

# Public service reform in post-devolution Wales: a timeline of local government developments

Research Briefing

September 2018



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## Research Briefing

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**Paper Overview:**

The reorganisation of local government in Wales has long been debated. However, over the last decade, the debate has intensified, with strong arguments for and against keeping the existing model of 22 local authorities. This research paper provides a timeline of the key developments in local government reform over recent years.





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## Summary

The current local government structure was established in 1996, since then, the debate around how effective and sustainable the framework for local decision making is has continued.

The Welsh Government initiated a number of Commissions and reports over the last two decades, including the 'Beecham review' into public services, the 'Simpson review' on what services are best delivered where, and the 'Williams Commission' on public service governance and delivery. Following the 'Williams Commission' recommendations in particular, the Welsh Government attempted to move the change agenda forward. A draft Bill was introduced in the Fourth Assembly that would pave the way for local authority mergers, provide local authorities with the general power of competence and change the functions of councils and their Members.

However, following the 2016 Assembly election, the Bill did not proceed. The Welsh Government has since consulted on a White Paper that would have kept the current 22 authority footprint but with mandated regional working, and subsequent to that, the Welsh Government has reverted back to a policy focused on reducing the number of local authorities – having most recently consulted on a Green Paper that again proposed a programme of mergers. As well as structural reform, the Fifth Assembly has seen proposals for electoral and financial reform in local authorities. This research paper provides a timeline of the key developments in the local government reform story to date.

# Introduction

This paper provides a brief outline of the key local government developments in Wales over the years, with particular focus on the post-devolution era.

## The historical context

During much of the twentieth century, local government in Wales was based on a system of elected county councils, county borough councils, urban district councils and rural district councils.

This system remained in place until 1974, when a major reorganisation created a two-tier Welsh local government structure, consisting of eight county councils and 37 district councils. The two tiers would each be responsible for delivering specific local government services in their areas.

By 1996, the UK Government was concerned that the two-tier model of service provision was inefficient, which led to a further reorganisation. A single tier of 22 unitary authorities was created which would deliver all of the main local government services in Wales.

The **Local Government (Wales) Act 1994** refers to authorities as 'principal areas'. Although they are variously styled as 'counties' or 'county boroughs', they have equal powers and are often uniformly described as 'councils' or 'local authorities'. Together with a lower tier of community councils and the fire and national park authorities, they form the Welsh local government structure.<sup>1</sup>

For 2018-19, unitary authorities in Wales are budgeting to spend around £8.6 billion pounds in revenue and capital spend.<sup>2</sup> The majority of general revenue funding for local authorities in Wales is provided directly by the Welsh Government through the Revenue Support Grant (RSG) and through redistributed business rates. This equates to around 75% of a local authority's budget. The remainder is collected via council tax and other fees and income streams. Unitary authorities can also access grants from a variety of sources and hold reserves.

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1 There are over 730 community and town councils in Wales as well as three fire and rescue authorities and three national park authorities.

2 Stats Wales, Local Government, Finance, **Financing of gross revenue expenditure, by source of funding** and **Capital forecast financing, by authority** [Accessed 28 June 2018]

## The political context

Ever since the current local government structure was established in 1996, politicians, political commentators and stakeholders have been debating whether the framework works effectively and is fit for purpose. This has been brought into sharper focus during the period of austerity that has followed the financial crisis in 2008.

In March 2011, two notable developments took place that focused minds on the potential of local government reform. First, the Local Government (Wales) Measure 2011 was passed by the National Assembly, giving Welsh Ministers powers to amalgamate two or three local authority areas and to issue statutory guidance on collaboration.

Soon after, the Welsh Government published the 'Simpson review' of local government: *Local, Regional, National: What services are best delivered where?* This report made 21 recommendations on how local government services could best be delivered in Wales, with significant focus on collaboration between councils.

The Simpson review eventually led to the signing of the Compact for Change between the Welsh Government and Welsh local government (the 'Simpson Compact') in December 2011. This was intended to provide a route map for new ways of organising public services on a national, regional and sub-regional level. The aim was to formalise a partnership approach across a range of council services, and to standardise collaboration in order to improve delivery and outcomes.

On 18 April 2013, the First Minister announced that he was establishing a **Commission on Public Service Governance and Delivery** ("The Williams Commission"). In a **statement in Plenary later that month**, the First Minister said that **'no responsible government would incur the cost and disruption of any major structural reforms without a clear, coherent and compelling case for doing so'**.

Nevertheless, he did acknowledge that this was now a possibility:

I do not believe that there is anyone—or there may be one or two in the Chamber—who believes that having 22 local authorities, with their present boundaries, is right for delivering local government services across Wales. Therefore, the issue of local government reorganisation is something that this commission can consider, and we look forward to any conclusions that it may come to as a result of that.<sup>3</sup>

The Williams Commission published its report in January 2014, and made **62 recommendations** on a broad range of issues based on the following key themes:

- Complexity
- Scale and Capability
- Governance, Scrutiny and Delivery
- Leadership, Culture and Values
- Performance and Performance Management

One of the key recommendations was in relation to the structure of local authorities. Four possible options for merging the 22 authorities were provided, with a new configuration of either 12, 11 or 10 larger authorities.

The **Welsh Government favoured Option 1 proposed by the Williams Commission** - the 12 authority footprint. However Ministers were still open to other configurations at the time, including as few as **8 local authorities**. The Welsh Government introduced legislation in 2015 with the aim of facilitating voluntary and compulsory mergers of local authorities in Wales.

The Local Government (Wales) Act 2015, laid the groundwork for government mergers, including mechanisms to allow for authorities to voluntarily merge. This was followed in November 2015 by a draft Local Government (Wales) Bill, which would have legislated for statutory mergers (as well as other changes, such as giving authorities the power of general competence). The draft Bill did not progress.

Going into the 2016 Assembly Election, the **Welsh Labour Party manifesto** made a commitment to 'create stronger, larger local authorities'. There were divergent manifesto pledges from the other parties on local government reform, but support for full-scale mergers was in short supply.

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3 National Assembly for Wales, **RoP: Plenary**, 30 April 2013 [Accessed 29 June 2018]

Following the 2016 Assembly Election, the programme for local government reform changed dramatically. Mark Drakeford AM was appointed Cabinet Secretary for Finance and Local Government in a minority Labour Administration.

The new Cabinet Secretary, in a **statement in Plenary**, proposed that the existing 22 local authorities remain as the **‘front door’** to which people would access key services. Instead of mergers, the Cabinet Secretary proposed an **‘enhanced level of mandatory and systematic regional working’**, with the aim of ensuring greater resilience and better planning and delivery of services regionally.

Local government welcomed the new approach at the time, with the **WLGA** noting that the ‘structural and financial insecurity has particularly affected the local government workforce’. The Cabinet Secretary’s announcement they said ‘provides welcome stability and security’.

A year later, following a Cabinet reshuffle, Alun Davies AM was appointed Cabinet Secretary for Local Government and Public Services.

In March 2018, a **Consultation Green Paper, Strengthening Local Government: Delivering for People** was launched. In it, the Cabinet Secretary proposed to look again at the potential to create larger councils, with an indicative footprint of 10 local authority areas.

The proposals were met with some irritation from Local Government, with the **WLGA** stating that the new policy had caused ‘disquiet and confusion’. They went on to state that:

[...] local authorities will want to clarify and digest the implications of another shift in government policy in an area where there have been a significant number of previous reports and commissions. The proposals are yet to be fully costed and most academic analysis concludes that such reform programmes **rarely deliver the savings or changes in performance that were hoped.**

However, the Cabinet Secretary subsequently announced at the WLGA conference on 28 June 2018 that he was no longer pursuing compulsory mergers. **Alun Davies AM told council leaders that he was “happy to withdraw the map” on re-organisations.**

The remainder of this paper provides a timeline of recent developments in public sector reform policy that have impacted on local government in Wales.

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# A timeline of policy and legislative developments

## Pre-devolution

**1974:** The **Local Government Act 1972** leads to a major reorganisation of local government in Wales. It creates a two-tier local government structure consisting of eight county councils and 37 district councils, each responsible for providing specific local services.

**1996:** The **Local Government (Wales) Act 1994** leads to further reorganisation. County and district councils are abolished, replaced by a single tier of 22 unitary authorities. The 22 local authorities would provide all of the main local government services in Wales.

**1998:** The **Government of Wales Act 1998** sets out the general principles for the relationship between the National Assembly for Wales and Welsh local government. It requires the National Assembly to set up both a partnership council and a formal scheme to underpin this relationship.

## The First Assembly (1999-2003)

1999

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**July:** The **Local Government Act 1999** establishes the 'Best Value' regime, which places a duty on local authorities in England and Wales to secure continuous improvement in services by producing performance plans and conducting reviews of all functions.

2000

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**June:** The National Assembly establishes the Partnership Council for Wales as an advisory body to promote joint working between the Assembly and local government.

**July:** The National Assembly lays its **Local Government Partnership Scheme**, outlining how the Assembly proposes to sustain and promote local government in Wales.

**July:** The ***Local Government Act 2000*** establishes the framework for new political management structures within local government in England and Wales. The majority of Welsh local authorities opt for a leader and cabinet model, although a 'fourth option' is subsequently developed in Wales, allowing for a politically balanced board to function as the executive.

**July:** The ***Local Government Act 2000*** places a duty on each principal council in England and Wales to prepare a community strategy to improve the wellbeing of their areas. The preparation and implementation of the strategy would involve both the council and a wide range of other organisations.

2001

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**June:** The Welsh Government publishes guidance on the *Wales Programme for Improvement*, which sets out the Government's approach to fulfil its duties under the Best Value regime. The programme is based on empowering local authorities to lead and manage their own affairs and to develop actions that are right for local circumstances.

2002

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**March:** The Welsh Government announces a consultation on its policy statement, ***Freedom and Responsibility in Local Government***. It is the first document in which the Welsh Government has set out fully its policies and future vision for local government in Wales. A significant emphasis is placed on promoting openness, partnership and participation with stakeholders.

## The Second Assembly (2003-2007)

2003

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**October:** The Welsh Government publishes its commissioned report, ***Research Study into the Role, Functions and Future Potential of Community and Town Councils in Wales*** (the 'Aberystwyth report'). The report makes several recommendations regarding the role of community and town councils in Wales, proposing that they should be enabled to provide a wider range of services through agreement with their county councils.

2004

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**October:** The Welsh Government publishes ***Making the Connections: Delivering Better Services in Wales***, a strategic framework and vision for public service reform, aiming to create a Welsh public service that shares common goals and works across functional and organisational boundaries. It asserts that ‘the greatest gains are likely to come from organisations introducing shared support functions’.

2005

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**June:** The Welsh Government publishes *Delivering the Connections: From Vision to Action*, which outlined its action plan for the next five years to implement the *Making the Connections* vision. The plan states that the Government is looking for a dividend of up to £300 million a year by 2008 and at least £600 million a year by 2010 through more efficient ways of working, achieving cost reductions and service improvements.

**December:** The Welsh Government announces the establishment of the *Making the Connections Improvement Fund*. A total of £3 million would be made available in each of the three subsequent financial years to support joint working through public service projects across Wales. The fund was aimed at assisting projects that improve public services and stimulate change through innovation.

2006

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**January:** Regional Partnership Boards are established as sub-committees of the Welsh Local Government Association (WLGA) in North, Central, South East and South West Wales. Set up to develop a range of collaborative projects, their memberships consist of the leaders and chief executives of each of the constituent councils and officials of the WLGA. They could propose collaborative and shared services but had no delegated powers, and the decision to participate in projects rests with the individual councils.

**April:** The WLGA publishes *Efficiency and Joint Working in Local Government in Wales*. It generally recognises the benefits that can be achieved from joint working as advocated in *Making the Connections*, but expresses caution about the actual and perceived difficulties of successful partnership working.

**July:** The ***Government of Wales Act 2006*** restates the requirement to establish and maintain a *Partnership Council for Wales*, which now meets around three times a year. However, it was now incumbent on Welsh Ministers to appoint members of the Council.

**July:** The long-awaited Beecham report is published – ***Beyond Boundaries: Citizen-Centred Local Services for Wales***. Looking at the whole spectrum of public service delivery in Wales, it endorses the Welsh Government’s overall strategy for reform, concluding that the citizen-centred model based on collaboration could be made to work. It also makes clear that a **major reorganisation of structures would be a distraction** from dealing with some of the fundamental barriers to achieving this.

**November:** The Welsh Government responds to the Beecham report by publishing ***Making the Connections – Delivering Beyond Boundaries: Transforming Public Services in Wales***. It focuses on the need to have better integration of public services and more consistency in performance. It also includes proposals to set up *Local Services Boards* and *Local Services Agreements* to promote joint working between public bodies.

2007

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**March:** The Welsh Government publishes ***A Shared Responsibility: Local Government’s contribution to improving people’s lives***. It pulls together and reasserts the Government’s policy aims and objectives in relation to local government, and sets out the challenges to local government based on the Beecham report.

## The Third Assembly (2007-2011)

2007

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**January:** ***Consultation launched inviting views on the role and functions of the proposed Local Service Boards***. . Designed to bring together the main public service providers in those areas with a view to ensuring greater joint working to improve local problems.

**December:** The ***South East Wales Shared Service Project*** is launched, agreed by 10 local authorities in an attempt to save £45 million over 10 years through joint working and by sharing back office functions.

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**April:** The Welsh Government introduces a new *Local Government Partnership Scheme*, setting out how it will consider the interest of local government in all aspects of its work. It fundamentally revises the scheme introduced in July 2000 in order to better reflect the emerging public service reform agenda.

**June:** The ***Local Government (Wales) Measure 2009*** gives statutory effect to several of the Beecham report recommendations. It attempts to make local authorities more effective by repealing the Best Value regime and placing a new statutory duty on authorities to improve services through strategic planning.

**July:** The Centre for Local and Regional Government Research at Cardiff University publishes ***Learning to Improve: An Independent Assessment of the Welsh Assembly Government's Policy for Local Government (First Interim Report)***. The Centre, in partnership with Shared Intelligence, was commissioned by the Welsh Government to carry out an independent assessment of its policy for local government for four years between 2008 and 2012.

2008

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**December:** The Health, Wellbeing and Local Government Committee publishes its ***report on its inquiry into Local Service Boards***. While it was still early days for Local Service Boards, the Committee made a number of recommendations to the Welsh Assembly Government and LSB partners. The recommendations focussed on areas of risk to address and preventative measures to be taken.

2010

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**March:** It is announced that the ***South East Wales Shared Service Project*** has collapsed and will not be going ahead after some authorities pull out of the project, while others are unable to agree on a way forward.

**March:** The Welsh Government sets up the Efficiency and Innovation Programme to foster innovation and collaboration in public services as a response to the financial climate. The ***Efficiency and Innovation Board*** brings together leaders from the Welsh Government, the NHS and local government to drive forward a number of work streams, focusing on actions where a public service wide approach will deliver efficiencies.

**September:** The Minister for Social Justice and Local Government, Carl Sargeant AM announces a review of local government in Wales to look at what needs to be delivered where. He states that 22 authorities are currently delivering the same services and that there is a need to consider whether authorities have the capacity to do this in the current economic climate.

2011

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**March:** The **Local Government (Wales) Measure 2011** is passed. It contains new provisions for the political management structures of local authorities (in that there is now only a choice between a leader and a cabinet or an elected mayor and a cabinet system). It also includes powers for Welsh Ministers to amalgamate two or three local authority areas.

**March:** The Minister for Social Justice and Local Government announces the publication of **Local, Regional, National: What services are best delivered where?** (the 'Simpson review'). It includes 21 recommendations stating that replicating functions and services 22 times in a country the size of Wales creates unnecessary duplication. Although it does not call for reorganisation or for amalgamating authorities, it recommends new ways of organising services and calls for further collaboration between authorities in many service areas.

## The Fourth Assembly (2011-2016)

2011

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**May:** The Labour Party's election manifesto includes a commitment to establish an independent commission to review the governance and delivery arrangements of public services in Wales.

**July:** The Welsh Government announces details of its five-year legislative programme. During the 2011-2012 session, the Government says that it intends to introduce a *Local Government (Collaborative Measures) (Wales) Bill* that will facilitate the process of local authorities making joint appointments; require them to consider doing so for posts of specified seniority; and create powers for the Auditor General for Wales to inspect and report on compliance with this duty. Welsh Ministers will be able to intervene in cases of failure.

**July:** The Minister for Local Government and Communities at the time, Carl Sargeant AM **makes a statement** announcing his intention to move towards a common structure for the alignment of public service collaboration, based on the current Local Health Board and police authority boundaries. He also states that the leadership and governance arrangements for public sector reform would rest with the Partnership Council for Wales.

**September:** The Welsh Government's **Programme for Government** is announced. The document confirms that a *Local Government (Collaborative Measures) (Wales) Bill* will be introduced, as well as statutory guidance setting out what Welsh Ministers will expect in terms of increased collaboration between local authorities and public service partners.

**September:** A Public Services Leadership Group is established by the Welsh Government to help drive public service reform forward. Working with the Partnership Council for Wales, it consists of senior leaders who represent public services and geographical areas across Wales, and chaired by the local government Minister. Its aim is to provide 'national leadership for collaboration, driving the pace of improvement in services for Welsh citizens'.

**December:** The **Simpson Compact** is signed between the Welsh Government and local government. Its aim is to find new ways of organising services by considering what can be provided at a national, regional or sub-regional level. It contains a number of specific actions 'to take collaboration on to the next stage' in various local government services. Central to this agenda is the Welsh Government's *Collaborative Footprint for Public Services*, which attempts to standardise collaboration based on **six specific regions** in Wales: North Wales; Mid and West Wales; Western Bay; Cardiff and the Vale; Cwm Taf; and Gwent.

2012

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**January:** The Minister for Local Government and Communities **makes a statement to the National Assembly** declaring that he has reconsidered the need to introduce a *Local Government (Collaborative Measures) (Wales) Bill*. He says that he has been given assurance that local government is committed to his collaboration agenda and that legislation would therefore **not be required** at this stage.

**July:** The Welsh Government publishes a report on ***Local Authority Service Performance for the period 2010-11***. It set out and compared performance information for all authorities in the areas of social care, education, housing, environment, transport, and leisure and recreation<sup>4</sup>.

**September:** The WLGA publishes its ***Collaboration Toolkit***, intended as a guide for local authorities wishing to embark on collaboration and joint working. It also covers major technical issues that will be faced by collaborative projects.

**October:** A Welsh Government consultation is launched on regulations and statutory guidance enabling two or more local authorities to set up joint overview and scrutiny committees under the ***Local Government (Wales) Measure 2011***. This process results in the Welsh Statutory Instrument: ***The Local Authorities (Joint Overview and Scrutiny Committees) (Wales) Regulations 2013***.

**October:** The Welsh Government announces the establishment of a £10 million *Regional Collaboration Fund* as part of the local government settlement for 2013-14. The fund is intended to help to overcome barriers to collaboration by acting as a catalyst and by providing upfront funding to implement collaboration projects within local government.

**October:** The first meeting of the reformed ***Partnership Council for Wales*** takes place. Local authorities are now represented by a leader from each of the six areas for collaboration, with the Council intended to provide 'the political accountability and leadership for public service reform and collaboration'.

**December:** The Welsh Government publishes the ***Shared Purpose, Shared Delivery*** statutory guidance (Version 2) in an aim to reduce the complexity of public service administration. Local authorities were due to draw up their first Single Integrated Plans by April 2013. These integrate the several separate statutory plans of authorities (including community strategies; children and young people plans; health, social care and well-being strategies; and community safety plans) into a single document.

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<sup>4</sup> Data Cymru (formerly Local Government Data Unit - Wales) now produce **reports** and **performance data** by local authority.

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2013

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**February:** In a *circular to councillors*, the Minister for Local Government and Communities states that there has been ‘reasonable progress on implementing the recommendations of the Simpson Report’ but that there was a need to ‘take action now to make faster progress’. However, the Minister also emphasises that the Simpson Compact is intended to provide ‘better patterns of service delivery’ and that it is ‘not about reorganising local government’.

**April:** The First Minister makes a statement that he is establishing a **Commission on Public Service Governance and Delivery** to ‘strengthen the delivery of efficient, effective and accessible public services’.

**September:** The Welsh Government publishes its report: ***Learning to Improve: An Independent Assessment of the Welsh Government’s Policies for Local Government, 2007-2011*** which is based on an interim report by the Centre for Local and Regional Government Research at Cardiff University.

2014

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**January:** The Williams Commission publishes its **report**, which covers various aspects about how public services are delivered. The Commission concludes that some local authorities are **too small to perform effectively**. As such, the Commission suggests that the 22 Welsh local authorities should be merged to create either 10, 11 or 12 units. The report makes a total of 62 recommendations.

**March:** The Expert Group on Local Government Diversity, established by the Welsh Government publish their findings in their report – **On Balance: Diversifying Democracy in Local Government in Wales**. A total of 24 recommendations were made, including greater collaboration between the Welsh Government, the WLGA and equalities groups to establish mentoring schemes; to establish the role of “Member Champions” in each council to encourage participation and a co-ordinated campaign to promote the work and role of councillors.

**July:** The Welsh Government responds to the Williams Commission report by publishing its White Paper: ***Devolution, Democracy and Delivery: Reforming Local Government***. The proposals include reducing the number of local authorities as well as improving partnership and collaboration.

**September:** The Welsh Government publishes an **Invitation to Local Authorities in Wales to submit proposals for voluntary mergers**. The Welsh Government calls this a 'prospectus' and invites local authorities that wish to merge voluntarily to submit expressions of interest by 28 November 2014.

**October:** The Welsh Government publishes a **White Paper on the Public Services Staff Commission**. The Commission's role is to look at staffing issues associated with the merger process.

**November:** A **report** by the Chartered Institute of Public Finance and Accountancy (commissioned by the Welsh Local Government Association) suggests that the transition costs of merging local authorities could range between £160 million and £268 million. Annual savings of £65 million may be recouped after two to three years.

**December:** The Welsh Government publishes the responses to its initial July 2014 White Paper, including a **summary document**.

2015

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**January:** The Welsh Government introduces the **Local Government (Wales) Bill** (i.e. the first Bill). The Bill enables local authorities who have submitted successful bids to merge voluntarily, by way of regulations. The Bill also facilitates preparatory work for further mergers, once the new local authority areas have been set out in a second Bill.

**January:** The Minister for Public Services, Leighton Andrews AM, announces that he has decided to **reject all three expressions of interest** for voluntary merger on the grounds that they did not meet the criteria set out in the prospectus issued in September 2014.

**January:** Both the Minister for Public Services and the First Minister tell the **Assembly's Plenary** that the Welsh Government's preferred option for merger is still the 12-authority approach set out in the Williams Commission report. But the First Minister also concedes that this is not 'definitive'. As such, he invites leaders of the other political parties to have discussions with him on the eventual local government map.

**February:** The Welsh Government publishes a further **White Paper on Local Government Reform: Power to Local People**. This contains the Welsh Government's proposals for reform beyond structural change. It includes steps to try and reduce the cost of local government; improving the diversity of councillors; improving performance; and giving communities a bigger say in how local services are delivered.

**February:** The Assembly's **Communities, Equality and Local Government Committee** begins its work scrutinising the first Local Government (Wales) Bill.

**April:** The Wales Audit Office publishes its report: **The financial resilience of councils in Wales**. The report reviewed the robustness of management and planning arrangements to support financial resilience in local authorities. It concludes that Councils are 'under significant financial stress' and will 'need to improve strategic financial planning to protect their financial resilience'.

**June:** The **Welsh Government announce its preferred configuration of Local Government in Wales**. While Option 1 proposed by the Williams Commission (12 local authorities) was its favoured option, the Welsh Government was also open to alternative configurations, suggesting there could be as few as 8 local authorities by the end of the process.

**June:** The Minister for Public Services tells the WLGA Annual Conference that Public Service reform in Wales is essential to protect frontline services and that "it is now for all of us who care about the future of local government to work through these proposals together and deliver essential structural reform".

**June:** Specialist audit, tax and advisory firm KPMG publish a report, **Welsh Local Authorities – Administrative Cost Review** commissioned by the Welsh Government. The report finds 'significant opportunity to improve the performance of administrative functions', potentially reducing gross administrative expenditure from £471 million to £320 million.

**September:** On 4th September 2015, the ten local authorities of the Cardiff Capital Region<sup>5</sup> submitted a request to UK Government to commence negotiations for a City Deal worth up to £1bn. City Deals are agreements between UK Government and a city or region, transferring powers to take decisions and invest in priority projects in their area to promote economic growth. Similar deals have subsequently been progressed for the Swansea Bay City Region and through the North Wales Economic Ambition Board.

**November:** The Minister for Public Services publishes the **Draft Local Government (Wales) Bill (“the draft Bill”)** along with consultation documents. The objective of the draft Bill was to ‘complete the programme of local authority mergers and set out a new and reformed legislative framework for Local Authority democracy, accountability, performance and elements of finance.’ Under the proposal, the 22 councils would be merged into 8 or 9 larger authorities.

**December:** The Communities, Equality and Local Government Committee agree to undertake pre-legislative scrutiny of the draft Bill including a public **consultation**.

2016

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**March:** The Communities, Equality and Local Government Committee published its report on the **Draft Local Government (Wales) Bill**. In it, the Committee advised the Minister for Public Services at the time to give further consideration to the anticipated costs of mergers and the expectancy for local authorities to meet those upfront costs.

**March:** The Welsh Government publish an **Evidence Review – Systems of Local Government Finance, Local Taxation and Resource Allocation**. The review examines the existing base of knowledge and research to establish potential options for future funding and finance models for local government and public services.

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5 The ten authorities in the Cardiff Capital City Region: Cardiff, Vale of Glamorgan, Rhondda Cynon Taf, Bridgend, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire and Newport.

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**March:** The Independent Commission on Local Government Finance Wales, established by the Welsh Local Government Association and the Chartered Institute for Public Finance and Accountancy (CIPFA) publishes its final report: **Ambition for change: Aiming higher**. Among its recommendations are for existing specific grants to be incorporated in the Revenue Support Grant (RSG), for the existing RSG to be frozen and indicative rolling three yearly grant settlements to be introduced, as well as full retention of Non-domestic rates by local authorities.

## The Fifth Assembly (2016- )

2016

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**April:** The **Welsh Labour Party's election manifesto** for the Fifth Assembly includes a commitment to 'create stronger, larger local authorities, as well as stronger town and community councils, leading to devolution of powers from Cardiff Bay'.

**August:** The Wales Audit Office publishes its report: **Financial resilience of local authorities in Wales 2015-16**. This report looks at the current financial performance of the 22 local authorities in Wales. According to the Auditor General for Wales, 'local authorities are improving their strategic planning arrangements but are having difficulties in developing and delivering the savings and changes to service at the pace required to ensure future financial resilience'.

**October:** The Cabinet Secretary for Finance and Local Government, Mark Drakeford AM sets out a **new way forward for local government in Wales**. The new proposals would not change the existing number of local authorities, but would support voluntary mergers, along with an 'enhanced level of mandatory and systematic regional working'.

**November:** Mark Drakeford AM sets out a **timetable** for 'talks' on local government reform. Local authorities had eighteen months to prepare for 'harder choices that lie ahead'.

**November:** The Welsh Government discontinue the collection of **National Strategic Indicators (NSI) for local authorities**. The NIS were used to measure performance of local authorities at a national level and focus on key strategic priorities. Local authorities were legally obliged to collect and publish data for each NSI, as set out in the **Local Government (Performance Indicators and Standards) (Wales) Order 2012**. This order was **revoked** by the Cabinet Secretary for Finance and Local Government, Mark Drakeford AM.

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2017

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**January:** White Paper consultation launched – ***Reforming Local Government: ‘resilient and renewed’*** seeking views on the proposals for mandatory and systematic regional working, addressing electoral reform and workforce issues. The Cabinet Secretary for Finance and Local Government states that the “new regional arrangements will bring councils together to work more effectively in the interest of people and their communities”. The consultation on the White Paper closed on 11 April 2017.

**January:** In a **written statement**, the Cabinet Secretary for Finance and Local Government, outlines intentions to reform the local government finance system in Wales. Noting his priorities for the reforms are to establish a finance system with “greater resilience for local authorities, fairness for citizens and businesses, and sustainable funding for vital local services”. Amongst other things, the Cabinet Secretary notes local taxation and distribution mechanisms as areas to be considered.

**May: Local Council Elections 2017 held.** Mark Drakeford AM congratulates councillors elected to office, calling on them all to continue to work with the Welsh Government on plans for reform. He reaffirms his commitment to progressing with mandatory regional working, noting “the Welsh public have heard us talking about local government reform for many years and the time has come to bring this to a long-lasting resolution”.

**June:** The Wales Audit Office publishes its report: ***Savings Planning in Councils in Wales***. The review examines how well savings planning supports financial resilience of Councils in Wales. The report concludes that medium-term financial planning is generally effective, but shortcomings in savings planning present risks that some councils will not achieve the savings required.

**July:** A **White Paper consultation** on Electoral reform in local government is launched, which includes proposals to extend the vote to 16 and 17 year olds in local council elections, electronic voting and proportional representation among others. The consultation ended 10 October 2017.

**September:** First meeting of the panel established to **review the future of Community Councils in Wales** is held. The panel is co-chaired by former Assembly Members, Gwenda Thomas and Rhodri Glyn-Thomas. The review is aimed at exploring the potential role of community councils, define the most appropriate model or structure to deliver this role, and consider how this model might be applied across Wales.

**October:** The Welsh Government publishes an **update on its proposals for financial reform in local government**.

**November:** Cabinet reshuffle sees Alun Davies AM take the portfolio of Local Government and Public Services Secretary.

**December: Consultation** launched on proposals to transfer healthcare services for people in Bridgend Council area from Abertawe Bro Morgannwg University Health Board to Cwm Taf University Health Board. This would according to the Welsh Government “establish Bridgend CBC within the south East Wales regional footprint for healthcare provision and social services, complementing existing economic and education partnerships”.

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**February:** The **Independent Remuneration Panel** for Wales determines an increase of 1.49% to councillors’ basic salary, which is now at £13,600.

**February:** The Cabinet Secretary for Local Government and Public Services answers questions in **Plenary** on Local Government reform, noting that local government does not wish to proceed with the previous Cabinet Secretary’s proposals for systematic and mandatory regional working.

**March:** The Cabinet Secretary for Local Government and Public Services launches the **Consultation Green Paper, Strengthening Local Government: Delivering for People**. The consultation ended on 12 June 2018. The Green Paper proposes looking again at creating larger councils, with possible options including voluntary mergers or a comprehensive merger programme. **BBC Wales reports that Council Leaders clashed with the Cabinet Secretary for Local Government and Public Services**.

**March:** The Welsh Government announces that the **Public Services Staff Commission has been disbanded**, with its programme of work being undertaken by the Workforce Partnership Council.

## **Public service reform in post-devolution Wales:**

a timeline of local government developments

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**June:** The Cabinet Secretary for Local Government and Public Services states at the Welsh Local Government Association's Conference on 28 June, **as reported by BBC Wales**, that Wales' 22 local councils will not be forced to merge. He also said that he was "happy to withdraw the map" on re-organisation which proposed 10 new council areas.

**July:** The First Minister announces the Welsh Government's **Legislative Programme** for the next 12 months. The Bill will include provisions for reforming electoral arrangements, which include extending the franchise to people aged 16 and 17. The Cabinet Secretary for Local Government and Public Services made a **statement** the same afternoon, noting the response to the consultation Green Paper had suggested "an appetite amongst local government to work together to progress voluntary mergers and to increase and improve regional working".

## Links and further reading

- **The Welsh Government webpages on improving public services** (which includes the latest Public Service Wales publications, strategies, policies and data).
- **The Welsh Government webpages on local government** (which includes information on the Partnership Council for Wales, Community and Town Councils and local government financing).
- **The Welsh Local Government Association webpages on local government reform**
- **The Wales Audit Office publication pages**
- **Public Policy Institute for Wales (PPIW) publications** (Archive of public services publications)
- **Wales Centre for Public Policy publications** (Successor to PPIW)
- **Click on Wales** (local government articles archive)
- **Andrews, R. and S. Martin (2010) Regional Variations in Public Service Outcomes: The Impact of Policy Divergence in England, Scotland and Wales Regional Studies.**
- **Martin S and Webb A (2009) Citizen-centred' public services: contestability without consumer-driven competition?, Public Money and Management.**
- Curtice, J. and Heath, O. (2009) Do people want choice and diversity of provision in public services? in Park, A. et al (eds) (2009) **British Social Attitudes: The 25th Report, London: Sage**
- Bristow G, Entwistle T, Hines F and Martin S (2009) **New spaces for inclusion? Lessons from the 'three-thirds' partnerships in Wales**, International Journal of Urban and Regional Research 34 (2) pp. 903-921