struggling to find its feet and getting to grips with its key issues and priorities. Furthermore, One Voice Wales does not agree in general terms with the principle of subsidiarity – community and town councils are a separate tier of local government and consider that the role of this tier be better defined to ensure the electorate has a clear understanding of the sectors functions in relation to local service delivery in the future.

### *(3.2) Local Government Elections*

One Voice Wales feels that the cycle of elections should be consistent with those of other tiers of government, and therefore it is apt to consider a five-year cycle if that is what the National Assembly/Welsh Government is to adopt for itself. With regard to the idea of creating a cycle of council elections based on phasing the elections of various communities/wards over time, it is considered that the benefits of this approach are

outweighed by the disadvantages in terms of the potential confusion and administrative burdens created, and that the process would lack the overall clarity of electoral result that would be meaningful to members of the public.

### *(3.3) The Role and Responsibilities of the Leader*

One Voice Wales is comfortable with the vision outlined in the White Paper for the role and requirements of council leaders.

### *(3.5) The Role and Responsibilities of Elected Members*

One Voice Wales supports much of the rationale behind the comments included in the White Paper in relation to elected members. One Voice Wales has recently passed a resolution supporting the notion of compulsory training for elected councillors at all levels in Wales.

### *(3.10) Term Limits for Elected Members*

The feeling in relation to this issue is that it should be the electors from each community that determine who is to represent them at the various levels of government, and that this should be without reference to any constraints such as term limits. At the very least, any such constraints being considered ought to be looked at from the point of view of all levels of government, including the National Assembly for Wales itself.

### *(3.11) Recall of elected members*

One Voice Wales is comfortable with the suggestion contained in the White Paper for a mechanism to be considered for the recall of elected members, provided that this mechanism was also in place for members of the National Assembly for Wales itself.

### *(3.12) Electoral Qualification*

One Voice Wales is uncomfortable with the suggestion contained in the White Paper for there to be a ban on twin-hatted membership of local/regional authorities and community or town councils respectively. This is felt to be undemocratic and unhelpful and any advantages from such a regulation would be heavily outweighed by the disadvantages.

### *(3.13 to 3.16) Relating to senior officers*

One Voice Wales has no strong views in relation to the points raised in relation to senior officers, other than to make the point that any such initiatives or changes should take into account public attitudes in respect of acceptable structures.

### *(4.3) Community Governance in Wales*

The White Paper aptly describes the wide range of groups and organisations engaged to a greater or lesser extent in the activities described as community governance as a “crowded landscape”. The various kinds of groups and approaches present a crowded canvass indeed! And, while there are very many exemplars of excellence in terms of the parts played and outcomes delivered across Wales by many of these various groups, none of these can sustain the democratic and representative approach of the local council sector in the longer term. One Voice Wales believes that voluntary and other local groups have a valid and important role to play in the governance of communities, but that this should be in partnership

with and underpinned by a strong local council sector. This whole section of the White Paper, therefore, should be re-thought with this factor in mind.

Feedback from our member councils suggest great care should be taken in taking forward the merger proposals. There is considerable concern that directed mergers encompassing large geographic areas will lead to a loss of community identity and inclusiveness that runs counter to the stated aim of increasing accountability, power to local people and participation. There would be little financial advantage as community councillors are not remunerated but a significant loss of a valuable band of people committed to serving their communities from the sound basis of local knowledge. One Voice Wales considers that the Welsh Government should give much closer thought to how a merger process would be developed ensuring that the resultant impact was not to reduce the level of councillors making themselves available for election. Community and Town Councils must reflect the identity and culture of their area

There is a further real danger that where merged units consist of a town and satellite community councils the interests of the latter would become subsumed again running counter to the aims of reforming local government. One Voice Wales member councils consider that larger merged councils will not be able to pick up on local issues effectively and the most appropriate way forward was clustering/partnership working. Additionally that significant on-going friction would exist within merged councils such as decisions relating to apportionment of spending to the communities coming within the remit of the enlarged council.

An artificially imposed minimum size of £200,000 pa income for the new merged 'unit' is an entirely inappropriate constraint that fails to recognise the essential differences between rural and urban Wales or geographic considerations. Such a constraint would require the merger of a very large number of councils in rural areas, effectively equivalent in size to the old District Council or Shire areas.

We fully endorse proposals to improve standards of governance and operation of community councils and welcome this unreservedly whilst having some concerns regarding the establishment of two tiers of community council devolved competence that could adversely impact on some communities. Local Authorities may not be the most appropriate body to whom Community Councils demonstrate competence. Again the relevant body should at least include One Voice Wales. One VoiceWales would be further strengthened in this by its existing training function.

Rather than mergers one of our member council Llanelli Town Council has experience of the Cynefin Place Leadership model and would support the development of community partnerships with Local Authorities and Community and Town Councils working more effectively. This model is having a positive impact within the five communities of Llanelli. One Voice Wales endorses this approach where bottom up community planning can support the strategic work of evidencing future Local Well Being Plans.

#### *(4.7) Community Councils*

*“One of the great strengths of Community Councils is that they are closer to local people than any other tier of government. Yet, in practice, the quality and openness of interaction with the public by Community Councils can vary significantly.”*

One Voice Wales believes that the level of engagement with the public and the degree of quality services delivered have both improved significantly over the past decade or so. Whilst

there is a long way yet to go, the sector is well poised to take on the mantle of responsibility envisaged within this White Paper in relation to what the Welsh Government seeks to deliver and what the public deserves. The wide variation across the sector exists largely due to historical reasons, but the foundations are already in place for rapid and meaningful improvement, where relevant. Like all other public sector bodies, there are some severe challenges ahead, but the dedication of local representatives will sustain the necessary efforts required at this time.

*“A report by the Wales Audit Office in 2013 on Community Council accounts found systemic weaknesses, and in 2014 they reported there had been little improvement.”*

This comment is unhelpful, as the “systemic” weaknesses referred, at least in part, to the activities of other small public bodies (not community or town councils). The concluding remarks are unfair to the local council sector as a whole, and it is worth mentioning that any council that had fallen foul of accounting practices during this period were assisted to make good any respective weaknesses in their systems and processes.

*“In 2014, the Welsh Government commissioned a survey of the public’s perceptions of Community Councils. The report highlights that there is generally a high level of awareness of Community Councils, they are valued by communities and effective engagement increases satisfaction. However, there is a lack of awareness of what they do and some confusion with Local Authorities’ functions. There is considerable confusion over the amount of precept raised by Community Councils.”*

The lack of awareness on the part of the public in Wales as to what is done by the various sectors is not unique to the split in functionality between unitary and community/town councils. Many people fail to distinguish, for example, between the roles of local government and those of health boards, whilst many more do not understand the distinction between local and central government responsibilities over highway construction and maintenance. The answer, therefore, is for more education and engagement with the local public, something that community and town councils are well placed to help with.

The White Paper appears to be driven solely by the need to reduce costs and the absence of the acknowledgement of costs to the sector in taking on devolved services – One Voice Wales member councils consider this to be wholly unacceptable. The White Paper needs to be based on a holistic approach including transfer costs. It is possible that people will accept that council tax raised by a community or town council and then spent in that community is appropriate but if councils were merged this level of support might be threatened. The sector needs to deal with the community concerns about increases in precept levels and the need for councils to enhance community engagement needed to explain that this is currently the only mechanism available to sustain services.

#### *(4.8) Local Authority Review of Community Councils*

As explained under 2.11, there is great concern that a review of the entire structure and purpose of community and town councils as a sector conducted by local/regional authorities (independently of one another), and this at a time when these authorities are barely up and running, would cause problems and would be an unreasonable ambition. Given that the local council sector can and wish to play a more prominent role in the public life of Wales, and given that this White Paper seeks to lay the foundation of an improved structure of Welsh public life, it is reasonable to ask that a more far reaching review be initiated sooner rather than later. For this to occur successfully, the Welsh Government and the local council sector



itself would need to work together prior to any such review being carried out by the local/regional authorities. In particular, if mergers of community and town councils are to be considered in this manner, the Welsh Government should be encouraged to invest resources into One Voice Wales to enable it to support the process.

A concern raised several times by member councils relates to how much are the mergers all going to cost? And what are the perceived benefits – C&TC's don't receive Revenue Support Grant so there will be no cost savings to WG through merger of community councils. Additionally, without a standardised criterion for mergers, the approach of Unitary Authorities will be inconsistent and subject to funding it might be advisable for One Voice Wales to be involved as a major player.

#### *(4.9) Community Governance and Standards*

One Voice Wales and our member councils are generally in favour of any initiatives to bring about improvements and to raise the standards of service delivery within the sector. We therefore welcome a discussion on the notion of a degree of "competence" for councils to aim for. However, we are concerned over certain elements that are described in the White Paper. In particular, given the burden involved in achieving the various competency tests listed in the paper, it would seem that the sector would end up as a two-tier structure in respect of the approach to powers and capabilities for councils. This would be both confusing for the public and potentially disincentivising for members. It is suggested that this be looked at in more detail by discussion between One Voice Wales and the Welsh Government.

#### *(4.10) Community Councillors serving on more than one Community Council*

One Voice Wales does not believe it to be correct or democratic for there to be a ban on members serving on more than one community or town council.

#### *(5.3 to 5.6) Relating to community participation, community bodies, etc.*

The position taken by One Voice Wales on behalf of member councils in relation to community participation has been outlined above and in particular under section 4.3.

Member councils stressed during the consultation events with One Voice Wales that devolution of services and asset transfers was already well advanced and the WP gave no acknowledgement of this nor indeed to the additional cost falling on the sector. The White Paper also missed an opportunity to highlight the work being undertaken within the sector to support the retention of local services such as Pontyclun Community Council taking over the running of the Day Care Centre from Rhondda Cynon Taff County and Resolven taking on a library service to name but a few. With the recently provided guidance on Community Asset Transfer launched One Voice Wales member councils will be exploring other opportunities to support the retention of local sustainable services.

#### *(6) Corporate Governance and Improvement*

One Voice Wales is comfortable in general with the suggestions contained in the White Paper for improving corporate governance. In particular, the Welsh Government might wish to consider using elected members from community and town councils to take part in various audit committees or other functions across the public sector.

### *(7) Performance in Local Government*

One Voice Wales is comfortable in general with the suggestions contained in the White Paper for underpinning and improving performance across the various functions. Community and town councils have recently been engaged in implementing a major step change in the use of information technology and social media, and members are now beginning to realise the power and benefits of digital communication channels.

### *(8) Strengthening the Role of Review*

One Voice Wales has argued previously that elected members of community and town councils should be brought in to supplement the scrutiny processes of unitary authorities and other public bodies and that; likewise, elected members of other such bodies could be engaged in scrutinising this first tier of democratic accountability. This would appear to be a good time to revisit this suggestion.

### *(9) Reforming Local Government Finance*

It is the view of One Voice Wales that the entire exercise of restructuring public sector finance needs to be looked at collectively, across the whole range of public organisations. One popular opinion gaining ground is that serious consideration should now be given for community and town councils to receive money directly from the Welsh Government. For example, the introduction of a Community and Town Council Improvement Grant programme would encourage innovation and may provide the necessary resource to pump prime the transition of assets or services between the two tiers, something which is absent at the present time.

Additionally member councils felt there is real scope to expand on the point about the future role of One Voice Wales vis a vis ERDF and WEFO functions. Member councillors (and member councillors who operate also within the Third Sector) stated that One Voice Wales is not much different to WCVA, in the support role it provides. If One Voice Wales had a specific Euro Funding Officer, who could help shape the policy application of WEFO, then as organisation, it would be able to be the Quality Control part in the funding loop (like WCVA) to develop and distribute large pots of targeted grants.

This channel would empower community councils with an easy to moderate accountability, but also provide the necessary resources to meet these future challenges. As One Voice Wales takes a greater lead in awareness of change, it would be able to lead the way for routes councils could take.

One Voice Wales believes the shortfalls we are going to see in local authority funding could at least be supported through this direct route, without need to add precept burdens.