

Local government in Wales: Time for a change?

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Local authorities are facing increasing pressures to collaborate. Does this mean that we might see another reorganisation in local government soon?

Public sector reform has been high on the agenda of Welsh Ministers since the early days of devolution.

In contrast to the competition-led approach adopted for local services in England, reform in

Wales has always focused on the need to collaborate, with joint working between public bodies seen as key to efficiency.

Propelled by the economic climate, the drive for collaboration has taken a step change in recent months. For local authorities, joint working is now talked of as a necessity.

The last Welsh Government consistently and forcefully denied that wholesale reorganisation of local government was on its radar.

Yet with Ministers able to exert increasing pressure on authorities to work together, there are plenty who would argue that it is time to look again at whether the structure of local government in Wales needs altering.



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Is there a case for reorganisation?

There have been critics of the 22-authority structure since it was created in 1996. The current financial situation has only served to heighten the arguments that the number of authorities should be cut. The critics' main line of reasoning would be:

- the current structure is unsustainable. There are 22 authorities delivering and duplicating the same services. Many are too small to achieve any significant efficiencies and economies of scale;
- collaboration, as advocated by past Welsh Ministers, is not a solution. It needs initial funding and time, and is merely a means of avoiding the fact that reorganisation is required. The collapse of the South East Wales Shared Service project in 2010 – which aimed to bring ten local authorities together to share back office functions – showed the difficulties of collaborating successfully;
- although the Beecham report did not support reorganisation in 2006, it said that councils had to make considerable progress on joint working by 2011 or reorganisation would be back on the agenda. Many would contest whether such progress has been made; and
- ultimately, reorganisation is the only way of securing efficiencies in the longer term.

Local Government (Wales) Measure 2011

The Local Government (Wales) Measure 2011 has recently given Welsh Ministers powers to amalgamate councils and to issue statutory guidance on collaboration, while the Simpson report in March 2011 made several recommendations proposing that further joint working arrangements between authorities should be introduced.

What about those who oppose?

Opponents would argue that reorganisation should not even be thought of in such testing times. They would claim that large scale structural change would surely be a waste of effort and resources.

Furthermore, the recent Simpson report states clearly that change should be through collaboration rather than reorganisation, due to the continuing need for services to be organised locally. Although collaboration is not easy, and although it may have suffered in the past due to a lack of political will, recent steps taken by Welsh Ministers will mean that authorities will be obliged to comply. With such drive, collaboration can be made to work.

A collaborative approach

First advocated in 'Making the Connections' in 2004, the Welsh Government's vision of joint working between public bodies was endorsed by the Beecham report in 2006 and has been reasserted in numerous strategies since.

The financial crisis of 2008 seemed to convince Ministers that collaboration had to be made to work.

The Simpson report also suggests that the energy involved in reorganisation is so great it would distract authorities from focusing on service delivery. This is backed by the fact that the Beecham report did not oppose the collaboration model as long as improvements would be made.

Is the focus in the right place?

Other commentators have suggested that to focus exclusively on reorganisation is to miss some of the main issues involved. Professor Steve Martin, for instance, has talked of the need to try and find a service-by-service solution, as the optimum size council for certain services would be very different to the optimum size for others (compare waste management and education). In some cases, smaller rather than larger bodies might be preferable.

There are also correlating issues that might be more pressing, such as the fundamental nature of the relationship between central and local government, and the variation in the services delivered by different authorities in different areas.

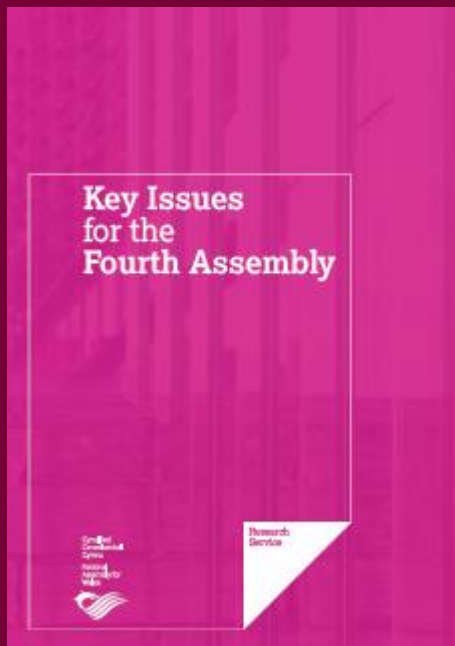
In whichever form, local authorities across Wales spend around £4 billion a year on their services. Whether they will continue to do so within the current structures remains to be seen.

Local authority populations

Welsh local authorities vary hugely in terms of the populations they serve.

While Cardiff Council serves around 325,000 residents, other councils such as those in Anglesey and Blaenau Gwent serve only 69,000, and Merthyr Tydfil only 56,000.

Article taken from Research Service publication



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This document has been specially prepared for Assembly Members by the Research Service. It sets out some of the key issues likely to matter to Members during the Fourth Assembly.

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