



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Cymunedau, Cydraddoldeb a **Llywodraeth Leol** **The Communities, Equality and Local Government** **Committee**

Dydd Iau, 26 Chwefror 2015
Thursday, 26 February 2015

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Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir
trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in the committee. In
addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Christine Chapman	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Alun Davies	Llafur Labour
Jocelyn Davies	Plaid Cymru The Party of Wales
Janet Finch-Saunders	Ceidwadwyr Cymreig Welsh Conservatives
John Griffiths	Llafur (yn dirprwyo ar ran Gwenda Thomas) Labour (substitute for Gwenda Thomas)
Mike Hedges	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Gwyn R. Price	Llafur Labour
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

**Eraill yn bresennol
Others in attendance**

Y Cynghorydd/Councillor Dyfed Edwards	Arweinydd Cyngor Gwynedd Leader of Gwynedd Council
Y Cynghorydd/Councillor Anthony Hunt	Aelod Gweithredol Adnoddau, Cyngor Bwrdeistref Sirol Torfaen Executive Member Resources, Torfaen County Borough Council
Daniel Hurford	Pennaeth Polisi, Cymdeithas Llywodraeth Leol Cymru Head of Policy, Welsh Local Government Association
Gareth Owens	Prif Swyddog (Llywodraethu), Swyddog Monitro a Dirprwy Swyddog Canlyniadau yng Nghyngor Sir y Fflint; hefyd yn cynrychioli Lawyers in Local Government Chief Officer (Governance), Monitoring Officer and Deputy Returning Officer at Flintshire County Council; also representing Lawyers in Local Government
Steve Phillips	Prif Weithredwr, Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot Chief Executive, Neath Port Talbot County Borough Council
Y Cynghorydd/Councillor Ray Quant	Dirprwy Arweinydd ac Aelod Cabinet Gwasanaethau Corfforaethol, Gwelliannau a Rheoli Perfformiad, Cyngor Sir Ceredigion Deputy Leader and Cabinet member Corporate Services, Improvement and Performance Management, Ceredigion County Council

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance**

Chloe Davies	Dirprwy Glerc Deputy Clerk
Rhys Iorwerth	Y Gwasanaeth Ymchwil Research Service
Helen Roberts	Cynghorydd Cyfreithiol

Legal Adviser

Elizabeth Wilkinson

Ail Glerc
Second Clerk

*Dechreuodd y cyfarfod am 09:16.
The meeting began at 09:16.*

Cyflwyniadau, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Christine Chapman:** Good morning, everyone, and welcome to the National Assembly for Wales's Communities, Equality and Local Government Committee. We've had apologies this morning from Gwenda Thomas, and John Griffiths AM is substituting, so, welcome, John, and Peter Black, I understand, is away because I think he's poorly today.

Bil Llywodraeth Leol (Cymru): Sesiwn Dystiolaeth 2—Cynrychiolwyr o Gyrff Llywodraeth Leol Local Government (Wales) Bill: Evidence Session 2—Local Government Representatives

[2] **Christine Chapman:** The item today is the second of several evidence sessions to inform our scrutiny of the Local Government (Wales) Bill, which was introduced on 26 January. Today, our panel will be various local government representatives. Now, I'm going to ask you all—there's a large panel today, but I'm going to ask you all to introduce yourselves for the record, if you could just say in what capacity you are here. Do you want to start, Gareth?

[3] **Mr Owens:** Yes. My name is Gareth Owens. I'm the chief officer (governance) and the monitoring officer from Flintshire County Council, but I'm also the chair of the Wales branch of Lawyers in Local Government.

[4] **Mr Phillips:** I'm Steve Phillips and I'm the chief executive of Neath Port Talbot County Borough Council, but I'm not representing the authority here this morning. I'm here on my own account. Just to be clear as well, I'm not representing the Society of Local Authority Chief Executives and Senior Managers Wales either, nor any sort of settled view of 22 chief executives across Wales. [*Laughter.*]

[5] **Christine Chapman:** Okay, thank you. You don't need to—. The microphones will come on automatically.

[6] **Mr Quant:** Diolch yn fawr. My name is Ray Quant. I'm deputy leader for Ceredigion County Council.

[7] **Mr Edwards:** Bore da. Dyfed **Mr Edwards:** Good morning. Dyfed Edwards, arweinydd Cyngor Gwynedd. Edwards, leader of Gwynedd Council.

[8] **Mr Hunt:** Anthony Hunt. I'm the resources member for Torfaen County Borough Council. I'm here in place of Bob Wellington, who gives his apologies, and can't be here today.

[9] **Mr Hurford:** And I'm Daniel Hurford, head of policy at the Welsh Local Government Association.

[10] **Christine Chapman:** Okay. Welcome to you all, and thank you for coming in this morning. You have sent a paper in, which Members will have read, and I know there's quite a number of questions that Members have for you in looking at this Bill. Obviously, we will address the questions to our councillors in the first instance, but then feel free to decide who in the panel you want to speak for you. I just want to start off really. In your paper, you talk about a compelling case for change supported by hard evidence. Now, does this statement exist to support the type of merger programme that will be put in motion by this Bill? Could you explain that? Who'd like to start?

[11] **Mr Edwards:** Diolch, Gadeirydd. Os **Mr Edwards:** Thank you, Chair. If I could make use of the interpretation equipment—

[12] The translation equipment is working?

[13] **Christine Chapman:** Yes. I'm a bit slow here today, sorry.

[14] **Mr Edwards:** That's no problem.

[15] Popeth yn iawn. Diolch yn fawr iawn. Rwy'n meddwl fod dwy ran i'ch cwestiwn. Y rhan gyntaf ydy: a ydy'r dystiolaeth yna bellach yn cadarnhau bod angen edrych ar ad-drefnu llywodraeth leol? Mae'n dibynnu o ba gyfeiriad yr ydych yn dod i'r cwestiwn, rwy'n credu. Os ydym ni, fel teulu llywodraeth leol, yn agored, gadewch i ni edrych ar beth sy'n ein hwynebu ni. Yn gyntaf, mae gennym y cyd-destun ariannol, a hoff air llywodraeth leol bellach yw 'heriol'. A dweud y gwir, byddai nifer ohonom ni'n defnyddio'r gair 'amhosibl' yn hytrach na 'heriol' ar hyn o bryd—mae'n agos at fod yn amhosibl. A'r ail beth ydy: beth yw'r deilliannau y mae llywodraeth leol yn eu cyflawni? Ac mae yna anghysondeb; gadewch i ni fod yn agored am hynny.

Okay. Thank you very much. I think there are two parts to your question. The first is: does that hard evidence does now confirm that we need to look at the reorganisation of local government? It depends on your perspective to that question, I think. If we, as the family of local government, are open, then let us look at what is facing us. First of all, we have the financial context, and the favourite word in local government at the moment is 'challenging'. Now many of us would actually use the word 'impossible' rather than 'challenging' in the current circumstances—it is certainly close to being impossible. The second thing is: what are the outcomes that local government is actually delivering? And there is inconsistency; let's be perfectly blunt about that.

[16] Yn sgil hynny, rwy'n credu ein bod ni'n awyddus i geisio edrych ar fodel newydd o lywodraeth leol, ond nid mater i lywodraeth leol yn unig ydy hynny; rwy'n meddwl ein bod ni'n awyddus i weld model newydd o lywodraethu Cymru ar y cyd, gyda rolau eglur i Lywodraeth genedlaethol a rheolau eglur i lywodraeth leol. Yr allwedd ydy'r berthynas yna rhwng y Llywodraeth genedlaethol a'r llywodraeth leol. Felly, buaswn i'n awgrymu bod yna dri pheth yno: un ydy'r cyd-destun ariannol, y llall ydy'r angen i ni gyflawni mwy ac yn well, a'r trydydd ydy'r berthynas newydd yma rhwng y Llywodraeth genedlaethol a'r llywodraeth leol, a'r eglurdeb o ran beth yw'r disgwyliadau gan bawb o gwmpas y bwrdd

In light of that, I do believe that we are eager to try and look at a new model of local government, but it's not simply a matter of local government alone; I think we're eager to see a new joint model of governance for Wales, with clearly-defined roles for national Government and clearly-defined roles for local government. The key is that interrelationship between Government at a national level and at a local level. So, I would suggest that there are three issues there: one is the financial context, the other is the need for us to deliver more and more effectively, and the third is that new relationship between Government at a national level and at a local level, and that clarity in terms of the expectations from everyone around that table.

yna. Rwy'n credu bod yr achos wedi'i brofi I believe that the case has been made that we
 bod angen i ni symud i drefn newydd, felly, o do need to move towards a new system of
 lywodraeth leol. local government.

[17] **Christine Chapman:** Would Councillor Hunt or Councillor Quant like to add anything?

[18] **Mr Quant:** Yes, in actuality, Dyfed has touched on how I was going to say it. For me, there are the four strands. There's the vision: what we really want. We'd ideally like a joint vision, rather than its being said, 'This is what it's going to be'. People don't seem to know what it's going to be at this moment in time, and that's the difficulty for it. Also clarity: we really want clarity coming out of it. We want the cost and the capacity issues with regard to it, because there are going to be capacity issues if, when mergers do come along, be they voluntary, forced, or whatever it is—. To actually bring them together, there's got to be capacity issues with regard to delivering that. Of course, once you've got that capacity issue, then you've got the other issue, where you're then going to actually—. There's going to be some people, then, who will have to be paid off, for want of a better word, because you're actually hoping to streamline the authorities. Also, another important point on that is actually carrying the public and communities along with all that's going on, because, at the end of the day, it affects them very, very much. We've got the Welsh Government—you know what you want, or you're telling us what you want—we feel that we know what we want, but, nevertheless, it also impacts on the councils, particularly community councils, and we've got two strands of those coming along at this moment in time. We've got these what are going to be competent community councils, and we've got what you might say are the lower tier of community councils, and there's confusion out there. So, that's where we do want clarity exactly to come along and to be able to take those with us.

[19] **Christine Chapman:** Okay, can I just say, obviously, we're not Welsh Government: we're the committee, so, you know—.

[20] **Mr Quant:** I apologise. I'm just saying the Welsh Government—.

[21] **Christine Chapman:** Just for the record, anyway. Councillor Hunt, did you have any comments?

[22] **Mr Hunt:** Yes, very much to echo those two comments, I think there's been clear acceptance of the need for reform; the 22 leaders have signed up to that. And they signed up to that despite knowing that that brings a great deal of uncertainty for them and the institutions they lead, and I think that should be welcomed. But questions really remain about what that actually means, in terms of the form that'll create, and the function. I agree with the call that we need to work on a joint vision to get some clarity of that. If you like, we don't yet know the answers to the two fundamental questions, thinking about it, of, 'Where exactly do we want to get to in terms of local governance and the governance of local services?', and exactly how we want to get there. We agree, if you like, that we need to go on a journey, but no-one is yet clear what form of transport we need to use or where our end destination is, and I think that's where the uncertainty is. I think, from the point of view of all of our councils, the longer that uncertainty goes on for, the more challenging that becomes, especially—I've used the word 'challenging' again—especially because of the challenging—I'll use it again—financial situation that we're currently in. You know, anything that adds to that difficulty is really tough for us to deal with.

[23] **Christine Chapman:** Okay, thank you. I've got a number of Members who want to come in on this part of it before we develop some of the themes here. So, I've got Alun Davies, then Janet Finch-Saunders, then Jocelyn. So, Alun.

[24] **Alun Davies:** Diolch am hynny. Rwy'n gwerthfawrogi'r pwynt y mae tri ohonoch chi wedi ei wneud mewn, efallai, ffyrdd gyda phwyslais gwahanol, ac rwy'n falch iawn o glywed eich bod chi'n awyddus iawn i symud ymlaen ar y daith yma.

Alun Davies: Thank you for that. Now, I appreciate the point that all three of you have made, and perhaps you made that point with different emphases, but I'm very pleased to hear that you are all eager to proceed on this journey.

[25] Rwy'n cydnabod, Anthony, nad ydym ni'n gwybod sut yr ydym ni'n teithio eto. Ond yr anhawster sydd gen i yw fy mod yn clywed hyn ac rwy'n clywed y geiriau, ac wedyn rwy'n darllen y papur yr ydych wedi ei gynnig i ni y bore yma, ac rwy'n clywed pethau eraill a darllen papurau eraill sy'n dod o'r WLGA a rhannau gwahanol o lywodraeth leol. Rydych chi'n ffeindio problemau ar hyd y ffordd, ond nid wyf yn gweld y weledigaeth sy'n dod o lywodraeth leol. Yr her sydd gen i i chi, efallai, yw: ble mae'r weledigaeth yma yn dod o lywodraeth leol, ac a ydych chi'n gweld—. Rydym ni'n trafod y Bil ar hyn o bryd, nid ydym ni'n trafod y Papur Gwyn, ond, yn amlwg, mae'r Papur Gwyn yn rhan bwysig o'r broses yma. A ydych chi'n meddwl bod y Papur Gwyn yn dechrau cynnig gweledigaeth a gweledigaeth y gallwch chi gytuno â hi a gweithio gyda Llywodraeth Cymru i symud ymhellach?

I acknowledge, Anthony, that we don't necessarily know the direction of travel yet. But the difficulty I have is that I hear your words, and then I read the paper that you've provided to us this morning, and I see other things provided and other things said by the WLGA and other parts of local government. You identify problems along the road, but I don't see the vision emerging from local government. The challenge I have for you, perhaps, is: where is that vision emerging from within local government, and do you believe—. We're discussing the Bill at the moment, of course, we're not discussing the White Paper, but, clearly, the White Paper is an important part of this process. Do you believe that the White Paper actually starts to provide that vision and a vision that you can actually sign up to and work with the Welsh Government in order to progress further?

[26] **Mr Edwards:** Gadeirydd, rwy'n credu bod y sylw yna'n un deg iawn. Nid wyf yn credu ei fod yn unigryw i'r mater yma o dan faner llywodraeth leol. Os ydym ni'n agored, yr anhawster yr ydym yn ei gael ydy cynrychioli 22 awdurdod. Mae fy marn i yn bersonol, a barn fy awdurdod i, o ran ad-drefnu yn eglur ac wedi bod am nifer o flynyddoedd. Nid yw hynny'n wir am bob awdurdod. Nid yw hynny'n wir am y tri ohonom ni sydd yma heddiw. Felly, mae hynny'n creu anhawster i ni.

Mr Edwards: Chair, I think that's a very fair comment. I don't think it's unique to this issue under the local government banner. If we're open, then the difficulty we have is representing the 22 local authorities. My personal view, and the view of my authority, on reorganisation is clear and has been for many years. That isn't true of every authority. It's not true of the three of us here today. So, that creates difficulties.

[27] Ond, bellach, rwy'n credu bod y Gweinidog, yn y Papur Gwyn, wedi mynd i'r afael â'r cwestiwn sylfaenol, sef: sut fath o lywodraeth yr ydym ni ei heisiau ar gyfer y cyfnod nesaf? A'r peth mae o'n ei ddweud ac yn rhoi gerbron fel agenda ydy ei bod hi'n bryd inni ystyried math newydd o lywodraeth leol. Mae'n bryd inni barhau ar hyd y daith ddatganoli ac edrych ar sut rydym ni'n symud grym o sefydliad i gymunedau. Rwy'n credu bod hynny'n agenda yr ydym yn ei groesawu'n fawr iawn iawn, ac yn edrych ymlaen at ddatblygu'r syniad yma o beth yr

But, now, I do believe that the Minister, in the White Paper, has tackled that fundamental question, namely: what kind of governance do we want for this ensuing period? What he says and puts forward as an agenda is that it's time for us to consider a new format of local government. It's time for us to proceed on the devolution journey and to look at how we move power from institutions into communities. I think that's an agenda that we welcome very warmly, and we look forward to developing this concept of what we're trying to achieve for Wales,

ydydym ni'n ceisio ei gyflawni ar gyfer Cymru a beth yw rôl llywodraeth genedlaethol, beth yw rôl llywodraeth leol, a sut rydym ni'n cael y berthynas yna i fod yn un cadarnhaol er mwyn inni gyflawni ar y cyd. Rwy'n credu mai dyna'r math o drafodaeth sydd ei hangen yn hytrach na meddwl yn nhermau jig-so drwy'r amser. Dyna'r drafodaeth bwysicaf, os caf i fentro dweud.

and what the role of national government is and what the role of local government is, and how we actually ensure that that relationship is a positive one so that we can achieve jointly our objectives. That's the kind of discussion that's needed rather than thinking in terms of the jigsaw all the time. That's the most important discussion, if I can say that.

[28] **Mr Quant:** I would like to come in, if you wouldn't mind, please. I take the point that you do it, and, like Dyfed said, there are three of us here with different views on issues there. Of course, where it all comes from is which area you come from. What really seems to be an important part, which doesn't seem to be considered in that, is spatial planning. You go back to the days of Sue Essex's spatial planning Bill that you had for spatial planning for Wales, and you knew where the different areas were. You knew where you had your areas of huge urban areas—in the Welsh context I mean—you know, urban areas there and urbanisation, whereas, for me, in Ceredigion—a rural area, vast tracks of countryside—and population. So, in actual fact, to be going for this model where you're going to align so many of population to each councillor and all that sort of thing there, yes, it's much easier to achieve that where you've got more urban areas, rather than us there, and that's what we're really—.

[29] Our concerns are with this spatial planning. We would really like to see more context being given to it. That's why we might seem to be one of these councils that say we really want to stand on our own, because we want to know exactly—. Also, from our point of view in Ceredigion, although, unfortunately, I'm not a bilingual speaker, nevertheless, bilingualism, the Welsh language, is certainly a big driving factor in our council, and it always has been. With our three previous leaders, it's always been that way that's been driving us. So, that's important for us. So, to be actually put in a merger with a council—. And I know that bilingualism will become an important topic, but, nevertheless, we've got that already, and you tend to become protective of that rather than it sort of being diluted in being put with an authority that might not pursue it so much. But that's a comment; I'll leave it for now. But spatial planning's important to us.

[30] **Mr Hunt:** I don't want to repeat what Dyfed said, but it very much depends on exactly where you're coming from. I'm from a council that put in a submission of interest in the voluntary merger. That contained some of the parts of the vision that we saw about how the governance of our part of Wales could move forward, but it's going to be a different answer that you give, depending on which authority you're from, and especially, you know, how big your current authority is. Our submission of interest was driven largely by the financial realities of trying to deal with the current situation as a small authority. Obviously, your answer to where you want to go in terms of voluntary mergers will depend on your situation there.

09:30

[31] **Christine Chapman:** Thank you. Janet, did you want to come in?

[32] **Janet Finch-Saunders:** Thank you, Chair. The Minister has actually said that he is quite likely to be drawing up a map by the summer. Did he say the end of the summer?

[33] **Rhodri Glyn Thomas:** He didn't say which summer.

[34] **Janet Finch-Saunders:** Well, he didn't say which summer and, of course, we were

told last year that, by the summer, the First Minister would have a better clue as to what direction they were going in and what kind of changes, you know, the number of authorities—. Should the Minister go ahead now and make that plan? Do you feel that you've been included in those discussions? Any one of you.

[35] **Christine Chapman:** Councillor Edwards?

[36] **Mr Edwards:** Diolch. Nid wyf yn meddwl mai ein lle ni ydy ceisio proffwydo beth mae'r Gweinidog yn mynd i'w wneud. Fuaswn i ddim yn mentro nac eisiau gwneud hynny. Os ydw i wedi deall y Gweinidog—.

Mr Edwards: Thank you. I don't think it's our place to try and predict what the Minister is going to do. I wouldn't dare to or want to do that. If I've understood the Minister—.

[37] **Janet Finch-Saunders:** He stated that.

[38] **Mr Edwards:** Wel, os ydw i wedi deall y Gweinidog yn iawn, a'r Prif Weinidog, mi fydd yna ymgais i weld a oes yna gytundeb yn y lle hwn ar y map. Nid wyf yn credu bod hynny wedi ei anelu at gytundeb llywodraeth leol o reidrwydd, ond bod yna gytundeb yn y lle hwn. Wedyn, mae'n fater i'r pleidiau yn y fan hyn, rwy'n credu. Byddwn i'n tybio y byddai'r drafodaeth honno, wrth gwrs, yn cynnwys trafodaeth ymysg aelodaeth y pleidiau yn y lle hwn, felly, dyna'r unig ffordd y byddem ni'n cael ein cynrychioli yn y trafodaethau. Does yna ddim byd uniongyrchol wedi digwydd yn y cyfamser. Yr hyn sydd wedi digwydd ydy bod rhai awdurdodau wedi cyflwyno cynigion i uno'n wirfoddol ac mae'r Gweinidog wedi cael ymateb pob un o'r awdurdodau ac, yn wir, Cymdeithas Llywodraeth Leol Cymru, i'w gynlluniau hyd yma. Mae ganddo fo syniad o farn llywodraeth leol, ond rwy'n credu ei fod o'n disgwyl, a'r Prif Weinidog yn disgwyl, i weld beth yw'ch ymateb chithau fel pleidiau yn y fan hyn cyn symud ymlaen.

Mr Edwards: Well, if I've understood the Minister correctly, and the First Minister also, there will be an effort to see whether there is agreement in this place on the map. I don't think that they were referring to an agreement with local government necessarily; they were thinking of an agreement in this place. Therefore, that's a matter for the parties here. Now, I would have thought that that debate would include a debate among the party membership in this place, so, that's the only way in which we would be represented in those discussions and negotiations. There is nothing that's happened directly in the meantime. What has happened is that some authorities have put forward proposals for voluntary mergers and the Minister has received a response from all local authorities and the Welsh Local Government Association to his plans to date. He has some idea of some of the views of local government, but I think that he and the First Minister are waiting to see what your responses as parties in this place are before proceeding.

[39] **Janet Finch-Saunders:** Thank you. Just for clarification, 11 of the 22 authorities responded to his consultation, not all of them.

[40] **Mr Edwards:** Na, os ydy fy nghof i'n iawn, mae rhai awdurdodau wedi ymateb i'r ymgynghoriad o ran uno, ond mae'r rhan fwyaf o awdurdodau wedi ymateb o ran y Papur Gwyn, rwy'n credu.

Mr Edwards: If my memory serves me correctly, then some authorities responded to the consultation in terms of mergers, but most authorities responded in terms of the White Paper, I think.

[41] **Janet Finch-Saunders:** Oh, no, I'm talking about expressions of interest. Yes.

[42] **Mr Edwards:** Ie, mae yna ddau beth gwahanol yn y fan yna.

Mr Edwards: Yes, there are two different issues there.

[43] **Janet Finch-Saunders:** My point being that he has made it quite clear—and it's on record—that the First Minister has asked leaders to get together, but if there's no agreement or whatever, the Minister has stated on record that he will draw that map up by the summer. My question, really, is: do you feel that you've been part of those discussions, or will this be technically going over your head?

[44] **Mr Edwards:** Well, we can't foresee the future and if—. I don't know if the Minister will come to local government and ask for our views before he presents that map. I don't know; that's a matter for him. We will, of course, be responding to any map, but I can't predict what's going to happen between now and then, I'm afraid.

[45] **Janet Finch-Saunders:** Any other views?

[46] **Christine Chapman:** Okay, Councillor Hunt, and then we're going to move on to Jocelyn.

[47] **Mr Hunt:** Okay. The plain answer to your question is 'yes'. I mean, he's asked us our views. You know, I've not been shy of giving them, and I can't believe many other prominent councillors have been either, and I would hope, before a map is drawn up, that we'll have further discussions, but he's certainly been keen—and his predecessor was keen—to get our views and to listen to them, and we'll see what comes out of it.

[48] **Janet Finch-Saunders:** Okay. As long as it's reflecting your views when he makes that map, that's fine.

[49] **Christine Chapman:** Okay. Jocelyn.

[50] **Jocelyn Davies:** Thank you. I can't remember now who's representing the WLGA. Are you the only one representing the WLGA?

[51] **Mr Hurford:** Well, the members—.

[52] **Christine Chapman:** They can decide who gives answers.

[53] **Jocelyn Davies:** Do you know what, I'll start with Anthony, because, from what I understood, you said, 'Well, we don't know where we're going, and we don't know how we're going to get there, but all we know is that we don't want to be where we are now'?

[54] **Mr Edwards:** I've been on holidays like that. [*Laughter.*]

[55] **Jocelyn Davies:** Yes. You did mention the function and the form. Now, last summer, the WLGA produced a discussion paper and that said that simple mergers across single boundaries will offer very little in terms of service and resilience and sustainability. Would you like to briefly expand on that comment about how that doesn't actually result in the—. Because, from what you were saying earlier about form and function, it does seem to me that we can lose focus on what's being delivered to people.

[56] **Mr Hunt:** Yes. I think our submission of interest tried to build on that. We don't want just to bolt together councils and then, beyond the scale of things, act like nothing's different. We want to be more expansive than that, be more imaginative than that, and as well as looking at the form of what takes shape, and building maybe council units that have more capacity to deal with the effects of austerity, we also want to look at how we do business and look more fundamentally at how local services are governed. I think that is a key plank of the submission we put forward. You're right: if all the emphasis is on the form of things, then you lose track of what would be at best a missed opportunity, if you're forming new units of

governance, not to look at how they do business and how they provide better outcomes for local services.

[57] **Jocelyn Davies:** It does seem everybody seems to be agreeing with—

[58] **Christine Chapman:** I think Daniel wants to come in.

[59] **Mr Hurford:** Just building on Councillor Hunt's point, really, in the summer, as you mentioned, we published a document. We published two documents, actually: one, 'In Defence of Localism', which tried to explore some of the issues around community governance, accountability and the role of councils as well as structural changes; and then a paper on combined authorities, which was a discussion paper to stimulate debate about actually learning the lessons from England. So, following on from the earlier point around vision, there was some debate over the summer and through the autumn, and I think it's fair to say, from the initial Williams map when Williams reported last year, some authorities changed their minds through negotiations through the spring, through the summer, and proposals came forward and commitments to mergers came forward where, maybe, 12 months earlier they wouldn't have been there. So, there was a lot of negotiation and discussion. As I say, there are two key documents that the WLGA published for debate.

[60] **Jocelyn Davies:** Yes, for debate then. So, the creation of the four combined authorities, is that still the WLGA stance or is that still just an idea that is out there for debate?

[61] **Mr Hurford:** That, as I say, was a discussion document published last summer. It went to WLGA council, if I recall rightly, in September last year. There wasn't unanimous support across the 22 authorities. I know there are different views elsewhere. It sought to explore some of the emerging ideas in an English context, and of course there have been interesting developments in greater Manchester in the last day or so, but it wasn't unanimously agreed. Some authorities liked the idea and wanted to explore it around setting clearer accountability arrangements for some of the current joint service collaborative arrangements they've got at the moment. Others were less supportive of it because they felt it looked a bit like two-tier government or it didn't actually provide enough of the savings that were necessary.

[62] **Jocelyn Davies:** But even though some authorities weren't as keen as others on that idea of the combined authorities, was that still preferable to the Williams proposals in the hierarchy of your first, second and third choices?

[63] **Mr Hurford:** I don't think it was ever put forward as a preference—

[64] **Jocelyn Davies:** It wasn't put forward as a preference, okay.

[65] **Mr Hurford:** It's an alternative, and it could work as well as a merger process.

[66] **Jocelyn Davies:** So what's your response then to the Minister's view that that is just a 26-county model? That's what he told this committee the last time he came.

[67] **Christine Chapman:** Councillor Quant.

[68] **Mr Quant:** From our point of view, coming back to the term that I used earlier on about spatial planning, for us in Ceredigion, we actually favoured considering combined authorities. There is a lot of work to be done on it there, because we had been driven down a road where we were supposed to be looking for co-operation, partnership working, setting up all these different regional forums, and therefore you effectively almost had been put down

the road there where you were going towards a combined model authority in so much as with the regional forums, like ERW, or Education through Regional Working, and all these authorities there. So, we felt it was a step of consolidating that, and we were looking back from our point of view at the fact that, in the previous days, you had your county councils—for us, it was the Dyfed model—and then you had district councils. Our theory was that if you actually went to a combined model, you would then retain your county council identity and you wouldn't then need anything below it, because I'm really sceptical personally of how far we're going to drill down to getting—. The new proposed model in the White Paper is that you're going to have your county council; after that, you're going to have public service boards, and I know that's a take-off on the local service boards; you're then going to have area boards; you're then going to have these competent community councils; you're going to have ordinary community councils. So, you're getting layer upon layer upon layer in a different direction for that. So, that's why we actually looked at that, but, as I say, as has been said by others, it wasn't an agreed model with the WLGA in any case, so it was never totally explored to see what it could be.

[69] **Christine Chapman:** Okay. I'll bring Councillor Edwards in.

[70] **Mr Edwards:** Thank you, Chair. Just to explain, I think that debate came on the back of the debate on city regions in England mainly, and I don't think it was so much about structures, but rather about powers and devolving powers, which is an interesting debate to have and an important discussion. My own personal view and that of others is that that is not solving the matter of local government reorganisation; it's an interesting body to look at, but it's not going to tackle the crucial main problem we are facing, and that is how we get the correct structure and governance and so on going forward. So, that was the difference of opinion, but I think we also muddied the waters a little by combining the two different issues, really.

[71] **Jocelyn Davies:** I see, right. So, are there better approaches to reforming local government than this idea of mergers and so on?

[72] **Mr Edwards:** I think there's one thing that we all tend to miss, because we jump into the matter of the jigsaw rather than asking the main questions of 'What sort of local government are we trying to create?', 'Why are we wanting to reform local government?' and 'Why are we doing that?' Well, it's surely so we can have a model of government, both local and national, that is going to achieve better results for the people of Wales. That's the basic question. If we answer that, we then look into the whole of the governance of Wales, both national and local, on every tier, and say, 'What model do we need to achieve that?' It's not the current one. The problem with principles is that everybody agrees with that principle, but, when it comes down to looking at geographic areas, there's disagreement. But I think that, given the financial context, given the need for us to achieve more with less, we've got to come up with a structure that is not a matter of just being different, but being appropriate for the new period, and we've got different views on that. I think the Minister is correct; I know this is a matter for the White Paper, but I think he's correct about teasing out the debate about what it's going to look like in terms of local government culture, behaviours and so on. And then, I suspect that the map will be a matter of agreeing on what is possible. It will come back to the art of the possible, I suspect.

[73] **Jocelyn Davies:** Okay. Thanks.

[74] **Christine Chapman:** Obviously, we need to look at some of the detail of the Bill. I've got a number of people who want come in at this point. John Griffiths first, then Alun Davies and then Mike, I think. So, John.

[75] **John Griffiths:** Yes. I apologise in advance to you, Chair, for my question because it

could take up a lot of time and open up perhaps a different can of worms, but it is relevant because we're talking about the wider debate and the White Paper, although we're obviously focusing primarily on the Bill. I'm just interested in experience elsewhere, because when we are looking at what the right approach is for local government in Wales, we inevitably look across the border, and we've already heard mention of England in terms of, you know, the localism agenda and what's happening in Manchester. I don't expect expansive answers on this, Chair, but I just wonder if there is a sense that England is doing good things in terms of localism. Is that something we might learn from here in Wales or is the overall picture in England, with much greater reductions in budget, for example, than we see in Wales, not an example that's particularly useful?

[76] **Christine Chapman:** Shall I bring Councillor Hunt in first?

[77] **Mr Hunt:** There are a number of examples you can learn from England, both in a positive respect and in a negative one. We've talked about greater Manchester. I've spoken with the leader of Durham council, for example. They're one of the English authorities that most recently went through going to a unitary solution. Thinking back to the previous question, there's a bit of a lesson in that. I visited friends in England recently and they had a system where they had parish, district and county councils; you ask a person in the street there who does what and they wouldn't have a clue. So, I think that's something we want to avoid, and that's the advantage of the unitary solution. He said that one of the key things when they went through the reorganisation was that it was hell on earth, from a management point of view, for a short period of time, but they got it done, so they could see the light at the end of the tunnel. I think that's a salutary lesson, too.

09:45

[78] The other thing, looking forward, maybe, in England, is there's a lot of good stuff coming out of Hilary Benn and his team in terms of the localism agenda that I think we should look at in Wales as well and try to take forward. What we shouldn't, obviously, take forward is the negative side of things that have happened in England over the last few years, where councils have just been stripped back of their own funding and therefore their responsibilities, and have become, in some cases little more than commissioning bodies that meet a couple of times a year. We wouldn't want to go down that route in Wales, and we're thankful that we've got a Government in the Assembly that's willing to work with local government to try and provide services.

[79] **Christine Chapman:** Steve Phillips wants to come in, and then Dyfed Edwards.

[80] **Mr Phillips:** I think my answer to this question would be to tie it back to what Councillor Edwards said earlier about the functions of local government and the debate around that. There are a lot of headlines in England about the devolution of powers and functions and duties from Whitehall to places like Manchester, but, at least from my perspective, the headlines at the moment—I think we need to drill down into the detail. Similarly, I've been looking at this in the context of city regions in Wales, and the White Paper does not really, for me, answer that question either, in terms of what are the functions of local government in Wales going forward. So I think, ultimately, it's an interesting debate, but it's not clear, for me.

[81] **Christine Chapman:** I've got Councillor Edwards, and then Gareth Owens wants to come in as well.

[82] **Mr Edwards:** Jest yn fyr, rwy'n **Mr Edwards:** Just briefly, I think what we can take from the discussion ongoing in drafodaeth yn Lloegr ydy'r syniad yma o England is this concept of devolution or

ddatganoli, ac mae gennym ni i gyd ein dehongliad ynglŷn â hynny, ac nid wyf yn siŵr a yw'n dehongliad ni yng Nghymru'r un peth â dehongliad y Llywodraeth yn San Steffan ar hyn o bryd. Ond os gallwn ni fachu ar hynny, a'r syniad ein bod ni'n gallu trosglwyddo cyfrifoldebau i lywodraeth leol, ac yna ddal llywodraeth leol yn atebol am berfformiad, rwy'n credu bod hwnnw'n werth inni ymchwilio ymhellach iddo. Ond un gair o rybudd: rwy'n ofni bod yr agenda yn Lloegr yn cael ei yrru gan brinder adnoddau, ac mae'r Llywodraeth yn fanna yn edrych i drosglwyddo cyfrifoldebau i lywodraeth leol heb adnoddau o gwbl, gan obeithio rywsut y byddan nhw'n gallu ymdopi. Fel y mae Anthony wedi'i ddweud, nid oes gennym ni gyngor Barnett yng Nghymru. Fe wnaif i ei gadael hi felly.

decentralisation. Now, we all have our own interpretation of that, and I'm not sure our interpretation in Wales is the same as that of the Westminster Government at present. But if we can actually take hold of that, and this notion that we can transfer responsibilities to local government, and hold local government to account for performance, then I think that is worth while our looking into further. Just a word of warning: I do fear that the agenda in England is being driven by a shortage of resources, and the Government there is looking to transfer responsibilities to local government without providing any resources at all in the hope that somehow they will be able to cope. As Anthony has said, we don't have a Barnett council in Wales. I'll leave it there.

[83] **Christine Chapman:** Gareth.

[84] **Mr Owens:** Thank you, Chair. Well, until three years ago, Chair, I worked in local government in England. It seemed to me that the vision for local government in England was smaller, and that was the primary driving force. That then produced a variety of different responses, depending upon the wishes of the local councils themselves. Some did some very innovative work, such as Oldham and on the Wirral, around trying to protect public services through community organisations, spin-outs, mutuals and the like. Another took the strong political lead and did just reduce the size of government. But that brings us back to the question earlier on about the vision. You get a different vision. You don't get a single cohesive vision; you get a slightly fragmented vision. 'Alternative' is one way of describing it, so it's slightly less compelling, because it is fragmented. Alternatively, what you get is strong local views coming forward about what they want to keep and what they want to protect. It's the old conundrum: is it localism, or is it a postcode lottery? I strongly believe in localism, and despise the phrase 'postcode lottery', but that's where you get to. Which side of the line you sit on, 'postcode lottery' or 'localism', depends then on your view about whether you get a strong vision for local government or whether, actually, you're seeing local views coming forward.

[85] **Christine Chapman:** Okay. I've got Alun and then Mike, and then we need to move on. Alun.

[86] **Alun Davies:** Thank you for that. That response is very, very useful. Is it not the case, though, that we've become so obsessed with the process that we've forgotten the purpose? That takes us back to perhaps where we were talking earlier: yes, we want to improve the delivery of local services, and that is absolutely true and fundamental, but also, I think there's agreement right across the table here that we want to strengthen local government, we want to empower local government, we want to strengthen the delivery of local services, we want to empower communities, and we want a vision, as you say, for local government that is large and generous, and not that small, resource-driven ambition we see across the border.

[87] Now, if we agree with those sorts of first principles, that leads us in a particular direction, doesn't it? If we want to ensure that the devolution that you spoke about, Councillor Edwards, is a reality in Wales and not just in policy documents, and if we want to empower

local government, and ensure local government has more powers and not fewer powers, which I think we want to do, that argues for a greater scale, I think. If we want to ensure that local government has more functions, that also argues for greater financial integrity at a local level. That leads us down a route we probably don't want to go down in terms of local government funding, but it does mean that we want to have authorities that are large enough to be able to deliver significant projects, large enough to be able to exercise significant powers, and large enough to be able to create that vision for the locality they represent. That drives us down this process of merger. We're looking at the two-Bill process at the moment, because that's where we are politically and the rest of it, and because we don't have that agreement, but does it not imply as well that local government must and should lead this debate and not respond, sometimes unhappily, to a debate being led elsewhere? From my perspective, what I'm hearing today is a far more positive view of the future than perhaps I've heard in the last two years or so. Would it not be better if we actually sat down with local government, with politicians and then with the Welsh Government as well and said, 'Right, this is the agreed vision, and this is how we're going to deliver it'? Otherwise, if we continue to be obsessed about the process, we'll tick every box, but we won't know where we've gone and what we've got to achieve.

[88] **Christine Chapman:** I've got a number of people. Councillor Quant first, then Councillor Edwards, then Councillor Hunt.

[89] **Mr Quant:** The principles that you set out are very, very heartening to hear, particularly when you talk about empowering local government. Unfortunately, I can't say that I'm speaking for all the other councils, but, quite often, when you sit back in the chamber, back at county council level, what you feel is that it is the Welsh Government that is actually sometimes trying to take that power away from us, grab it and control us, rather than empowering us.

[90] **Alan Davies:** The White Paper says something different to that, sorry, doesn't it, Councillor? It says, you know, less central control, create the framework of targets and the rest of it? I accept the point that was made earlier that there's confusion with different elements of legislation. Frankly, I think we could end up with a far more confused situation than we have at the moment. I accept that danger, but does the White Paper not lead us down that route?

[91] **Mr Quant:** I'm just saying it's heartening to hear what you say, and the White Paper is certainly going there. The point that you made at the end of your view there, to sit down and really talk about it and everything, and to really get around the table and try to sort it out, I think it's the way forward, personally.

[92] **Christine Chapman:** Right, I've got Councillor Edwards, Councillor Hunt and then Steve Phillips.

[93] **Mr Edwards:** Diolch. Jest yn fyr, i ymateb i'r sylw yna, achos rwy'n meddwl bod hwn yn sylw canolog yn yr holl drafodaeth. Os gallwn ni geisio cael gwerthfawrogiad o sefyllfa llywodraeth leol ar hyn o bryd, mae llywodraeth leol yn teimlo ei bod hi dan warchae yn aml iawn oherwydd y toriadau, oherwydd pwysau a cheisio cyflawni gyda llai o adnoddau. Mae yna rywbeth hanesyddol sydd ddim yn iawn am y berthynas rhwng llywodraeth leol a llywodraeth genedlaethol. Rwyf wedi dweud

Mr Edwards: Thank you. Just briefly, to respond to that comment, because I do think that this is a central comment to the whole debate. If we can try and gain an appreciation of the position of local government at present, it often feels that it is under siege because of the cuts, and because of pressures and trying to deliver with fewer resources. There is something historical that isn't right about the relationship between local government and national Government. I have said that publicly and I am eager for us to try

hynny'n gyhoeddus ac rwy'n awyddus inni geisio mynd i'r afael â hynny. Rwy'n gobeithio bod yna gyfle inni rŵan dynnu llinell yn y tywod a symud ymlaen. Nid oes yna anghytundeb at ei gilydd rhwng ein huchelgais ni ac uchelgais y Gweinidog ynglŷn â beth sydd eisiau ei gyflawni. Nid wyf i'n meddwl bod yna wahaniaeth. Felly, mae hwnnw'n fan cychwyn da o ran yr uchelgais.

[94] O ran y mater yma wedyn, gallem ni symud ymlaen drwy ad-drefnu, drwy gael llywodraeth leol gydag awdurdodau mwy. Rwy'n dueddol o gytuno â hynny oherwydd nid wyf i'n credu mai lle mae'ch pencadlys chi sy'n penderfynu sut fath o lywodraeth rydych chi'n ei chreu. Nid wyf i'n credu bod hynny'n ddim byd i'w wneud efo fo. Nid oes gennym ni ddim llywodraeth leol ddatganoledig ar hyn o bryd gyda 22 awdurdod—gadewch inni beidio â thwylllo'n hunain. Beth mae'r Papur Gwyn yn ei osod allan ydy cyfle inni gael math newydd o lywodraeth leol. Ie, bydd unedau mwy, ond bydd y drefn o lywodraethu wedi'i datganoli llawer mwy na sydd gennym ni ar hyn o bryd.

[95] Y broblem, serch hynny, yw y bydd pawb yn cytuno â'r egwyddorion, fel pob dim arall, ond pan ddaw wedyn at sut wyf i am newid, dyna'r anhawster y mae pobl yn ei wynebu. Mae angen inni gael trafodaeth llawer mwy cyhoeddus, os caf ddweud. Nid wyf i'n credu ein bod ni wedi llwyddo i ymgysylltu â'r cyhoedd yn y drafodaeth yma. Mae'n digwydd yn raddol, oherwydd cyfyngiadau ariannol ar lywodraeth leol, rŵan, ac mae rhywun yn croesawu hynny, ond rwy'n credu bod angen trafodaeth llawer mwy cyhoeddus inni gael barn y cyhoedd hefyd.

[96] **Mr Hunt:** I don't disagree with a word you've said, and I welcome the fact that you recognise that we're trying to be positive in this. I think 'trust' is the key word, really, whether between the Welsh Government and councils as will be formed, or between councils and their communities. If you're going to let go of the direction—the command and control sort of model—then, from a Welsh Government perspective, I would see why you would want units where you feel you could do that; you could trust them to deliver the things locally.

[97] I think it's key that, in what we do create, we have that trust there, so that we can work together, because it comes back to the fundamental point that we've got to remember that local services are suffering, predominantly because they're having the rug pulled from

to tackle that problem. I do hope that there is an opportunity for us now to draw a line in the sand and move forward. There is no disagreement, generally speaking, between our ambition and the Minister's ambition in terms of what needs to be achieved. I don't think there is a difference. So, that's a good starting point in terms of the ambition.

In terms of this issue, we could move forward through reorganisation, through having local government with larger authorities. I tend to agree with that, because I don't think that where your headquarters is located decides what kind of government you create. I don't think that that has anything to do with it. We don't have devolved local government at present with 22 authorities—let's not kid ourselves on that. What the White Paper sets out is an opportunity for us to have a new kind of local government. Yes, they will be larger units, but the governance system will be devolved far more than is the case at present.

The problem, however, is that everyone will agree the principles, as happens every time, but when it comes to how I'm going to change, that's the difficulty that people face. We need to have a far more public debate, if I may say so. I don't think that we have succeeded in engaging the public in this debate. It is happening gradually, because of the financial limitations on local government, now, and one would welcome that, but I do think that we need a far more public debate, so that we can seek the public's view, also.

under them in terms of their funding. It's not because of what councils are and aren't doing. Given that financial situation, we have to have a situation where we can trust each other and work together to try and deliver results for our communities.

[98] **Christine Chapman:** Okay. Steve.

[99] **Mr Phillips:** Yes. I just wanted to agree with Alun Davies's summary, really. I think, for me, you know, we're all bought in to the need for public service reform, but I'm an advocate of speed. We have a need for speed, given everything that Councillor Edwards and others said earlier about financial resilience and the threats to public services.

[100] I think, on Alun Davies's second point about the White Paper and the balance here, I agree with Councillor Quant's comments earlier about the dangers of complexity. I don't agree with the White Paper's statement on the risks. I think we do need to guard against that for all the reasons that Councillor Quant set out. I think we need to find a way of driving this forward in a proper way, but in a timely fashion, so that we can get to the end point, which is why I'm a bit sceptical about the process that's currently being undertaken, to be frank.

[101] **Alun Davies:** What are you sceptical of?

[102] **Mr Phillips:** Sorry?

[103] **Alun Davies:** What are you sceptical of?

[104] **Mr Phillips:** Whether we can get there under the process that's outlined in the Bill in the time available.

[105] **Alun Davies:** What element of the process are you sceptical of?

[106] **Mr Phillips:** Well, I'm sceptical about whether we have the time available to do the job properly.

[107] **Alun Davies:** The time? Okay. So, you think it's too fast.

[108] **Mr Phillips:** Not so much too fast, but set against the need to get there to the end point as quickly as possible, for the reason my colleagues were outlining earlier, and the pure fact that we're now well into 2015. We have National Assembly elections next year, and the timelines that are outlined in section 3, I think it is, of the Bill are very challenging. It is very challenging for the boundary commission. I think we need clarity around these issues to get to the sort of place that you were describing five minutes ago.

[109] **Alun Davies:** Okay.

[110] **Christine Chapman:** Okay. I've got a number of Members, now. I've got Mike Hedges, then Mark Isherwood, Rhodri and then Janet. So, Mike?

[111] **Mike Hedges:** Well, this will be the third local government reorganisation since 1974. I want to ask would you agree that we need to get it right this time? We can't keep on reorganising local government every 20 years. The Victorians managed to produce a form of local government that lasted from something like the 1880s to 1974, and since then, we've moved it around. It's interesting, for those who were involved in the last local government reorganisation, everybody was in favour of it. I mean, the general favour of the previous reorganisation existed up until a few years after the reorganisation had taken place. Don't you agree that we need to get it right, that we need to give it a lot of thought if we are going to change it, and that the thought needs to be around what it's going to do?

[112] The 22 authorities are roughly the right size to deliver the old district council functions and they are, in many cases, far too small to deliver the former county council functions. If you look at not just England, but the rest of Europe, those big functions, such as education and social services tend to need economies of scale. You're talking about, within England, for example in English unitary authorities, 200,000, which seems to be around about the smallest, except for a few odd examples, whereas, if you look at Wales, we have very few unitary authorities above 200,000, so the two questions are: do you think we've got to get it right this time; and, secondly, do you actually think that we need to work out who's going to do what?

10:00

[113] **Christine Chapman:** A simple answer, I think, on this one.

[114] **Mr Edwards:** Well, I was going to say, 'Yes, please', actually. I think that you're right to say that there is a danger that we will come up with some sort of mishmash deal, because it may be more politically acceptable. I think there's a danger in doing that. We should avoid that at all costs. I don't think that the debate is so much about numbers. You mentioned numbers of unitary authorities. I think it's more of a debate about what sub-region is correct in terms of delivery, and the debate now in Wales—if you take a look at where we are in terms of our economic and social profile—is how we can get strong sub-regions and regions to operate so that we can improve the Welsh economy and we can improve the livelihoods of the people of Wales. I think that that's what it's about, rather than getting x amount of population in a new authority.

[115] **Mr Quant:** Exactly.

[116] **Mike Hedges:** But population is important for delivering the big services like education and social services.

[117] **Mr Edwards:** Yes.

[118] **Mike Hedges:** And you talk about getting the structure right. The problem is that we've got a big gap in the middle of Wales called Powys, haven't we, which always creates problems in terms of how we organise things. I attended a meeting once where the representative for north Wales came from Ystradgynlais, because Powys was decided to be a part of north Wales at that stage and so somebody who lived almost in Swansea was the north Wales representative. There's that problem, isn't there?

[119] **Mr Edwards:** Well, I'm not going to get into the Upper Cwmngwt and Lower Cwmngwt debate, but—

[120] **Alun Davies:** Oh, go on.

[121] **Mr Edwards:** —but we have to take regard of the geography for Wales, of course we do. But, you know, we are a country of 3 million and I think we've got the potential of getting it right and taking into consideration the geography and the culture as well. I think we can do it.

[122] **Christine Chapman:** Okay, now, obviously, there are quite a number of Members who want to come in, but we want to look at some of the particular details of some of the Bill, and we've got about 40 minutes left. I want to make sure that we use every opportunity, so, could I suggest that Mark comes in next and then Rhodri and then Janet, and then we can move on? Mark.

[123] **Mark Isherwood:** Just a quick question. You've virtually all made reference to localism and public engagement or the weakness thus far of public engagement. Given north-west Wales a difference of approach likely to expressions of interest, north-east Wales similarly, and a growing call, certainly, through local media for a local vote, local engagement, to what extent should that public engagement be consultation after the map is decided, and to what extent should that engagement be occurring and giving local people a voice in order to design that map in the first place?

[124] **Christine Chapman:** Councillor Quant, would you like to come in?

[125] **Mr Quant:** The map is the sort of conundrum at present, isn't it? You know, we're told that the map's going to be produced in August, in the summer, and we're then told that people have got to be making up their minds on voluntaries by November. It's really running, running really, really tight, coming back to the comment made there that should we not get it right in issue instead of going there. But there should be public consultation, so that you actually get a different view. I know that we're elected to represent our population, but at the end of the day, people actually would like to know what it's going to be, because it's going to set their lives as well, what's going on there. I found it was very, very interesting when you talked about—. I thought that you were going to go down the route at one time of, 'We've had three local government reorganisations; do we really need another one?' Well, who wants the local government reorganisation? It's the Welsh Government that actually put it on the table to want to reorganise for that, which really, like I've said earlier on, comes back to the fact that it's felt at times that they want to control us more. It's easier to deal with six or seven rather than 22, you know, and that's one perception there. But I can also recognise the fact that it's easier, like Alun Davies said, when you're dealing with larger blocks so that you can move things, but that's where you're actually getting regional bodies, which were developing well at one time, but that was sort of pulled away. I'll let somebody else have a view now.

[126] **Mr Hunt:** I think consultation is definitely needed; the trouble is it's a bit, sort of, you get into sausage-factory time. People want local government or governance units that deliver results for them and deliver better services. I've spoken to a number of people locally about it, and they want fewer councils and the cost of governance cut, but they also want the access to services on a local basis and the tie to the communities. That's the dilemma that I think we can't pass on to communities; we have to take those decisions as politicians and see where that balance lies. People will quite rightly want something that responds to their locality, but they also want something with a scale to deliver quality services and to have the resilience.

[127] The other great conflict in this is, yes, we want to get it right, but I think there is a pressing time issue here, because if we wait too long, especially—I don't want to get too political—depending on the result in May, I think the danger is, if we leave it too long, we'll be trying to weld together authorities that will have been decimated. You'll be trying to weld together two right-offs to make a decent car, and that's not going to work.

[128] **Christine Chapman:** Okay. Rhodri.

[129] **Rhodri Glyn Thomas:** Diolch yn fawr iawn, Gadeirydd. A gaf i fynd yn ôl at y pwynt gwreiddiol a godwyd gan Steve Phillips, a hefyd y pwynt a wnaeth Anthony Hunt yn awr? Hynny yw, mae gennym ni ddilema yn y fan hyn, onid oes? Y dilema ydy: a ydy'r broses a'r amserlen sydd wedi eu gosod yn ymarferol? Ac yna, y pwynt a

Rhodri Glyn Thomas: Thank you very much, Chair. May I return to the original point raised by Steve Phillips, and also the point Anthony Hunt has just made? That is, we have a dilemma here, don't we? The dilemma is whether the process and the timetable set out are practical. And then there's the point raised by Anthony Hunt that

gododd Anthony Hunt, sef os ydym ni'n ei adael e'n rhy hwyr, mae'r archwilydd cyffredinol wedi dweud wrthym ni y bydd yna gynghorau yng Nghymru yn methu â chyflawni eu gofynion statudol, ac y byddan nhw yn fethdalwyr i bob pwrpas. A ydy'r amserlen yma o etholiadau yn 2018 a 2019 yn ymarferol mewn gwirionedd, oherwydd rydych chi'n codi yn eich papur broblemau ymarferol o ran proses y comisiwn ffiniau a phethau eraill? A ydy'n ymarferol bellach i ni sôn am etholiadau yn 2018 a 2019?

if we leave it too late, then the auditor general has told us that there will be councils in Wales that will be failing to deliver their statutory responsibilities, and they will be bankrupt to all intents and purposes. Is this timetable of elections in 2018 and 2019 feasible and practical in reality, because you raise in your paper some practical problems in terms of the boundary commission process and other issues? Is it practical now for us to talk about elections in 2018 and 2019?

[130] **Christine Chapman:** Who'd like to start? Steve.

[131] **Mr Phillips:** I think it still is practical at this moment in time to talk about elections in 2018. My scepticism is about the more immediate timetable that Daniel and others were referring to earlier, in the sense that our favourite euphemism of 'challenging' got a mention earlier. It's challenging today, this timescale, looking from now to the end of November. If we get to the early summer with no map, it becomes very challenging. If we get to midsummer with no map, it becomes impossibly challenging, not least because of the way in which the process is prescribed in the Bill. We have to consult with partners; we have to, obviously, for the reasons that were mentioned earlier, consult with the public; we have a decision-making process to go through in two or more councils; and, ultimately, there's an assumption in there that all 22 councils will sign up to the process once the map comes out, whatever it says.

[132] I think it is doable, but the passage of time between now and the end of November is going to cause some major issues. That is the basis for my scepticism. But if we can get it right, we can just about deliver by 2018, I think, but time is the biggest enemy, in my opinion.

[133] **Christine Chapman:** Okay. Dyfed.

[134] **Mr Edwards:** Jest i ddilyn ar hynny, os caf i, rwy'n credu ei fod yn ddibynnol ar a oes yna gytundeb cyn diwedd yr haf. A'r ail beth rydym ni efallai wedi ceisio ei danlinellu yw'r perygl i ni danbriso y gwaith aruthrol sydd gan y comisiwn ffiniau. Rydych yn sôn am newid yr holl gyfundrefn ffiniau yng Nghymru ar unwaith. Nid yw erioed wedi digwydd o'r blaen, nid wyf yn credu. Hynny yw, mae'n mynd i fod yn hunllef. Mae yna gefnogaeth yn mynd i fod, ond mae yna wrthwynebiad yn mynd i fod, ac fe allwn ni fynd yn sownd, rwy'n meddwl, mewn mwd yn y canol rhywsut. Felly, mae'n dibynnu ar y deubeth yna. Os nad oes cytundeb cyn diwedd yr haf, rwy'n credu bod yna farc cwestiwn wedyn. Ond, i fynd yn ôl at y pwynt a godwyd gynnu, siawns mai'r peth a ddylai ein gyrru ni yw nid gymaint amserlen, ond ei gael o'n iawn. Gadewch i ni ei gael o'n iawn gyntaf ac wedyn dod fyny efo amserlen sydd yn ymarferol weithredol.

Mr Edwards: Just to follow up on that, if I may, I do believe that it does depend upon whether there is agreement before the end of the summer. And the second thing that we have tried to highlight is the risk that we don't appreciate the huge amount of work to be done by the boundary commission. You are talking about changing the whole boundary system in Wales in one fell swoop. It's never happened before, I don't think. It's going to be a nightmare. There will be support, but there will also be opposition, and we could find ourselves actually stuck in the mud in the middle somehow. So, it depends on those two things. If there is no agreement before the end of the summer, then I think there is a serious question mark. But, to return to the point raised earlier, surely what should drive us isn't so much the timetable, but the getting it right. Let's get it right first and then draw up a timetable that is practically implementable.

[135] **Rhodri Glyn Thomas:** Wel, yn ymarferol, o ran y lle yma, os ydym yn sôn am fap yn cael ei gyhoeddi ym mis Awst, nid oes trafodaethau gwirioneddol yn mynd i fod yn y lle yma tan bod y map hynny wedi'i gyhoeddi oherwydd nid ydym yn gwybod beth rydym yn ei drafod. Ac, felly, mae'r amserlen yn mynd yn ôl o'r fan honno ac mae Tachwedd yn ymddangos yn anymarferol, oherwydd faint o gynghorau sy'n mynd i fynegi dymuniad i gyfuno, o ystyried bod y chwech wnaeth y dymuniad gwreiddiol wedi cael eu troi lawr ac nid ydynt yn deall pam maen nhw wedi cael eu troi lawr mewn rhai achosion—yn sicr, Conwy a Dinbych, maen nhw'n dal yn ceisio canfod beth oedd y rheswm. Felly, mae problem ymarferol yn y fan hyn, ond mae'n rhaid rhoi hynny ar gefn rhybudd yr archwilydd cyffredinol. A ydy hi'n wir i ddweud y bydd yna gynghorau, os nad oes yna setliad yn digwydd o fewn dwy neu dair blynedd, yn wynebu sefyllfa lle maen nhw yn methu â chyflawni eu gofynion statudol?

[136] **Mr Edwards:** Rwy'n credu bod hwnnw'n ddadansoddiad teg, ac nid wyf yn credu ein bod ni'n bell o'r lle yna ar hyn o bryd, a dweud y gwir. Mae pob un o'r 22 awdurdod yn mynd drwy'r broses o osod cyllideb yn ystod y cyfnod hwn rŵan, y mis yma a dechrau mis nesaf, ac nid wyf yn credu bod yr un ohonom ni wedi cael y broses yna mor heriol ag y mae wedi bod eleni, ac mae am waethygu. Rydym yn agos iawn at fod yn fanna ar hyn o bryd. Yr eironi ydy bod rhai awdurdodau wedi bachu yn y syniad o uno fel achubiaeth yn ystod y cyfnod yma. Felly, mae hynny'n arwydd, rwy'n credu, o beth oedd teimlad rhai awdurdodau a beth oedd angen ei wneud i ddod allan o'r tân, fel petai.

[137] **Rhodri Glyn Thomas:** A ydym ni'n sôn felly am adran 23 a'r hawl y mae hynny yn ei roi i'r Gweinidog i benderfynu trefniadaeth etholiadau? Ai dyna sy'n ein wynebu ni os ydym yn sôn am 2018 a 2019?

[138] **Mr Edwards:** Mae hynny'n un senario, onid yw?

[139] **Rhodri Glyn Thomas:** Ateb gofalus iawn. [*Chwerthin.*]

Rhodri Glyn Thomas: Well, on a practical basis, in terms of this place, if we are talking about a map being published in August, no meaningful discussions can take place in this place until that map is published because we don't know what we're discussing. And, therefore, the timetable will be slipping from that point and November seems impractical, because how many councils are going to express an interest in merging, given that the six that did initially express an interest were turned down and they do not understand why they were turned down in some cases—certainly, Conway and Denbighshire are still trying to discover the reason behind that rejection. So, there is a practical problem here, but that must be placed alongside the warning of the auditor general. Is it true to say that there will be councils, if there is no settlement within two or three years, that will be facing a situation where they will be unable to deliver their statutory responsibilities?

Mr Edwards: I think that's a fair analysis, and I don't think that we are a very long way from that position at present, if truth be told. Every one of the 22 authorities is going through the budgetary process during this period now, this month and the beginning of the next month, and I don't think that any of us has found that process to be as challenging as it has been this year, and things will only get worse. We are very close to being in that position now. The irony is that some authorities have seen the concept of merger as some sort of saving grace during this period. So, that is a sign, I think, of the feeling within some authorities and what needed to be done to get out of the very difficult situation that they're in.

Rhodri Glyn Thomas: Are we talking, therefore, about section 23 and the right that that gives to the Minister to decide on the electoral arrangements? Is that what we are facing if we're talking about 2018 and 2019?

Mr Edwards: That is one scenario, isn't it?

Rhodri Glyn Thomas: A very considered response. [*Laughter.*]

[140] **Mr Edwards:** Wel, fel pob gwleidydd, mae'n debyg. Mae hynny'n un senario. Os ydy'r Gweinidog yn gweld bod argyfwng ac nad yw'n bosib i lywodraeth leol gynnal ei hun fel petai, oherwydd y cyfyngiadau ariannol, yna rwy'n meddwl ei fod yn briodol i Lywodraeth ymateb i'r amgylchiadau hynny. Ond mi fyddai'n braf pe baem ni'n gallu cael cytundeb a gweithredu mewn ffordd sydd yn golygu ein bod ni'n gallu gweithio gyda'n gilydd i greu yr hyn rydym yn ceisio ei greu yn hytrach na bod unrhyw orfodaeth. Nid wyf yn credu y byddai hynny'n sefyllfa ddymunol o bell ffordd, ond os nad ydym yn gweithredu, mae perygl i ni gyrraedd sefyllfa felly.

Mr Edwards: Well, like every politician, probably. That is one scenario. If the Minister sees that there is a crisis and that it isn't possible for local government to sustain itself, as it were, because of the financial limitations, then I do think that it would be appropriate for the Government to respond to those circumstances. But it would be nice if we were able to reach an agreement and to operate in a way that would mean that we could work together in order to create what we are seeking rather than there being any enforcement. I don't think that would be an ideal situation by any means, but if we don't take action, there is a risk that we will reach such a position.

[141] **Rhodri Glyn Thomas:** Diolch.

Rhodri Glyn Thomas: Thank you.

[142] **Christine Chapman:** Janet, did you want to come in?

[143] **Janet Finch-Saunders:** Yes. Before I go to the set questions, clearly north Wales is quite diverse. I'm talking, sorry, about Wales in general. In terms of north Wales and any intended map from the Minister, what about the border, if you like? You've got Wrexham and Flintshire, where they work very well with authorities over the border. How do you feel—. Maybe this is a question for you, Gareth. Whatever intended map the Minister comes up with, how will that incorporate the good workings that you already have across the border?

[144] **Mr Owens:** Given that local government is a devolved function, cross-border working can be difficult. The legislation between the two countries is increasingly divergent. And, so, true cross-border working around some of our principal statutory functions is quite difficult. It shouldn't necessarily be a problem around things like back-office services, where they can cross boundaries. I'm responsible for ICT; ICT is the same in England or Wales and there's no reason why we couldn't move some of those services quite easily.

[145] I'm going to say that I have to be very careful about some of the relationships back at base. Unfortunately, this debate has caused a problem with some attempts to collaborate. Wrexham aren't keen on merger, and that is getting in the way of collaboration at the moment. So, I don't want to say anything here that might prejudice attempts that we're making to try and solve some of the financial difficulties through collaboration at the moment.

10:15

[146] **Christine Chapman:** Can I bring Anthony in?

[147] **Mr Hunt:** It's a valid point to make, because I think, in the last decade or so, we've moved from small local government units, which were maybe resistant to collaborating and working outside of their borders together on things for the interests of the services, to smaller units that are willing to collaborate and willing to look outside their own borders where that provides a better service. What I wouldn't like to create is big councils that then have to go through that same process again, of sort of keeping everything in and just dealing with themselves, and then they would have to be encouraged to collaborate. Thinking of south-east Wales, even if you have a much smaller number, say three instead of 10 within the Cardiff

city region, those three councils will still need to work together on big strategic issues. I wouldn't like to have to go through another process of learning in that way. I hope those new councils, however big they are, will be set up with the understanding that they will, on appropriate issues, work with their neighbours and work across the border.

[148] **Christine Chapman:** I've got Steve now.

[149] **Mr Phillips:** Yes, just a quick point. The collaboration exercise and the impact of local government reform I think is different in different places across Wales. So, for example, in our case, we have a social services collaboration, called the western bay, with Bridgend, Neath Port Talbot, and Swansea councils and Abertawe Bro Morgannwg University Local Health Board. We discussed it with the leaders, cabinet members, last week and we basically decided to ignore this process and get on with what we were doing, because we have to in the interests of the people we're trying to improve the services for. There will come a point, depending on maps and bills and all the rest of it, where we will have to take more cognisance of it, but I think I'm right in saying that I've seen a number of examples across Wales where people will say, 'Okay, this may be 2018 or 2020 or whatever it is, but, meanwhile, because particularly of the austere times that we live in, we've got to carry on delivering and improving the services as best as we can'. So, Gareth's right to point to the circumstances in his part of the world, but I think there are other examples elsewhere where people are just getting on with it, because we have to.

[150] **Christine Chapman:** Okay. Councillor Quant.

[151] **Mr Quant:** Again, I think we all can come at this from different angles. It comes back to the fact that—I'm not so sure—we've still got to prove, with the model of large councils together, actually how much money they are really going to save. That's got to be a proven factor, yet can anybody give us the model for that? Whereas, in this meantime, the councils we've got are very innovative in getting on, and everybody's quoting their examples. For us, I'd say, an example in Ceredigion is we work with Pembrokeshire with regard to waste management. We also work with Powys at this moment in time. Our ambition is that none of our waste will go to landfill, because we're working with Pembrokeshire, where we're exporting our waste now off to Sweden. That's what's going to be happening with ours, because they'll take it in and burn it. They're allowed to do it in their country, and we're going to have no landfill charges whatsoever. That's innovation between councils getting on and doing things, instead of being forced to join with people, which possibly might kill off regional working with others in another way. So, that's a watchword to think about.

[152] **Christine Chapman:** Okay, now, we've got—

[153] **Janet Finch-Saunders:** I've got my set questions.

[154] **Christine Chapman:** Okay. Do you want to ask them?

[155] **Janet Finch-Saunders:** Yes.

[156] **Christine Chapman:** Actually, can I just remind Members and our witnesses that we've got less than half an hour? Gwyn wants to come in. I want to make sure that all Members have the opportunity. So, if you can just indicate. So, I've got Janet first, and then Gwyn.

[157] **Janet Finch-Saunders:** What are your views on tying this Bill, particularly through the definition of merging authorities, to the content of a future Bill that is, as yet, unknown?

[158] **Mr Quant:** Sorry? I didn't catch that.

[159] **Christine Chapman:** Sorry. Do you want to say it again?

[160] **Janet Finch-Saunders:** What are your views on tying this Bill, particularly through the definition of merging authorities, to the content of a future Bill that is, as yet, unknown?

[161] **Mr Hurford:** I'll come in on that. I think we've probably touched on it in our written response, but there is a risk in that. We've talked about clarity around a vision, you know, with the White Paper, and differences of views and opinions around that, but a vision is being created and there is consensus broadly around the direction of travel in terms of what we want from local government. The risk of a two-stage Bill is that, obviously, this is about voluntary mergers. This current Bill, which is all about, really, dealing with the issue of timing and dealing with the speed. The risk is, of course, with a future Bill—we anticipate that there'll be a draft Bill in the autumn, and then a Bill probably in the new Assembly—is that new Bill could be different from the draft Bill significantly, depending on what happens at the ballot box obviously. So, there is risk that early preparatory work undertaken as part of this Bill could be revoked or repealed with the new Bill.

[162] **Janet Finch-Saunders:** So, what about your view on allowing the boundary commission to go forward and start reviewing the boundaries?

[163] **Mr Hurford:** Again, this Bill allows that early preparatory work to be undertaken, which is fine if voluntary mergers come forward. We've heard about the challenging timescales et cetera, but with a map in the summer, some authorities may be prepared to merge voluntarily and go through this formal process, so it does allow some acceleration for those authorities. There is some slight issue of clarity in the Bill around exactly when preparatory work can start. We've had discussions with the boundary commission and I think I've seen a research briefing from the Assembly Commission that suggest it's in line with a draft Bill in the autumn, but actually section 2(6) of this Bill suggests that the Minister can direct the boundary commission to undertake initial preparatory work on pretty much any proposals by Welsh Ministers, whether or not they're in a draft Bill, or whether or not they're in a Bill or an Act. So, technically, with the map from the summer, when this Bill is enacted, presumably in the autumn, the Minister, if he is minded, could instruct the boundary commission to start undertaking initial preparatory work. That is our understanding, as I say. So, that does probably need to be looked at in more detail. So, there is scope, as I say, for that preparatory work, which will be necessary in terms of speed of the process. Should a different Bill and different map come out next year, then that would need to be revoked.

[164] **Janet Finch-Saunders:** Is a two-stage Bill the way forward, or do you think there's the scope for, you know, other legislative process?

[165] **Christine Chapman:** Dyfed?

[166] **Mr Edwards:** Nid wyf i'n siŵr am yr ateb i hynny. Mater i'r Llywodraeth a'r Gweinidog ydy penderfynu beth yw'r ffordd ymlaen. Rwy'n siŵr y byddai llywodraeth leol yn dweud, yn ddelfrydol, y byddem ni'n cytuno ar y ffordd ymlaen yn nhermau beth yw'r weledigaeth ac y byddem ni'n gallu cytuno ar y ffordd ymlaen ynglŷn â beth yw'r map yn deillio o hynny, a'n bod ni'n gwneud y cyfan gyda'n gilydd mewn un to. Dyna beth fyddai'n ddelfrydol. Mae'n ymddangos i fi, oherwydd diffyg undod—oherwydd

Mr Edwards: I'm not sure what the answer to that is. It's a matter for the Government and the Minister to decide on the way forward. I'm sure that local government would say that, ideally, we would say that we would agree on the way forward in terms of the vision, and that we would agree on the way forward on the map emerging from that, and that we should do it all together in one fell swoop. That would be the ideal. Now it appears to me, because of a lack of unity and agreement—and let's all agree on this—I

gadewch inni fod yn gytûn—nid wy'n credu bod yna undod gan neb ar fater sut mae'r map yn mynd i edrych, o fewn unrhyw blaid wleidyddol yng Nghymru, felly mae'r Gweinidog, o bosib, yn adlewyrchu'r nerfusrwydd sydd o gwmpas hynny, ac yn ceisio mynd dow-dow, fel yr ydym ni'n ei ddweud yng Ngwynedd, i geisio cael y maen i'r wal. Mae'n ymddangos felly. Tactegau yw popeth mewn gwleidyddiaeth, fel yr ydym ni i gyd yn ei wybod.

don't think that there is agreement from anyone on how the map is going to look within any political party in Wales. So, the Minister is perhaps reflecting the general nervousness surrounding that particular issue, and is trying to go very slowly—'dow-dow' as we say in Gwynedd—to try and actually achieve his objectives. That's how it appears, at least. Everything in politics is tactics, as we all know.

[167] **Christine Chapman:** Okay, thank you. Gwyn?

[168] **Gwyn R. Price:** Good morning. Just touching on the independent remuneration panel's work, really, to what extent are you content with the provisions in the Bill to allow the panel to set payments to proposed new authorities and members of the shadow authorities? There is concern that the chief officers and chief executives should be covered under the panel's remuneration until 2020. Could I have your view on that?

[169] **Christine Chapman:** Who would like to come in on this one to start? Daniel?

[170] **Mr Hurford:** I'll start. In terms of the independent remuneration panel setting remuneration for members, that's broadly understood as an extension of its current remit, and it would be appropriate in terms of transition committees and shadow authorities. Our paper queried the specific definition of chief officers, purely given that it was taken from an earlier piece of legislation that was used for different purposes, around the political restriction of chief officers. As it stands, the independent remuneration panel will get responsibility for setting the salaries of chief officers—and that's a point that the Welsh Government would like to introduce, clearly—but it's just the definition of chief officers as per the original Act. It's extremely broad and it covers deputy chief officers, who actually are anybody reporting to a chief officer. So, potentially, that's quite a broad range of officers. We've done some analysis, and our latest figures show that it is actually 571.5 members of staff—

[171] **Gwyn R. Price:** And a half.

[172] **Mr Hurford:** And a half. As I say, there's a range of different seniorities, and the risk is, of course, if wholesale references from these posts were put to the panel, whether the panel would have the capacity to deal with those.

[173] **Gwyn R. Price:** Do you think they should have the capacity to deal with those?

[174] **Mr Hurford:** Well, it's whether the intention is actually that broad a level of officer, because the definition in the legislation is probably different from the interpretation in terms of JNC terms and conditions in local government. So, chief officers tend to be senior and senior paid officers, whereas the definition in this actually covers a broader range of more junior officers.

[175] **Gwyn R. Price:** You really want clarification, because I've been through a reorganisation et cetera and, as Ray was saying, there's going to be chief officers on top of chief officers on top of the chief officers, and somebody's got to go. So, the pay-offs or the contractual pay-offs are going to come, there's no doubt about that, and so is this where you want clarification?

[176] **Mr Hurford:** Yes.

[177] **Christine Chapman:** Gareth wants to come in. Did you want to come in as well, Steve?

[178] **Mr Phillips:** Yes.

[179] **Christine Chapman:** Okay. Gareth and then Steve.

[180] **Mr Owens:** There is a potential practical problem or legislative problem in their unintended consequence, which was referred to in the WLGA submission. Incidentally, I put this forward to Daniel because I spotted it. You have this problem where, if the Independent Remuneration Panel for Wales wants to exercise its responsibilities in relation to current authorities, you're going to get into an equity problem. Say, there's a chief officer team of five and one of those leaves, the IRP makes a recommendation for a lower level of salary. You've then got the equity problem between four members of the team who are on a higher salary than the fifth. If you take that to its extreme and that fifth person happens to be female and the other four are male, you have an equal pay risk created within the authority. The fact that they're adopting a recommendation from the IRPW wouldn't defend them in an equal pay challenge. So, they couldn't justify the disparity of paying a woman potentially less than four men on the basis that it's an IRPW recommendation. So, there is a potential problem in there.

[181] That's in terms of how the IRP exercises its functions, I think. It may be possible for the IRP to act as a backstop in relation to transfers into the emerging authorities, but even there, the work of the IRP is going to be constrained by the transfer of undertakings. If the IRP were to recommend a lower level of salary for the new posts within the emerging authorities, then those officers who transfer in, unless there were some valid justification for that, would be able to bring a claim under Transfer of Undertakings (Protection of Employment) Regulations 2006 as well. So, there are a number of legal difficulties around that extension of their role, and they don't exist in relation to chief executives, where you have a singular post.

[182] **Christine Chapman:** Steve.

[183] **Mr Phillips:** Just to say, really, that Daniel and Gareth are right to flag up some of the definitional and practical issues, but you'll get no argument from me on the principle. I think the reasons are well documented and we are very familiar with them. What I do think though is that some of this work going forward needs to be tied back to the establishment of the staff commission, and some of the issues that are identified in the White Paper in that respect. I won't go into them now, but I think there is a general need to get that staff commission established and to work as quickly as possible for a whole host of reasons, and tangentially at least, this is one of them.

[184] **Christine Chapman:** Gwyn, do you have any other questions?

[185] **Gwyn R. Price:** No, we'll wait and see.

[186] **Christine Chapman:** Okay. I've got Rhodri next. I think John wants to come in then. We've only got quarter of an hour left and we are going to finish. I predict that we will write to you with some of these questions. So, if any other Members could indicate before quarter to. So, I've got Rhodri first, and then John.

[187] **Rhodri Glyn Thomas:** Rwy'n falch iawn bod Steve wedi derbyn yr egwyddor bod rhaid rhesymoli tâl uwch-swyddogion
Rhodri Glyn Thomas: I'm very pleased that Steve accepted the principle that we need to rationalise the pay of senior officers within

mewn llywodraeth leol. Rwy'n credu bod yn rhaid i ni i gyd dderbyn bod y sefyllfa wedi mynd y tu hwnt i reolaeth yn gyfan gwbl—mewn rhai awdurdodau, i fod yn deg, ac nid pob awdurdod oherwydd mae rhai awdurdodau wedi peidio â symud i'r graddau y mae rhai eraill wedi'i wneud.

10:30

[188] Ond, onid yn y pen draw, fod yn rhaid inni, rhyw ffordd neu'i gilydd—. Rwy'n derbyn bod yna broblemau ymarferol ac rwy'n derbyn, hefyd, y senario cyfreithiol sydd wedi cael ei godi gan Gareth, fod yna broblem ymarferol yn y fan honno. Ond, y gwir yw bod yn rhaid inni ffeindio ffordd i sicrhau bod hyn yn cael ei weithredu ar draws Cymru, a'n bod yn symud yn ôl, yn sylfaenol, i'r sefyllfa y mae Mike Hedges wedi'i chodi sawl gwaith, a oedd yn bodoli yn y ganrif ddiwethaf, lle'r oedd taliadau i uwch swyddogion yn cael eu penderfynu ar faint awdurdodau a'r cyfrifoldebau a oedd yn gorwedd gyda nhw o ganlyniad i hynny.

[189] Beth rydym yn symud ato fe yng Nghymru ydy bod yna rai awdurdodau cymharol fach yn talu tâl afresymol o fawr i'w prif weithredwyr. Wrth gwrs, beth sy'n digwydd wedyn ydy, mae tâl uwch swyddogion yn cael ei benderfynu ar sail hynny, oherwydd mae uwch swyddogion yn cael eu talu ar raddfa sy'n deillio o dâl y prif weithredwr neu'r brif weithredwraig. Felly, nid yw'n gwestiwn, Gadeirydd, ond, rwy'n gobeithio bod gennym ni gefnogaeth yr awdurdodau lleol, a hefyd y WLGA, i symud ymlaen gyda'r broses yma, oherwydd mae'n rhywbeth, rwy'n credu, mae'r cyhoedd yn disgwyl i ni ei wneud.

[190] **Mr Edwards:** Os caf i ymateb i hynny, mi geisiais i godi hwn yn y WLGA rai misoedd yn ôl, ac nid oedd yna gytundeb. Ond, rwy'n credu bellach, wrth inni symud at ad-drefnu, fod yna ddealltwriaeth bod sefydlu cyfundrefn lle mae cyflogau prif swyddogion a phrif weithredwyr yn cael eu gosod gan rywun annibynnol yn gwneud synnwyr cyffredin yn wyneb y cyhoedd. Yn ail, beth sydd gennym ar hyn o bryd yw, rydym wedi creu marchnad rydd ar gyfer prif weithredwyr sydd ddim yn rhywbeth rwy'n ei groesawu. Yn rhyfedd iawn, rydym ni, fel aelodau, yn

local government. I think that we all have to accept that that situation has gone entirely out of control—in some authorities, to be fair, and not all authorities by any means, because some authorities have not moved to the extent that others have done.

But, ultimately, don't we somehow have to—. I accept that there are practical problems and I also accept the legal scenario that has been put forward by Gareth that there is a practical problem there. But the truth is that we have to find a way of ensuring that this is implemented across Wales and that we, fundamentally, move back to a situation that Mike Hedges has raised on a number of occasions and existed in the last century, where payments to senior officers were decided on the basis of the size of the authority and the responsibilities that came with the scale of the authority.

What we are moving to in Wales now is a situation where some relatively small authorities are paying an unreasonably high salary to their chief executives. What happens then, of course, is that the pay of senior officers is decided on that basis, because senior officers are paid on a scale that emerges from the chief executive's salary. Therefore, it's not a question, Chair, but I do hope that we have the support of local authorities and the WLGA in progressing with this process, because I think that it's something that the public expects of us.

Mr Edwards: If I could respond to that, I tried to raise this issue in the WLGA some months ago and there was no agreement. But, I do believe, as we move towards reorganisation, that there is an understanding that establishing a regime where chief executives' salaries are set by an independent panel makes common sense for the public. Secondly, what we have at present is that we have created a free market for chief executives, which isn't something I welcome. Strangely enough, we, as members, actually receive a salary that is set by an independent

derbyn ein cyflog sydd wedi'i osod gan banel annibynnol, yn ôl maint ein hawdurdodau. Mae'n ddigon da i ni; a gaf awgrymu ei fod yn ddigon da i brif swyddogion a phrif weithredwyr hefyd, a'n bod yn tynnu allan yr elfen gystadleuaeth yma sy'n bodoli rhwng cynghorau yn ffiniau ei gilydd? Nid yw hynny'n gwneud unrhyw synnwyr ac nid dyna'r ffordd i gynllunio gwasanaethau a phrif swyddogion i'r dyfodol, nid wyf yn credu. Yn bersonol, rwy'n ei groesawu; rwy'n tybio y bydd yna amrediad o gynghorau yn croesawu hwn fel ffordd ymlaen sy'n cymryd yr awdurdod allan o'r senario a dweud y gwir. Mae hynny'n llawer haws i ni ddelio efo.

panel, according to the size of our authorities. Well, if it's good enough for us, then can I suggest that it is good enough for chief executives and senior officers also, and that we remove this element of competition that exists between councils that may share a boundary? It doesn't make any sense and that's no way to plan services and senior officers for the future, I don't think. Personally, therefore, I welcome it; I assume that a range of councils would also welcome this as a way forward that actually takes the authority out of the scenario. That's far easier for us to deal with.

[191] **Mr Hunt:** Just to agree entirely, I think the situation that's come about isn't helpful. It's also not helpful to councils that are trying to do the right thing. One of the things that we've tried to ensure every year since the election is that the pay ratio between the most senior officers and the average and lowest levels of pay within the authority is reduced each year. The trouble is that that sort of thing doesn't make news; what makes news is when it goes wrong and we all get tarred with the same brush.

[192] **Rhodri Glyn Thomas:** Of course it doesn't make the news.

[193] **Mr Hunt:** So, I think, you know, it's in everyone's interest for this to be taken by an independent panel.

[194] **Jocelyn Davies:** What, like in the Assembly? It's not always pot luck. [*Laughter.*]

[195] **Christine Chapman:** Councillor Quant.

[196] **Mr Quant:** Our chief executive hasn't had a pay rise for five years, at least, and I think she's the lowest paid chief exec in Wales. So, there we are.

[197] **Christine Chapman:** Okay. John.

[198] **John Griffiths:** Sections 3 to 10 of the Bill deal with voluntary mergers. We had the recent decisions in terms of those that were proposed not being favoured or supported by Welsh Government. Could you tell us a little bit about what you think is the appetite now, within local authorities, to still pursue the voluntary merger route? I mean, the Minister has told us that until the final map is produced, it's unlikely that any voluntary mergers would be favoured. So, once we have the final map, which, as I understand it, should be before the summer recess, will there, then, do you think, be interest in voluntary mergers? Bearing in mind what we've heard about the necessity to get on with things given the financial climate, we need pace and speed with the reorganisation and the new map. So, will there be interest, do you think, in voluntary mergers once the final map is produced. If so, if you have any views on sections 3 to 10 in terms of the process and timescales, and whether what's set out would enable the pace of change that's necessary, we'd be very interested to hear on that.

[199] **Christine Chapman:** I'll bring Anthony in and then Dyfed.

[200] **Mr Hunt:** As a representative of one of the councils that put in a voluntary merger that was knocked back, there's an element of the rejected suitor in it—do you come forward

again to be knocked back again? However, as you say, the realities of what motivated us to put in that initial expression of interest remain or will be getting more severe all the time. So, you know, I guess we'll have to look at the map. I don't think anyone would suggest it's a closed book and that we wouldn't consider it. But there is an element there of when you've been knocked back once—. And the limitations in what we put forward weren't limitations born of our own intent; they were born of, you know, maybe other potential partners—another potential partner around us who wasn't willing to get on board at that particular point in time. But, as I say, the realities that drove us to make that submission still exist.

[201] **Christine Chapman:** Okay. I've got Dyfed and then Ray and Steve then.

[202] **Mr Edwards:** Diolch. Yn sydyn iawn, rwy'n meddwl bod yna gyfle y tro hwn gan y Gweinidog i osod allan yn glir ei feini prawf llwyddiant, os liciwch chi, wrth wahodd cynghorau i uno'n wirfoddol. Gadewch i ni gael eglurdeb ynglŷn â sut drefn sy'n debygol o lwyddo, oherwydd nid wyf yn gweld cynghorau'n dod ymlaen eto yng nghanol tywyllwch i wneud hynny—mae angen eglurdeb o'i gwmpas.

Mr Edwards: Thank you. Very briefly, I do think that there is an opportunity this time for the Minister to set out clearly the criteria for success in inviting councils to submit proposals for a voluntary merger. Let's have clarity on what kind of system is likely to succeed, because I can't see councils coming forward again in the darkness to do that—there needs to be that clarity surrounding the process.

[203] Rwy'n tybio y bydd cynghorau'n barod i ystyried hwn oherwydd, fel y mae Anthony yn ei ddweud, mae'r amgylchiadau yn ein gyrru ni. Yr anhawster ydy—yn ddibynnol ar y map—y bydd gennych chi sefyllfa lle rydych angen, nid un cyngor i ddod ymlaen, ac efallai nid dau, ond tri neu bedwar o gynghorau i gytuno. Mae hynny'n anffodus iawn, iawn ac y mae yna berygl i un cyngor unigol gael ei gosbi a methu allan oherwydd diffyg cytundeb ar draws tri neu bedwar o gynghorau. Mae'n mynd i fod yn anodd, rwy'n credu, ond o gael yr eglurdeb ynglŷn â'r math yma o uno sydd yn mynd i lwyddo, rwy'n credu y byddai'r arwydd yna'n cael ei groesawu'n fawr a bydd pobl yn barod i ymateb i hynny, rwy'n tybio.

I assume that councils will be willing to consider this because, as Anthony says, the circumstances drive us. The difficulty is—and it's dependent on the map—you may find a situation where, perhaps, you may need not one council coming forward and perhaps not two, but maybe three or four reaching agreement. That is very unfortunate and there's a risk that one council could be punished and could miss out because of a lack of agreement across three or four different councils. So, it's going to be difficult, I think, but in getting that clarity in terms of the fact that this is the kind of merger that will succeed, then I do think that that signal would be warmly welcomed and people would be willing to respond to that, I would assume.

[204] **Christine Chapman:** Ray.

[205] **Mr Quant:** I think that part of the problem or issue will be: will there be debate by the Minister with those authorities that have shown no appetite to want to try to merge before he publishes the map? Otherwise what I can see, in actual fact, in many, many cases, happening is that people will sit tight because they know that nothing can happen until there is either this cross-party agreement within Welsh Government to actually push it through or we'll just have to wait and see until the elections next year and see what happens then. So, it needs debate and consultation before—to go and talk to those who've not bit the bullet last time.

[206] **Christine Chapman:** Okay. Steve.

[207] **Mr Phillips:** Yes, I think it's largely already been said. I would just repeat the point

that the timing is crucial. We've talked about early summer, midsummer and August. We're not magicians; we can't produce these sorts of business cases out of thin air in six weeks and there does come a point when—. Certainly I think I'm right in saying that the Bill gives the Minister the power to extend the deadline beyond 30 November, but for all the reasons that have been outlined, there does come a point when you have to question whether it's deliverable within the current time frame.

[208] **Christine Chapman:** I've got Mike Hedges. We've got just over five minutes. No other Members have indicated. I know that Mike's got questions and then we will be finishing at quarter to.

[209] **Mike Hedges:** I'll throw the three questions out to you in one go because they are fairly straightforward. On the boundary review, my understanding is that it took them 10 years to not complete the last review. The question is: if they have a boundary review, will they still have to have public consultation and will they still be able to be taken to a judicial review, because that can add several years to a process? The second question is: I remember the last reorganisation and Lliw valley, which thought they were being taken over by Neath Port Talbot and Swansea, tried to burn their reserves—they built one bowls hall and they wanted to build another bowls hall, which has stopped—do you believe that sections 29 to 34 to guard against that sort of behaviour are important in the run-up to local government reorganisation? The third one is: do you agree that if you want to know what local authorities are going to look like if you have 10 or 12, you only have to look at Cardiff, which is roughly the size of the average new authority?

[210] **Christine Chapman:** Okay. Ray.

[211] **Mr Quant:** I'll just make a point on the boundary commission doing that there. What I'd say is that Ceredigion has already had its review, and that's been accepted and endorsed. It was agreed by Lesley Griffiths last time. So, in other words, we've gone from 42 down to 37, so the 2017 elections will be on the lower number. Now, it's a case of, if we have to go in with another authority, we will need to have another review, which will reduce those again. So, we'll wait and see.

[212] **Christine Chapman:** Okay. Gareth.

[213] **Mr Owens:** You can't legislate away the right to judicially review the boundary commission, I'm afraid, so, yes, they're always going to be subject to it. On the avoidance provisions, I started in local government 20 years ago, and we were still dealing with the problems caused by the previous reorganisation in 1974. They are important. I think there are a number of flaws within them, which I have pointed out and, hopefully, the flaws that I've pointed out there are clear and easy to correct. They are relatively easy to correct, but in terms of trying to stop people from burning their reserves or giving things away, actually, you specifically do not stop people from giving things away with the way the Bill is drafted at the moment. It can easily be fixed, and needs to be.

[214] **Christine Chapman:** Okay. Steve and then Anthony.

[215] **Mr Phillips:** Just to say, I very much agree with the provisions around the safeguards that you're talking about. I wasn't around in the Lliw valley days, and I'm not pleading 'not guilty' on their behalf, but for all the reasons the Minister has outlined, I think it is important that you have those safeguards there clearly.

[216] **Mr Hunt:** Yes, the same on the safeguards. I was at school at the time, but I've heard the apocryphal stories, and that's something we definitely want to work together to guard against. On the boundaries, yes, we've just gone through some form a boundary review,

which moved a couple of streets and they took a couple of years to come to and forth on that. In comparison to the huge task that faces them under this, it is concerning.

[217] On Cardiff, I'm not going to touch the sort of current issues there, but I think it shows the fact that what I think has been successfully prosecuted is that there's a lack of capacity and resilience in the very smallest councils to deal with the coming tidal wave of cuts. What hasn't been prosecuted successfully, in my view, is that bigger is better. I think we have to be very careful that we don't take our understanding that one is true to mean that the other is. Effective councils deliver good services; big councils don't necessarily delivery good services.

[218] **Christine Chapman:** I've got Mark with the final questions now, and then we'll be closing this session.

[219] **John Griffiths:** Chair, before we do, I just wondered has Gareth actually forwarded his suggestions in terms of how the legislation needs to be—. He has.

[220] **Mr Owens:** Yes, they're part of the WLGA submission. The WLGA submission was circulated round to Lawyers in Local Government. We fed our comments in through that. So, yes, our comments have been picked up through that submission.

[221] **Christine Chapman:** Okay. Mark.

[222] **Mark Isherwood:** I did have a series of questions, but the clock has beaten me. On cost benefits, when we took evidence last year on our inquiry into local government collaboration, the WLGA told us that statutorily, and quite rightly, local government could not even consider expenditure to fund the change in services without undertaking cost benefit, and showing that the benefit did outweigh cost and that they could put that to members accordingly. Of course, that hasn't happen here, and it fell to the WLGA to commission the Chartered Institute of Public Finance and Accountancy to produce a paper showing cost of up to £268 million. In your paper to us, you've said,

[223] 'the totality of predicted costs is contested and it remains unclear how (and by whom) any mergers will be funded.'

[224] What are your views on the need to carry out, as with any other sector, cost-benefit analysis before pushing ahead with the merger, on the assumption that big is always beautiful?

[225] **Christine Chapman:** Who would like to start?

[226] **Mr Phillips:** My answer to that question is that, I think, the truth is that no-one really knows how much it's going to cost at the moment. I tend to agree with the Minister's comment that we've got to take account of the opportunity costs of not doing anything as well. But, I think we are at a stage at the moment where, useful though the CIPFA work was, the reality is that there are key parts of the process that will inform the business cases and the cost-benefit analysis that haven't actually yet come to fruition. I mentioned one of them earlier—the staff commission. Some 60% of my budget and every other council's budget in Wales is staff costs. Now, if the harmonisation of terms and conditions goes up, then there is an in-built cost and a reduction in the savings, whereas, if the reverse happens, the reverse happens.

10:45

[227] Now, for me, those are very big issues indeed in terms of the cost-benefit analysis and

the business case for merger. And until we know how the staff commission is going to address those sorts of issues—and there are several others that I won't go into—then, I think, interesting though the debate is around the CIPFA analysis and other pieces of paper, it's finger in the air stuff, I'm afraid, for me.

[228] **Christine Chapman:** Daniel, did you want to come in?

[229] **Mr Hurford:** Just to endorse what Steve was saying, really. It depends on a) the map and the structure, but then there're a lot of other factors that need to be taken into account, such as, you know, staff terms and conditions, harmonisation, and the issue of council tax harmonisation as well. So, there are a number of factors in there. So, until there's a map and some extensive work that has given some clarity around set standards, terms and conditions, et cetera, we won't know. And that's why, you know, with CIPFA, it was quite a broad range—from 'here' to 'here'—in terms of what it might cost and what it might save.

[230] **Christine Chapman:** Any other questions, Mark? Sorry, any other responses, first of all? No. Any other questions, Mark?

[231] **Mark Isherwood:** I was only going to comment on the assumption that local authorities, as with other organisations, should be seeking to innovate, collaborate and commission best outcomes at all times. To what extent is this agenda—the legislation—holding you back from entering into what might be beneficial collaborative arrangements with various authorities, or on a regional basis, because you may be required to fit a different model subsequently?

[232] **Christine Chapman:** Dyfed, do you want to come in?

[233] **Mr Edwards:** Jest yn fyr. Mae gen i brofiad o geisio cydweithio yn eich rhan chi o'r byd, ar draws y gogledd, a thra bod yna ewyllys da, mae yna ansicrwydd ynglŷn â'r deilliannau ariannol. Os ydw i'n cofio'n iawn, rwy'n meddwl mai tri neu bedwar o gynghorau sydd yn cynnwys unrhyw arbedion cydweithio yn eu cyfrifon o gwbl. Mae hynny'n dweud y cyfan, rwy'n ofni. A heb ad-drefnu, a heb gael strwythur cadarn, nid ydw i'n credu y gallwn ni ddibynnu ar gydweithio i gynhyrchu unrhyw arbedion go sylweddol. Mae yna ychydig bach o deimlad ein bod ni yn nhir neb ar hyn o bryd—serch hynny, mae eich pwynt chi yn ddigon dilys— a bod pawb yn edrych dros ei ysgwydd ar bartner potensial cyfagos fel y gelyn mawr, ac mae hynny'n sefyllfa anffodus iawn iawn, ond eto yn tanlinellu'r angen i ni gydio yn hwn yn fuan iawn iawn, a gweithredu fel nad ydym ni'n cael y sefyllfa yma, sy'n dir neb ar hyn o bryd. Mae angen i ni fynd ati yn ddi-oed i ad-drefnu, mewn gwirionedd.

Mr Edwards: Just briefly. I do have some experience of trying to collaborate in your part of the world, across north Wales, and whilst there is goodwill, there is uncertainty in terms of the financial outcomes. If I remember correctly, I think it's three or four councils that include any collaboration savings in their accounts at all. I think that says it all, I'm afraid. Without reorganisation, without having a robust structure in place, then I don't think that we can rely on collaboration and joint working to actually produce any significant savings. There is this slight feeling that we're in no man's land at present—however, your point is a valid one—and everyone seems to be looking over their shoulder at a potential nearby partner as 'the great enemy', and that's a very, very unfortunate situation, but again highlights the need for us to actually grasp the nettle very soon, and to take action so that we don't actually find ourselves in this situation, which is a kind of no man's land at present. We do need to move forward towards reorganisation as swiftly as possible.

[234] **Christine Chapman:** Ray, I think you'll be the final comment, then.

[235] **Mr Quant:** I'll just make the point that, on this issue, going back to 2006, Beecham was the flavour of the month at that time, and there was a lot of good work, I think, done at that time. But then suddenly it went off the horizon agenda, so people stopped doing it. Basically, there are some partnerships that are still running, whereas others fell by the wayside because the same emphasis wasn't being put on it anymore.

[236] **Christine Chapman:** Thank you. Okay, we're going to finish this session now, so can I thank all the witnesses? I think today we've had a really good airing of this subject. I will send you some other questions. You can have a look at those, and perhaps you could respond then in writing. We will send you a transcript of the meeting so that you can check for factual accuracy, but thank you very much for attending today.

10:49

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public from the
Meeting**

Cynnig:

Motion:

bod y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog 17.42(vi).

that the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

[237] **Christine Chapman:** Can I now invite the committee to move into private session to discuss the evidence? Are you all okay with that? Yes.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 10:49.

The public part of the meeting ended at 10:49.