



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cymunedau, Cydraddoldeb a
Llywodraeth Leol](#)

[The Communities, Equality and Local
Government Committee](#)

10/02/2016

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Motion under Standing Order 17.42 to Resolve to Exclude the Public
from the Remainder of the Meeting and for the Meetings of 25
February, and 2, 10 and 16 March 2016

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn
oegystal, 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

Peter Black Bywgraffiad Biography	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman Bywgraffiad Biography	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Alun Davies Bywgraffiad Biography	Llafur Labour
Janet Finch–Saunders Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
John Griffiths Bywgraffiad Biography	Llafur (yn dirprwyo ar ran Gwenda Thomas) Labour (substitute for Gwenda Thomas)
Mike Hedges Bywgraffiad Biography	Llafur Labour
Mark Isherwood Bywgraffiad Biography	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins Bywgraffiad Biography	Plaid Cymru The Party of Wales
Gwyn R. Price Bywgraffiad Biography	Llafur Labour
Lindsay Whittle Bywgraffiad Biography	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Leighton Andrews	Aelod Cynulliad, Llafur (y Gweinidog Gwasanaethau Cyhoeddus) Assembly Member, Labour (Minister for Public Services)
Ben Crudge	Arweinydd Prosiect, Asesiadau Effaith ar gyfer y Biliau Llywodraeth Leol, Llywodraeth Cymru Project Lead, Impact Assessments for Local Government Bills, Welsh Government
Y Cynghorydd / Councillor Dyfed Edwards	Arweinydd Grŵp Plaid Cymru, Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association, Plaid Cymru Group Leader
Y Cynghorydd / Councillor Huw	Cynrychiolydd Grŵp yr Annibynwyr, Cymdeithas Llywodraeth Leol Cymru

George	Welsh Local Government Association, Independent Group Representative
Lisa James	Dirprwy Gyfarwyddwr, Is-adran Democratiaeth Llywodraeth Leol, Llywodraeth Cymru Deputy Director, Local Government Democracy Division, Welsh Government
Y Cynghorydd / Councillor Phil Murphy	Cynrychiolydd Grŵp y Ceidwadwyr, Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association, Conservative Group Representative
Y Cynghorydd / Councillor Rob Stewart	Cynrychiolydd Grŵp Llafur, Cymdeithas Llywodraeth Leol Cymru Welsh Local Government Association, Labour Group Representative
Steve Thomas	Prif Weithredwr, Cymdeithas Llywodraeth Leol Cymru Chief Executive, Welsh Local Government Association

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

Sarah Sargent	Dirprwy Glerc Deputy Clerk
Ben Stokes	Y Gwasanaeth Ymchwil Research Service
Elizabeth Wilkinson	Ail Glerc Second Clerk
Katie Wyatt	Cynghorydd Cyfreithiol Legal Adviser

Dechreuodd y cyfarfod am 09:02.
The meeting began at 09:02.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions

[1] **Christine Chapman:** Well, good morning, everyone, and welcome to the National Assembly for Wales's Communities, Equality and Local Government Committee. First of all, we've had apologies from Gwenda Thomas, and John Griffiths is attending in her place. Before we start, could I

ask Members if they have any declarations of interest?

[2] **Peter Black:** I declare an interest as a member of the City and County of Swansea.

[3] **Lindsay Whittle:** I, too, declare an interest, Chair. I am a member of Caerphilly County Borough Council.

[4] **Mike Hedges:** I don't know if this is a declarable interest, but I've known Rob Stewart for a very long time, and we both used to represent the same ward on Swansea council.

[5] **Christine Chapman:** Okay. I don't think you need to, but it's on the record now, anyway. Thank you, Mike.

09:03

**Y Bil Llywodraeth Leol (Cymru) Drafft: Sesiwn Dystiolaeth 4—
Cymdeithas Llywodraeth Leol Cymru
Draft Local Government (Wales) Bill: Evidence Session 4—the Welsh
Local Government Association**

[6] **Christine Chapman:** The first item today is evidence session 4, with the Welsh Local Government Association, and we are scrutinising the draft Local Government (Wales) Bill. I would like to give a very warm welcome to our panel this morning. First of all, we have Councillor Dyfed Edwards, WLGA Plaid Cymru group leader; Councillor Huw George, WLGA Independent group representative; Councillor Phil Murphy, WLGA Conservative group representative; Councillor Rob Stewart, WLGA Labour group representative; and also Steve Thomas, chief executive of the WLGA.

[7] Now, because the panel is obviously quite large today, can I just ask Members, with any questions, to just direct the questions to Steve Thomas in the first instance, and I think it will probably run smoothly, then? Obviously, Steve will direct certain questions to the rest of the panel.

[8] We've had sight of the paper that has been sent to us by the WLGA, so, if you're happy, we will go straight into questions. Okay.

[9] I just want to start off: could I ask you first of all how satisfied you are that the proposed configuration of either eight or nine new counties will lead

to a sustainable structure that is both fit for purpose and capable of delivering the Welsh Government's wider aspirations for the future of local government in Wales? Okay—Dyfed.

[10] **Mr Edwards:** Diolch yn fawr am y cwestiwn. Os caf i ddefnyddio'r offer cyfieithu—
Mr Edwards: Thank you for that question. I'd like to use the translation equipment.

[11] Fine—just to make sure it's working.

[12] Popeth yn iawn? Pawb yn clywed?
 Everything all right? Can everyone hear?

[13] Diolch am y cwestiwn. Mae'n debyg bod y cwestiwn yna yn agor nifer o gwestiynau. 'Beth yw'r ateb?', mewn gwirionedd, yw'r cwestiwn, ac efallai'r peth sylfaenol ydy ei bod hi'n dibynnu pa gwestiwn rydych chi'n ei ofyn. Mae yna anghytundeb ac mae yna gytundeb, onid oes, ar draws ynglŷn â nifer y cynghorau. Ond, onid y cwestiynau i'w gofyn ydy, 'Beth ydym ni eisiau'i gyflawni drwy wasanaethau cyhoeddus? Beth ydym ni eisiau ei gyflawni drwy awdurdodau lleol?' A wedyn, 'Pa strwythur sydd ei angen?' Mae yna duedd i'r ceffyl a'r drol fod yn y drefn anghywir yn y drafodaeth yma. Yn sicr, yn siarad yn bersonol, mae gennyf i ddiddordeb yn y cwestiwn 'Beth yw diben gwasanaethau cyhoeddus'—gyda llaw, nid dim ond cynghorau lleol, ond gwasanaethau cyhoeddus fel oedd yn y comisiwn gwreiddiol gan Williams—'a beth ydym ni eisiau ei gyflawni drwy wasanaethau cyhoeddus i'r dyfodol?' Wedyn, pa strwythur sydd ei angen i gyflawni hynny?
 Thank you for the question. It seems that that question leads to other questions. 'What is the answer?', to be honest, is the question, and perhaps the basic issue is that it depends on what question you're actually asking. There's disagreement and agreement, across the board, in relation to the number of councils. But, surely, the questions to ask are, 'What do we want to achieve through public services? What do we want to achieve through our local authorities?' And then 'Which structure is required?' There is a tendency for the horse and cart to be in the wrong order in this discussion. Certainly, speaking personally, I'm interested in the question of 'What is the purpose of public services'—and it's not just local councils, but public services as outlined in the original Williams commission—'and what do we want to achieve through public services for the future?' Subsequently, what kind of structure is needed to achieve that?

[14] Allwn ni ddim edrych ar ddim ond yr wyth neu naw cyngor sir sydd yn y map; mae'n rhaid inni edrych ar y cyd-destun ehangach. Os ydym ni am symud i strwythur newydd, sut mae'r strwythur yma'n edrych? Pwy sy'n cyflawni beth yn genedlaethol, yn lleol, yn rhanbarthol ac yn y blaen? Dyna'r drafodaeth sydd ei hangen, a wedyn, efallai, daw strwythur allan ohono fo. Os ydych chi eisiau symud i fapiau, fy marn bersonol i ydy, o 22, y dylid dod i lawr i ffigurau sengl o gwmpas wyth neu naw. Nid oes gennyf i ddim problem efo hynny yn bersonol, er nid oes dim cytundeb, rwy'n meddwl, mewn unrhyw ystafell unrhyw le yng Nghymru ynglŷn â hynny. Ond, yn gyffredinol, os ydych chi eisiau edrych ar y map, nid oes gennyf i broblem gyda'r niferoedd yna yn y pen draw.

We can't look at just the eight or nine county councils that are in the map; we have to look at the wider context also. If we want to move to a new structure, how is that structure going to look? Who is going to do what on a national level, a local level, a regional level and so on? That's the discussion we need to have, and then, maybe, a structure will come from that. If you want to move to maps, my personal opinion is that I think that, from 22, we should come down to single figures, around the eight or nine, maybe. I don't have any problem with that personally, although there is no agreement, I think, in any room anywhere in Wales in relation to that. But, in general, if you want to look at the map, I don't have a problem with the numbers mooted there.

[15] **Christine Chapman:** What about the sustainability? We've talked about the eight or nine. How do you feel about that, Councillor Edwards?

[16] **Mr Edwards:** Wel—

Mr Edwards: Well—

[17] **Christine Chapman:** Obviously, this is such a big issue to look at, but we are looking at—

[18] **Mr Edwards:** Rwy'n meddwl bod hwnnw'n gwestiwn da iawn ac, mewn gwirionedd, mae'n anodd proffwydo'r dyfodol, onid ydy? Mae'n anodd rhagweld sut ydym ni'n mynd i fod yn gynaliadwy i'r dyfodol gyda'r toriadau sy'n digwydd i'r sector gyhoeddus ar hyn o bryd. Ond, at ei gilydd, rwy'n meddwl bod angen

Mr Edwards: I do think that that is a very good question. In reality, it's difficult to know what the future might bring, isn't it? It's difficult to foresee how we might be sustainable into the future given the cuts that are happening in the public sector at present. However, overall, I think we need a structure underneath the

strwythur o dan y strwythur wyth neu naw cyngor sir go fawr er mwyn bod yn gynaliadwy. Mae eisiau eglurdeb ynglŷn â phwy sy'n gyfrifol am beth a pha ddyletswyddau sy'n mynd i'w cyflawni ar lefelau is. Mae'n rhaid inni edrych ar y patrwm oddi tano yn ogystal â'r cynghorau sir er mwyn sicrhau cynaliadwyedd.

structure of eight or nine county councils, which would be quite big, in order to be sustainable. We need clarity in relation to who is responsible for what and what duties will be undertaken at lower levels. We do have to look at the pattern underneath as well as the county councils to ensure sustainability.

[19] Yr unig beth y byddwn i'n dweud: os am ad-drefnu, gadewch inni ei gael o'n iawn y tro hwn. Nid ydym ni eisiau ailymweld mewn pum mlynedd, nac ydym, neu 10 mlynedd hyd yn oed. Siawns bod unrhyw newid yn digwydd rŵan ar gyfer sawl cenhedlaeth, gobeithio.

The only thing I would say: if we are going to reorganise, let's do it properly this time and get it right. We don't want to have to revisit this in five years' time or 10 years' time, even. Let's make sure that any change that happens now will last for several generations.

[20] **Christine Chapman:** Can I just ask what—? Obviously, it's a bit of a moving feast, I think, but what opportunities do you think there are for the council mergers? What is the WLGA working on to capitalise on this? I think there's a general agreement that mergers are, you know, the way forward, possibly; there may be some discussion on that, but what about—? What are you actually doing as local authorities to look for the opportunities there?

[21] **Mr Thomas:** In terms of agreement, we don't agree. We are like you. We're in a position where the issue is, essentially, contested. There were eight authorities, I think, when the Williams proposals were around, that we're prepared to go into a merger process. There were a further six that put themselves up for voluntary mergers, but there are a range of authorities that do not subscribe to the process or that structures are the answers to the issues that we face in local government. So, as I say, it's a very contested issue. It's an issue that reflects the views in the National Assembly itself.

[22] So, I think, what we want to see is a focus on public services reform. I think we all accept that change is needed—

[23] **Christine Chapman:** That's what I'm saying. Change is obviously—there is a consensus then that change is needed.

[24] **Mr Thomas:**—we all accept that change is needed, and, you know, that is clearly the position of the association, which we've stated on many occasions. I think what we're slightly concerned about is that, when we saw the Williams report, it was a report on public services, but what we've seen since is basically a debate about local government structures, and I think that is a very narrow debate.

[25] **Christine Chapman:** Okay. I'll bring in Mike first, and I know Councillor George wants to come in.

[26] **Mike Hedges:** What I was going to say—. I heard you, Councillor Edwards, answer that question, and I heard the same question answered last week. To me, it sounds very much as if we're going back to pre-1973 in most of Wales, where you have small urban and rural district councils doing some things and big county councils doing the others. If you just take out the old county boroughs, like Swansea, Merthyr, Rhondda and Cardiff, it just seems like—. Are you suggesting, or do you agree, that what we're actually doing is going back to pre-1973?

[27] **Mr Edwards:** Wel, nid oeddwn **Mr Edwards:** Well, I wasn't part of i'n rhan o lywodraeth leol ym 1973, local government in 1973, but—
ond—

[28] **Alun Davies:** Mike was. [*Laughter.*]

[29] **Mike Hedges:** I was in school.

[30] **Mr Edwards:** Ond, rwy'n **Mr Edwards:** However, I hear what clywed yr hyn rydych chi'n ei you are saying. I think that the ddweud. Rwy'n meddwl mai'r question is: if we are going to form cwestiwn ydy: os ydym ni'n mynd i new county councils, let us be clear ffurfio cynghorau sir newydd, as to what their responsibilities and gadewch inni fod yn glir beth fydd y duties will be and what we want the dyletswyddau, beth rydym eisiau i county councils to achieve, and, at gynghorau sir ei gyflawni, ac, ar yr un the same time, whether it is possible pryd, a oes modd i ni barhau ar y for us to continue on the devolution daith ddatganoli rydym ni i gyd yn ei journey that we all embrace—the chofleidio—datganoli rhai o rymoedd devolution of some additional powers ychwanegol i gynghorau sir, ac yna to county councils, and then datganoli rhai cyfrifoldebau ar lefel devolving some responsibilities to a is. Dyna ydy'r cwestiwn, mewn lower level. That's the real question:

gwirionedd: beth allwn ni ei gyflawni yn lleol, beth allwn ni ei gyflawni ar lefel uwch, ar lefel genedlaethol a lefel ranbarthol, ac yn y blaen? Os ydy hynny'n golygu ffurfio cynghorau dosbarth neu gynghorau fel oedd yn 1973, wel, popeth yn iawn, ond gadewch inni fod yn glir ynghylch hynny a sut mae'r cynghorau yna yn cael eu ffurfio, ac yn y blaen. Byddai'n well gen i, yn bersonol, fel rhywun sydd yn hoff iawn o'r drefn ddemocrataidd, weld cyngor etholedig ar lefel gymunedol is na grŵp o bobl yn cyfarfod mewn ystafell ac yn gwneud penderfyniadau heb atebolrwydd. Mae hynny'n rhywbeth, rwy'n meddwl, y mae angen i ni fod yn wylidwrus yn ei gylch.

what can we achieve locally, what can we achieve at a higher level, at a national and also at a regional level, and so forth? So, if that means forming district councils or councils in the form we had in 1973, then that's all very well and good, but let us be clear about that and how those councils will be formed, and so forth. Personally, as someone who is very fond of the democratic process, I would prefer to see an elected council at a lower community level, rather than a group of people meeting in a room and making decisions without any accountability. That is something, I think, we need to be watchful about.

[31] **Christine Chapman:** We'll get a response from Councillor George first.

[32] **Mr George:** Diolch, fadam Gadeirydd. I fynd yn ôl at yr hyn roedd Dyfed yn ei ddweud, roedd yn hen bryd inni drafod y mater, ac mae newid yn anorfod, ond byddwn i'n cytuno gyda Dyfed—rŷm ni wedi gofyn y cwestiwn anghywir. Y cwestiwn mawr yw: pa wasanaethau, pwy sy'n mynd i'w derbyn nhw, ble maen nhw? Os gwnewch chi ddechrau fel hynny, yn lleol, gyda'r *local* yma, a dod i mewn â'r *democracy*—. Nid yw'r hyn sydd gyda ni yn fan hyn yn gynaliadwy, oherwydd rŷch chi'n symud hynny yn bellach wrth y bobl sy'n defnyddio'r gwasanaethau. Os gwnawn ni edrych ar y gwasanaethau'n gyntaf, ac yna

Mr George: Thank you, madam Chair. To go back to what Dyfed was saying, it was high time for us to discuss this matter, and change is, of course, inevitable, but I would agree with Dyfed that we have asked the wrong question. The big question is: what services, who is going to receive them, and where are they? If you begin in that way, on a local level, and then bring in the democracy afterwards—. What we have here is not sustainable, because you're moving that further away from the people who use those services. If we look at the services first of all, and then take a step backwards, the structure, as it were, forms itself. If

symud yn ôl, mae'r strwythur, fel we asked that question—and not in petai, yn ffurfio'i hunan. Pe bawn ni'n two or three years' time, but perhaps gofyn y cwestiwn yna—ac nid mewn looking further forward than that— dwy neu dair blynedd, ond edrych maybe we as a country will be the ymlaen ymhellach—efallai ni fel first to provide services to people cenedl fydd y cyntaf fydd yn darparu where they are, with a mandate from gwasanaethau i'r bobl lle maen nhw, the country to do that. Thank you. gyda *mandate* oddi wrth y genedl i wneud hynny. Diolch.

[33] **Christine Chapman:** Thank you. John.

[34] **John Griffiths:** Diolch, Gadeirydd. Steve, in terms of the WLGA, I take your point that it's about public services as well as local government—it's about public services more widely, and obviously you can't see one in isolation from the others—but local government is the key deliverer of so many services to our communities that, obviously, it's crucial that we get the structure right. I think, as you've said, not many people think 22 is the optimum number, but, of course, if you try and get any agreement on what is the right number, then it gets very difficult. I'm interested, really, in the WLGA's take on the 22, because obviously the WLGA has a role in making local government deliver effectively and efficiently. We know there's a great deal of patchiness across services across the authorities, so the WLGA, presumably, has found it very difficult to get the sort of effectiveness and efficiency with the 22 authorities, given that we're in the position we're in, which I think is widely accepted, that it's not the optimum number. So, what does that say, really, about how we move forward in terms of the WLGA's role in making local government effective deliverers in Wales? There's a question, when we get to the reorganisation and the new number, which might not be that short a period of time and we have to be effective and efficient throughout that period as well as eventually getting to the right number.

09:15

[35] **Mr Thomas:** You've hit the nail on the head here, because you're getting into the arguments of scale, aren't you? We commissioned a report—an evidence report from De Montfort University—which we gave to the Williams commission, which basically showed that there are economies of scale, but there are also diseconomies of scale. It basically showed that scale was not a guarantee of good services. We know, for example, that, during recent Estyn inspections, the best education authority in Wales was in

Ceredigion, one of the smallest authorities. So, we've got this problem in terms of the concept of scale delivering excellence. I think the other problem that we've got as well, when it comes to scale, is, if scale was indeed the answer, the best organisation in Wales should be Betsi Cadwaladr University Local Health Board, because it's the biggest organisation in Wales. So, if that's the case, why isn't it? So, there are questions about scale, aren't there?

[36] But I think, from our own point of view, what we think in terms of moving forward in terms of the number of authorities—. And I was involved—Gwyn knows this—with Gwyn in the formation of Caerphilly unitary authority. When we came up with 22 authorities in 1996 I was as surprised as anybody else and there was a lot of wheeling and dealing going on at the time. And was that the optimum number at the time? I don't know; I've no idea. But the issue that we've got is—. I think the key point is to make things that you've got work rather than see structural reform as the answer to your problems, because, if you see structural reform as the answer to your problems, you've then got to point to great local government reorganisations around the world, haven't you, and there's no such book. There's no such title out there. The other thing you've got to point to as well is to where concrete empirical evidence exists of huge savings arising from local government reorganisations. I cannot point to 1996 and say that there were great savings. The only thing I can remember from 1996, and I'll quote the Caerphilly example again, is that we lost a lot of people. We lost a lot of people very quickly and that clearly did save money, but a lot of jobs went on the back of it as well. So, is there a definitive figure showing what the saving was in 1996? Of course there's not, because nobody knows what it was.

[37] **John Griffiths:** Just to follow up on that, we started off on the premise earlier, Steve, I think, that 22 isn't defended by many people as the optimum number. So, if that is the case then, inevitably, to some degree at least, it is about structure and it is about numbers, isn't it?

[38] **Mr Stewart:** I don't want to labour the point but, again, let's be explicit about this: the starting point shouldn't be the number. The map is the real red herring in all of this. It's actually about saying, 'Well, what do you want your education services to be? How good do you want them to be? What's the best way to deliver them? How do you want your social services delivered? Do you want to tackle poverty? Do you want to tackle and assist vulnerable people?' When you answer the questions for those—the best structures to deliver the improvements that you need in those—that will tell you then what the map should be, because, at the moment, we have a variation in terms of

our local government map of between eight and 11. You can overlay that on top of the existing health boards, on top of the existing police structures. We've got the public service boards coming. We've got city regions. There is a real mismatch between all of our structures in Wales. So, if you can convince me that eight is the right number, nine is the right number, and 11 is the right number on the basis of a map, then I think that's incorrect.

[39] **Christine Chapman:** Can I just ask, are you saying—*[Inaudible.]* Because obviously I think we'd agree that those should be the discussions, but are you saying that those haven't been discussed?

[40] **Mr Stewart:** Well, I don't see them at the forefront of the discussions. It's all about numbers.

[41] **Christine Chapman:** But haven't you as the WLGA discussed this?

[42] **Mr Stewart:** Constantly.

[43] **Christine Chapman:** Okay.

[44] **Mr Stewart:** Sorry, Chair, to answer your question on sustainability, I think that's the point I'm coming to. If we want to deliver the best services we can through local authorities, through local government, then the discussion has to be about the best delivery model for services and then that informs the number. Of course, in terms of what was said around reorganisation and getting it right, again, there is a history of cyclical activity here. We reorganise and then suddenly we, after a period of time, reorganise again. So, it has to be based on evidence in terms of what we want in terms of our service delivery, for me. The other thing I would say is that, of course, there are some key questions to be answered in order to make sure this happens properly, because, again, funding isn't answered and that's the big one. Who's going to pay for this? You'll all be aware that local authorities are under significant pressure. Local government was the only part of the Welsh budget, I think, yesterday, to take a reduction. So local government will not be able to fund this itself, in my opinion, unless you want us to make further significant cuts to services, which we clearly don't want to do.

[45] **Council tax:** how do you equalise that between authorities? My authority is proposing to merge with Neath. Neath's council tax is about 20 per cent higher on a band D property. I'm not sure the people of Swansea are going to welcome a 20 per cent hike in council tax in order to equalise with

Neath. But we're not opposed to merger. In fact, our solution, which was agreed by Neath Port Talbot as well, was for a wider local authority based on the city region basis, taking into account parts of Carmarthen and Powys. That would have been an economically based answer to how we deliver services across the region. Again, the representation question has to be answered as well because, again, those key questions—the three biggies—have not been answered, to my knowledge, in the debate.

[46] **Christine Chapman:** Okay. We've had quite a broad discussion. I know that Members want to ask very specific questions, which I know will cover some of these points. So, I'm going to move on now to Gwyn. I know that Alun Davies has a question then and then I'll move on to other Members. So, Gwyn, would you like to ask your question?

[47] **Gwyn R. Price:** Yes, thank you, Chair. Good morning to you all. Councillor Stewart, you touched on what I'm going to ask now. Over the lifetime of the merger process, local authorities will be required to spend between £97 million and £246 million to implement the provisions within the draft Bill. How does the WLGA anticipate these authorities will meet this cost?

[48] **Mr Murphy:** Basically, I don't see local authorities meeting the cost at all.

[49] **Gwyn R. Price:** Not at all.

[50] **Mr Murphy:** Absolutely impossible. All the savings that have been spoken about have already been made. Everybody's as lean as they can possibly be. My own authority has got the lowest staff-to-population ratio of anybody. We were absolutely delighted, I think, in inverted commas, to receive the extra £109,000 from the rural stabilisation grant yesterday. All contributions are gratefully accepted. The point I'm making is that there is absolutely no room for paying for additional reorganisation. We have to make contributions to city regions, as Rob said. We've worked out how we can do that, and I just hope the Circuit of Wales comes off because, if it doesn't, we won't be able to do that.

[51] Local authorities are now so lean and so strapped for cash that the thought of having to pay out for reorganisation just doesn't appeal at all. What will happen is that it will come straight off front-line services. There is absolutely no doubt that, if this goes ahead and local authorities have to pay for it, front-line services will suffer. I know the Welsh Government has

substantial reserves, and some people are saying, 'Why don't you use your reserves to pay for it?' I'd far rather see that going into propping up the twenty-first century schools pot or paying for additional social services to relieve the pressure on the NHS. There are far better things that we ought to be doing than wasting our money on this, because it will actually cost more money, in my opinion. When you combine lots of authorities and try to get one person to do the job that five did, and when you consider that those five were probably on their own anyway, that's not going to work. You're going to need the five and they're going to need assistance and you're going to end up spending more money when you're trying to save it. So, I'm sorry, but, for me, it doesn't work at all.

[52] **Gwyn R. Price:** Is that the opinion across the panel, really, this morning?

[53] **Mr Stewart:** I'd certainly agree with the statements that have been made that local government—. My authority, for instance, is having to make a further £21 million-worth of savings this year alone, on top of £50 million over the last two years. We don't have substantial reserves. In fact, we're just below the recommended level of reserves that we should be holding, so there isn't money swishing around to be able to afford to pay for reorganisation. And, to be honest with you, I don't think the electorate would thank us for spending huge amounts of money on reorganisation, rather than spending it on services.

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

[55] **Mr Thomas:** To put it very simply, from the outset of the debate, we went out of our way to engage in the debate, but also to provide evidence in terms of costs. If you look at the Williams report, there is no financial analysis in the Williams report other than the critique in Williams of the work that the WLGA commissioned from Deloitte. We subsequently commissioned work from Leicester university, we subsequently commissioned work from the Chartered Institute of Public Finance and Accountancy, and we constantly were concentrating our energies on what this would cost, because that is absolutely the key consideration in terms of how we move forward.

[56] I think the regulatory impact assessment in the Bill very much agrees with the CIPFA figures that were produced. The CIPFA figures were taken from across the 22 authorities, and I think that is a good accurate benchmark of the potential cost. And if we accept the potential cost is in the region of

£250 million with consequent savings, the question that is begged is how we're going to pay for that. Now, the burden of proof must be on Welsh Government to answer that question, because, as Phil says, the bottom line is we've seen huge amounts of money coming out of local government in the last five years. The idea that we can find £250 million to pay for reorganisation from a top-slice of the RSG, or, as you say, taking it from reserves, well, that means that the twenty-first century schools programme collapses, in effect. So, I think we've got to really answer that question, and we've been begging that question from the outset of the debate, and hence the evidence we've commissioned.

[57] **Gwyn R. Price:** So, you're saying then that all the meetings you've had perhaps with the Minister and Welsh Government have not produced the answers that you—. Or clarified—

[58] **Mr Thomas:** I think we've got to a stage now where, for the first time from Welsh Government, we've seen a regulatory impact assessment that is a good basis for a debate. That's taken two years—no, three years.

[59] **Gwyn R. Price:** So, in your opinion, this morning is only just the start of the debate.

[60] **Mr Thomas:** Well, we've not really gone into some of these questions that we've needed to get into in perhaps the way that we should have, and I think addressing that issue—. There's nothing in the Bill about the impact of council tax harmonisation, for example. Alun lives in Blaenau Gwent. If he's part of a super authority in Gwent and finds that the residents of Blaenau Gwent are paying in excess of £400 more than the residents of Newport, it might become a bit of an issue. So, are we going to address that? Now, we would like to engage in debate on that. The Society of Welsh Treasurers have produced a paper on the impact of council tax equalisation. We will send that paper to you, and we will send it to Welsh Government, and we'd like to discuss how we're going to deal with it, because the way we dealt with it in the 1990s was a damping grant, which cost, I think, in the region of £140 million.

[61] **Christine Chapman:** Okay. Councillor George—. Sorry, Gwyn, have you—?

[62] **Gwyn R. Price:** Are there any other comments from other members of the panel?

[63] **Christine Chapman:** Yes, Councillor George had a—.

[64] **Gwyn R. Price:** Because I look at certain faces, and perhaps there's something behind the face.

[65] **Christine Chapman:** Councillor George, I think you wanted to come in there, and then—

[66] **Mr George:** A gaf i sicrhau Gwyn nad oes dim byd tu ôl i'r wyneb ond cytuno? Mesur yr angen, ac, os gwnewch chi hynny, byddwn yn gwybod i ble rydym yn mynd. Rŷm ni, er enghraifft, yn sir Benfro dros y chwe mlynedd diwethaf yma wedi arbed £75 miliwn. Mae modd i ni i gyd dalu am yr ad-drefnu, ond bydd gwasanaethau yn diflannu, oherwydd—. Mae rhai ohonoch chi sydd yma wedi gweithio yn llywodraeth leol, ac yn gwybod pa mor agos at y bobl yw'r cynghorau. Ond torrwyd chi hynny rywfaint eto, beth fydd gyda chi fydd ad-drefnu a'r niferoedd, efallai—wyth, naw—ond fydd y gwasanaethau i'r bobl—. Ni allaf ei ddweud e digon. Yn y pen draw, rydym ni fel cenedl yn edrych ar ôl ein pobl ein hunain, ac, os nad edrychwn ni ar ôl ein pobl ein hunain, beth yw'r pwynt i ni ad-drefnu fel ein bod ni fel gwleidyddion—chi yn fawr a ni yn fach—yn hapus ac yn iach, os nad yw'r gwasanaethau yn iawn? Mae'n rhaid i ni ddechrau fanna.

Mr George: May I assure Gwyn that there's nothing behind my face other than agreement? We need to measure the need, and, having done that, we'll know where we're headed. For example, we in Pembrokeshire over the past six years will have saved £75 million. It is possible for all of us to pay for the reorganisation, but services will vanish, because—. Some of you who are here have worked in local authorities, and know how close to the people the councils are. But if you cut that once again, what you will have is reorganisation and the numbers, perhaps—eight or nine—but the services for people won't—. I can't repeat this enough. Ultimately, we as a nation need to look after our own people, and, if we can't do that, what is the point of reorganisation so that we as politicians—you and us—can be satisfied, if our services aren't right? That's where we need to start.

[67] **Christine Chapman:** Okay. Councillor Edwards.

[68] **Mr Edwards:** Well i mi ddweud, **Mr Edwards:** Well, I'd better just say, jest rhag ofn bod yna unrhyw in case there's any doubt in relation

amheuaeth ynglŷn a'r ateb i'r cwestiwn hwn, rwy'n meddwl bod yna gytundeb ei bod hi'n mynd i fod yn amhosib i lywodraeth leol ariannu unrhyw ad-drefnu, ond mae yna gwestiwn ehangach o bosib: os ydych chi eisiau gyrru newid fel corff—os, yn yr achos yma, yw Llywodraeth Cymru eisiau gyrru newid—rwy'n meddwl bod yna gyfrifoldeb i sicrhau bod llwyddiant yn bosibl. Os ydych chi'n penderfynu ar newid, crëwch yr amodau lle mae'n bosib i lwyddo. Rŵan, un rhan anorfod o hynny ydy sicrhau bod ariannu ar gyfer creu'r newid hwnnw. Byddwn i'n annog y Llywodraeth a phwy bynnag fydd y Gweinidog i sicrhau bod yna becyn ariannol ar draws i sicrhau bod y newid yn bosib, ac nad yw yn effeithio ar wasanaethau rheng flaen awdurdodau lleol. Mae'n mynd i ddod allan o'r pwrs cyhoeddus—wrth gwrs ei fod o—ond nid trwy dynnu arian allan o gyllideb cynghorau unigol.

to the answer to this question, I think there is agreement that it's going to be impossible for local government to fund any reorganisation, but there's a wider question possibly: if you want to drive change as a body—in this case if Welsh Government wants to drive change—I think there is a responsibility to make sure that success is possible. If you decide on a change, then create the circumstances where it's possible to succeed. Now, an inevitable part of that is to ensure that funding is available to create that change. I would encourage the Government and whoever the Minister will be to ensure that there is a funding package available across the board to make sure that the change is possible, and that it doesn't affect the front-line services of local authorities. It's going to come out of the public purse—of course it is—but not by taking money away from the individual councils' budgets.

09:30

[69] **Christine Chapman:** Okay. We're half way through the session, and I know that there are a lot of Members who want to come in. So, can I ask Members and witnesses to be as concise as possible so that we can cover as much ground as possible? Alun wanted to come in next.

[70] **Alun Davies:** Thank you very much. Can I say—? When I listen to these contributions, I'm thinking, 'Everybody is agreed that we need to change the way we do things'. I can see you all nodding your heads. And then when it comes to 'Let's debate this change', we get a tremendous hand-wringing of all the problems facing us. Isn't the hard reality that we're discussing Leighton Andrews' map because there's been a total lack of leadership from local government in defining that way forward?

[71] **Lindsay Whittle:** That's just not acceptable, Chair.

[72] **Alun Davies:** It is. It is. Absolutely, because we've got to have this debate. [*Interruption.*]

[73] **Christine Chapman:** Lindsay—

[74] **Lindsay Whittle:** The hand-wringing is because of years of frustration. There's no leadership here.

[75] **Christine Chapman:** Right, okay—

[76] **Lindsay Whittle:** It's totally out of order.

[77] **Alun Davies:** I totally understand, Lindsay, as a councillor, that you would say that.

[78] **Lindsay Whittle:** Yes, I would.

[79] **Christine Chapman:** Alun.

[80] **Alun Davies:** I need to represent my people, and that means having a very hard debate as well. I want to understand why local government didn't come up with proposals for change and hasn't been proposing a different approach. Because I think it's very disappointing that we're in the situation that we are in today, where we've had two or three years of very sterile debate around this matter, when what we should have had is leadership. It would be better if that leadership came from local government than from the Welsh Government.

[81] **Christine Chapman:** Steve, can you answer this issue about leadership? Obviously, this is working between local government and—

[82] **Lindsay Whittle:** Perhaps you can expand on the mergers that were offered—

[83] **Christine Chapman:** Lindsay, please—

[84] **Christine Chapman:** You'll have time to come in with your questions. Can I ask Steve: could you answer Alun's question, please?

[85] **Mr Thomas:** In terms of Alun's point, I think Alun makes a valid point. Where we're at in terms of proposals for the various structures is that we've gone through a huge process, starting with the consultation on Williams in April 2013, and various consultations since. There have been proposals put up. We put up a proposal, for example, for four combined authorities across Wales. We've put up proposals for a lesser number of reorganised authorities. I think we debated internally the question on the number of 14 at one point, which was an interesting number because that was the number of the county councils, I think, put up in the 1990s in terms of going forward. But the problem is that it's been a moveable feast, hasn't it? That moveable feast has been partly dictated by the debate in this place itself; it's been partly dictated by the unanswered questions in terms of the cost; and in one sense, the Bill now crystallises all the things that we need. It crystallises the debate. The problem that we've got, however, is that it's three years after the debate has started. It's been a long time coming to this. I've said publicly that we're going to take longer to reorganise local government in Wales than we have to defeat fascism in Europe—you know, if it happens in 2020, because that's how long it's going to be taking us. It's seven years. So, you know, as a result of that, I think there were opportunities throughout this process, but I think those opportunities weren't embraced and I think, as a result of that, we've got to where we are. But we've got something that we can crystallise around that.

[86] **Christine Chapman:** Alun.

[87] **Alun Davies:** Okay. That's movement. So, we've got this Bill now, which we'll debate and discuss. Isn't this now the time for local government to say, 'We want to see change, and this is the change that we want to see', and for local government to provide the leadership? Councillor George discussed the services that need to be delivered and the rest of it, blah, blah, blah, and I don't disagree with or accept that, but what we do need to do is to move forward from this debate where we've seen local government basically saying, 'We need change, but we don't want any real change, and these are all the problems facing change', and a Welsh Government saying, 'Well, change is going to come, and this is how it's going to look', and this enormous sterile, dull debate in the middle. Surely, we need to move forward. What I think most of us would like to see—certainly most of the people that I represent—is that local government leads this process, that local government leads this change, and that local government has the ideas and the vision for the future, rather than simply responding in this sterile

way to what the Welsh Government is doing.

[88] **Christine Chapman:** Okay. Councillor George wanted to come in first.

[89] **Mr George:** Ie, yn gyflym iawn. Mae Alun yn sôn am arweinyddiaeth. Y broblem yw bod yr arweinyddiaeth ynghlwm wrth y map yma ac nid wrth wasanaethau. Mae pethau wedi newid mewn llywodraeth leol. Byddai pob un ohonom ni yn gallu rhoi tystiolaeth i chi yn awr o'r pethau yr ydym yn eu gwneud yn wahanol, lle'r ydym yn gweithio nid yn unig gyda'n cymdogion ond yn gweithio ar draws Cymru benbaladr. Mae pethau'n newid. Yr unig beth rwy'n gweld sydd ddim yn newid yw bod yn rhaid inni fynd i wyth neu naw. Dewch â'r gwasanaethau at y bobl a symud o'r fan honno. Mae pethau wedi newid. Ni fyddech yn adnabod llywodraeth leol nawr o beth yr oedd chwe blynedd yn ôl.

Mr George: Yes, very quickly. Alun is talking about leadership, but the problem is that the leadership is tied to this map and not to services. Things have changed in local government. Each and every one of us could give you evidence of the things that we do differently, where we work not just with our neighbours, but work on a national level. Things are changing. The only thing I don't see changing is that we have to go to a number of eight or nine. Take the services to the people and move from there. Things have changed. Local government is unrecognisable from what it was six years ago.

[90] **Christine Chapman:** Okay, thank you. Councillor Edwards.

[91] **Mr Edwards:** Rwy'n credu bod y pwynt yna'n deg. Rydych yn deall beth mae fy safbwynt i wedi bod o'r dechrau. Rwyf wedi bod yn gyson ac yn eglur ynghylch hynny. A gaf i awgrymu bod yna gyfle fan hyn? Yng nghanol yr holl anghytundeb a'r diffyg arweiniad—rwy'n cytuno—mae cyfle fan hyn. Dyma ydy'r cyfle: gadewch i lywodraeth leol a llywodraeth Cymru ddod at ei gilydd a phenderfynu beth yw ein blaenoriaeth a beth rydym eisiau ei gyflawni.

Mr Edwards: I think that that's a fair point. You understand what my position has been from the beginning. I've been very consistent and clear in relation to that. Can I suggest that there's an opportunity here? In the middle of all the disagreements and lack of leadership—I agree—there is an opportunity here. This is what it is: let local government and Welsh Government come together and decide what our priorities are and what we want to achieve.

[92] Rwy'n mentro dweud y gwnawn gytuno ar 90 y cant. Os felly, gadewch inni gytuno ar sut i gyflawni hynny a derbyn ein bod yn gorfod symud o ble rydym ni. O fewn y drafodaeth yna, gadewch inni hefyd ystyried beth yw'r daith ddatganoli, sut mae'r daith ddatganoli yn parhau o fewn Cymru, a gweld grymoedd ychwanegol i awdurdodau lleol. Beth am y dinas-ranbarthau, ac yn y blaen?

[93] I would like to say that we might agree on 90 per cent of it. If that's possible, let's see how we can achieve that and accept that we do have to move from where we are now. Within that discussion, let's also consider what the devolution journey is and how it's going to continue within Wales, and look at additional powers for local authorities. What about the city regions, for example?

[94] O roi'r pecyn yna at ei gilydd a gweld pa rym fydd gan lywodraeth leol yn y dyfodol, rwy'n mentro dweud ei bod yn bosibl cael cytundeb o hynny. Gydag unrhyw newid, mae'n anodd i bobl symud o ble ydyn nhw, achos mae pawb yn cydio yn yr hyn maen nhw wedi arfer ag o. Ond, mae yna ddyletswydd arnom ni i geisio creu trefn gynaliadwy. Dyna oedd y pwynt roedd John Griffiths wedi codi.

In putting that package together and looking at what powers local authorities will have in the future, I would say that perhaps it is possible to reach agreement. With any change, it's very difficult for people to move from where they are now, because everyone holds on to what they're used to. But, there is a duty on us to try and create a sustainable structure, as John Griffiths said.

[95] Mae hynny'n gysylltiedig â'r niferoedd, rwy'n cytuno. Oherwydd, os ydyn ni'n edrych ar y dystiolaeth, nid ydym yn gallu cyflawni gwasanaethau rhagorol 22 o weithiau. Dyna ydy'r realiti. Ni allwn ddianc rhag hynny. Felly, rhaid inni symud at rywbeth gwahanol.

That is linked with the numbers, I agree. Because, if we look at the evidence, we can't achieve excellent services 22 times over. That's the reality. We can't hide from that. Therefore, we have to move towards something different.

[96] **Alun Davies:** Felly rydych chi yn fodlon trafod y map. Achos mae'n rhaid trafod y map rhyw ben. Nid oes pwynt osgoi hynny. Rwy'n cymryd pwynt *Councillor* George. Ond, mae'n rhaid trafod sut y mae'r map newydd

Alun Davies: So, you are willing to discuss the map. Because we have to discuss the map at some point. We can't escape that fact. I accept what you said, *Councillor* George. But, we have to discuss what the new map is

yn mynd i edrych. A ydych chi, fel y WLGA, nawr yn fodlon dangos yr arweinyddiaeth pan mae'n dod i edrych ar y llinellau ar y map, a dod i gytundeb gyda Llywodraeth Cymru aboutu sut mae'r strwythur newydd yn mynd i edrych, a wedyn symud ymlaen gyda chytundeb heb y math o *conflict* rydym wedi'i weld yn ystod y blynyddoedd diwethaf?

going to look like. Are you, as the WLGA, now willing to show that leadership when it comes to looking at the lines on the map, and to come to an agreement with the Welsh Government about how the new structure is going to look, and then move on with agreement and without the kind of conflict we have seen over the past few years?

[97] **Mr Thomas:** We published a manifesto for the Welsh Government elections. One of the things in that manifesto is the concept—. Clearly, the debate has gone into some form of hiatus in the run-up to the Welsh Government elections—it's inevitable. But, one of the things we said in our manifesto is—and the leader of the WLGA, Bob Wellington, has called for this on a number of occasions—an immediate summit of the local government leaders with the new Welsh Government after May to take forward this issue. Get it? Let's take advantage of what we've got in Wales. We can get 22 people in a room with consummate ease, can't we? And, we can get a Welsh Government Cabinet in a room with consummate ease. Why don't we do that, and why don't we discuss this and take this forward?

[98] **Alun Davies:** But, there's got to be the commitment to change and the commitment to lead and the commitment to agree. There's no point having 22 people around a room unless you've got that commitment from those participants.

[99] **Mr Thomas:** Just to narrow this somewhat, there was a statement that went to the First Minister, through your party conference, two years ago, which gave that commitment. It was there. The commitment was there. It was written down and we can give you that commitment in evidence. So, what we're saying now is: let's get the Welsh Government elections out the way. Let's have a national discussion about the way forward. The map sets a good, broad basis for terms of debate. As I say, many people agree with it and many people disagree with it. But, let's have the debate.

[100] **Alun Davies:** So, we've got the basis of the map and you're now willing to talk to the Welsh Government on the basis of the map that's published and on how we take that forward.

[101] **Mr Thomas:** We've always been willing to talk to Welsh Government on this.

[102] **Christine Chapman:** Alun, I'm going to stop you there, because we've got about 25 minutes left and there are other Members who want to come in. We do need to look now at the specifics because this is your opportunity to—. I think we've had a very good broad discussion, but we want to move on to the specifics of the Bill. So, Janet first and then Peter—on the specifics now.

[103] **Janet Finch–Saunders:** Thank you. It's a pleasure, once again, to see you, because you are actually representing our local authorities and all those who are delivering these vital services. I know that, in the short time I've been an Assembly Member, I have seen local authorities having to jump through hoops with various different Bills, guidance and measures imposed upon you. We've had three local government Ministers in the time I've been here, so where's the consistency there? We know that there's been a failed collaboration agenda—again, poor leadership from this Government. So, for me it's not about blaming local authorities.

[104] When the Williams commission came forward with its report, I think we were all quite, you know—. There's some good stuff there. It wasn't limited to just local authorities. I think all of us, as Assembly Members, do feel: how do we want our public services, not just local authorities—? How do we want them to—? What do we want our local authorities to deliver? How is the health and social services agenda going forward? Our community councils are in complete disarray, with hundreds and hundreds of uncontested seats and a lack of transparency. How do we want our community councils to look? How about incorporating the third sector and various other organisations? How do we shake the whole thing up? I think we all thought that Williams might just do that. It wasn't costed, I'll admit.

[105] **Christine Chapman:** Janet, have you got a question?

[106] **Janet Finch–Saunders:** In taking evidence—

[107] **Christine Chapman:** Can you come to the question?

[108] **Janet Finch–Saunders:** —the Minister seems to think that, through his two Bills, he's taken forward most of those recommendations in Williams. In fact, when he said it—

[109] **Christine Chapman:** Janet, can you come to a question?

[110] **Janet Finch–Saunders:** I am doing that, chair. With all due respect, you've given that Member there—

[111] **Christine Chapman:** There were questions there, but can I ask you to ask a question please, Janet?

[112] **Janet Finch–Saunders:** My question to is: do you feel, with the two Bills having come forward, that they even go anywhere near addressing the recommendations of the Williams commission?

[113] **Christine Chapman:** Who would like to answer?

[114] **Mr Thomas:** In terms of the Williams commission, clearly, when we gave evidence on the Williams commission, we were set parameters on how we gave evidence. Some of the parameters were that the local authority boundaries must chime with local health board boundaries. Clearly, there is an exception on this map, in terms of the potential merger of Bridgend and RCT. So, that crossing of the local health board boundary—. I mean, it would have been useful if that condition wasn't in the Williams debate, I think. It would have allowed a much greater level of creativity than just conforming to health boundaries. So, there's been that.

[115] I think the other thing that we are slightly concerned about and do not understand is why there is an option for both three and two in north Wales. If you merge, for example, Gwynedd and Anglesey, it creates an authority that is about the same in population size as Carmarthenshire, and yet we are told that Carmarthenshire has to merge with Pembrokeshire and Ceredigion. So, in terms of consistency and understanding that, there is a real problem. Then, you go into the Gwent area, which creates a monster authority of well over half a million people. The proposals around nine, in particular, do not solve one of the criteria of the Williams report, which is about more uniformity in terms of scale and size. So, there are departures from Williams, quite clearly.

[116] **Christine Chapman:** Okay, thank you. Peter.

[117] **Peter Black:** Thank you, chair. I was just thinking that if this level of scrutiny had applied in 1995, we might not be where we are now. But I'd like to just go back to the costs. I'm going to play devil's advocate, if you like.

We've talked about the cost for local authorities and about them finding that money. The Minister says there are going to be savings. He talks about £644 million and £950 million—somewhere in that range. First of all, does the WLGA accept that that level of savings is available? Secondly, do you think that you will be able to realise those savings quickly enough to be able to meet the costs?

[118] **Christine Chapman:** Councillor Murphy.

[119] **Mr Murphy:** I don't think they're achievable at all. I think they've already been achieved. If you cast your mind back to the rationale and the business case for creating the national procurement service, all that was decided on a business case that said we'd save between £9 million and £34 million. Where, in amongst that lot—? What sort of business case was that? Local authorities, because of the reductions in the support grant, have saved this money already. We're all getting to the stage—and again, I speak for my authority, where we are absolutely at rock bottom—where there are no more savings to be made. As I said earlier, I don't see the combination of authorities really addressing that problem. So, I would argue that that money has already been saved. I don't see where the savings are going to come.

[120] **Peter Black:** The RIA talks about 2,000 posts disappearing. Surely, there are savings there.

09:45

[121] **Mr Murphy:** They've already gone.

[122] **Peter Black:** They've already gone.

[123] **Mr Murphy:** They've already gone.

[124] **Peter Black:** Do the other witnesses agree with that?

[125] **Christine Chapman:** I'll bring Councillor Stewart in.

[126] **Mr Stewart:** Yes. I concur. Peter will be aware from budgets in Swansea, the number of workforce reductions that we've had over the last few years, whilst we've been largely successful in avoiding compulsory redundancies, are still job losses, and again there are 640 posts potentially going this year. So, I think local government has become significantly leaner

over the last few years, due to the austerity measures of the UK Government that we're having to deal with.

[127] I would just say to Janet, in terms of referencing the leadership of the Welsh Government, I think it's been significantly better than what I've seen across the border, because looking at my colleagues across the border in England, they're absolutely decimated in local government compared to what we have in Wales, and I certainly hope we don't follow that example.

[128] **Christine Chapman:** Councillor George.

[129] **Mr George:** Dim ond yn gyflym. Mae'n rhaid inni symud bant o'r cwmpo mas gwleidyddol pleidiol yma, oherwydd, nid yw hynny'n ateb y cwestiwn o ran sut mae symud ymlaen i'r dyfodol. Iawn, arweiniad fan hyn a diffyg arweiniad fan draw, beth mae Dyfed a Steve wedi cynnig nawr yw ein bod ni'n eistedd gyda'n gilydd ar ôl mis Mai, pwy bynnag fydd yn eich seddi chi a phwy bynnag fydd yn ein seddi ni. Rwy'n credu bod hynny'n ffordd bositif o symud ymlaen. Dyna beth mae Cymru eisiau yw ffordd bositif ymlaen ac nid y cwmpo mas pleidiol yma trwy'r amser.

Mr George: Only quickly. I think we have to move away from the party political squabbling that we have here, because that doesn't answer the question of how we move forward into the future. Yes, leadership here or lack of leadership there, but what Dyfed and Steve have proposed is that we sit down together after May, whoever will be in your seats and whoever will be in our seats. I think that that is a positive way of moving forward. That's what Wales needs: a positive way of moving forward and not this party political squabbling.

[130] **Christine Chapman:** Okay, thank you. I'll bring Councillor Edwards in first and then Peter can come back in.

[131] **Mr Edwards:** Jest i ateb y cwestiwn, rydych chi wedi codi amheuaeth ynglŷn â'r ffigurau ar arbedion a'r gost ac yn y blaen, sydd yn bwynt teg iawn, iawn, achos mae yna gymaint o ffigurau'n cael eu dyfynnu, yn y pen draw, rŷm ni i gyd yn mynd i amau unrhyw adroddiad, bron. Beth sydd angen ei wneud,

Mr Edwards: Just to answer the question, you've mentioned doubts in relation to the figures on savings and the cost et cetera, which is a very fair point, because so many figures are mooted here and there, we're all going to start being suspect of any report, almost. What we need to do now is model. If we take the map as

rŵan, ydy modelu. Os cymerwn ni'r map fel enghraifft, gadewch inni fodelu sut mae'r map yna'n mynd i weithio'n ariannol. Efallai, jest cymryd tamaid o'r map. Gadewch inni gymryd dau gyngor sydd am uno, efallai, a'i fodelu o'n galed iawn, ac edrych ar y rhagolygon ariannol yn dryloyw. Bydd hynny, rwy'n meddwl, yn gyfle inni weld o'r gorau fel hyn fydd yn gweithio'n ariannol a dyma ydy'r arbedion posib dros y cyfnod. Oni bai ein bod ni'n gwneud hynny, rwy'n meddwl bod yna amheuaeth yn mynd i fod o hyd.

an example, let's model how that map is going to work on a financial basis. Maybe, just take a piece of the map. Let's take two councils that are going to merge, for example, and model it very robustly and look at the financial forecast in a transparent way. I think, if we do that, it will give us a chance to see how things will work financially and what the potential savings are over the period. If we don't do that, I think there'll be doubt still knocking around.

[132] **Peter Black:** Okay. I don't disagree with that. Before I move on to harmonisation, can I just come back to Steve? You carried out your own independent review of the cost of this. Did that review look at the savings?

[133] **Mr Thomas:** It did look at the savings.

[134] **Peter Black:** And, what did you identify in that?

[135] **Mr Thomas:** There are savings, potentially. There are undoubtedly savings, potentially. But the savings potential is largely confined to a number of factors, stripping out asset base and job losses, obviously, are a key factor. In terms of the figure I think has been mooted of 2,000 jobs, I think that's probably an underestimate. I think, again, going back to the Caerphilly example, my recollection of bringing four authorities together over a three-year period is that we got rid of 600 people. If you extrapolate that across Wales, that's a much bigger figure than 2,000.

[136] **Peter Black:** And how do the regulatory impact assessment savings compare to the savings you've identified?

[137] **Mr Thomas:** I think the RIA savings were in the ballpark of the Chartered Institute of Public Finance and Accountancy figures and certainly in the ballpark of the Deloitte figures, which were slightly higher.

[138] **Peter Black:** So, your study says these may be achievable.

[139] **Mr Thomas:** They may be achievable, but the savings come at a cost.

[140] **Peter Black:** Yes, okay. Just moving on to harmonisation, then. We touched on council tax harmonisation and the problems we have without a damping grant, and I think I'll gloss over that. Other costs, pay harmonisation, we're already going through that painfully at the moment. Is that going to be a major barrier to these sorts of mergers?

[141] **Mr Thomas:** Definitely. I mean, we forget, don't we, that in 1996, when we put the authorities together at the time, there are things in place now that we didn't have then? We didn't have IT then. It seems strange to say, but we didn't. Caerphilly, when it was set up, implemented its first e-mail system in 1997. So, you know, that's how rudimentary the system was. So, when it comes to the number of pay and grading issues, we didn't have equal pay, we didn't have job evaluation and we didn't have some of the salary structures that we've currently got. So, that will add an additional cost to whatever happened in the 1990s.

[142] **Peter Black:** On IT, I think I remember Swansea had a computer about the size of this room. What sort of cost does your study put on that pay harmonisation issue?

[143] **Mr Thomas:** The pay harmonisation one is fiendishly difficult to pin down. I think the figure we've seen put forward is £23 million. Again, some of this is finger-in-the-air stuff, I have to say. It depends what conditions are in place. Of course, as well, there are new conditions coming in in terms of officers leaving local government. There's a cap on redundancies and there was a new Treasury consultation paper out yesterday that could possibly end early retirements. So, that again will have a massive impact on cost.

[144] **Peter Black:** Okay. The RIA says that it's possible to be cost-neutral on this. Is that fairyland?

[145] **Mr Thomas:** I'm always suspicious of the phrase 'cost-neutral' when applied in public policy circles.

[146] **Peter Black:** I've been around long enough for that as well. Thanks.

[147] **Christine Chapman:** Okay, Peter? I'm going to bring Lindsay in next, because I'm conscious that there are Members who haven't had a chance to

ask any questions. We've only got about another 10 minutes.

[148] **Lindsay Whittle:** I'll try and be brief, Chair. I want to apologise for interrupting Alun; he was winding me up as usual, and I apologise to the committee.

[149] **Christine Chapman:** We're all calm now.

[150] **Lindsay Whittle:** We're all calm now. But, it's because I passionately believe in local government. I've sat on four different councils and lived in six different council areas, although I haven't moved house. 'Hand-wringing' is an emotive phrase to use, and I think local government has offered solutions. I'm very surprised at a National Assembly for Wales and Ministers who don't utilise the expertise that exists in the Chamber, with three or four council leaders, possibly half a dozen cabinet members, members with decades—40 years in my case; I don't know how many in Gwyn's and Mike Hedges'—

[151] **Mike Hedges:** 80. [*Laughter.*]

[152] **Lindsay Whittle:** Yes. Decades of experience in local government to bring us together. I'm not too sure that 22 leaders and the cabinet could meet in a room harmoniously and sort this out, but I do think that leadership comes from both sides, and I have seen evidence of leadership from local government, but, with the greatest of respect, I've only seen intransigence from this side.

[153] I wanted to talk about—. We've talked about harmonisation and area committees and community councils. There are many parts of Wales that don't have community councils at all. If we're going to hand power further down to community councils, or even establish community councils, that's going to be an additional cost that no-one has taken account of. Area committees—well, I'm sure that the WLGA would tell us how much they think that would cost and whether it would be beneficial, and I'd be interested in your views on that, because I don't think it would be. I think what we're creating is glorified county councils again, but without the district councils in between. I'd be interested in your views. Again, I apologise for my outburst; it's passion pumping through my veins at the moment.

[154] **Alun Davies:** You should have gone to Ireland and got rid of it there.

[155] **Lindsay Whittle:** I should have gone to Ireland, yes.

[156] **Christine Chapman:** Steve. Who—? Sorry; Dyfed.

[157] **Mr Edwards:** Ie, wel, rwy'n meddwl roedd gwyllo gêm Iwerddon a Chymru yn ddigon i wylltio'r rhan fwyaf ohonom. Ond ar y pwynt o ran ad-drefnu cynghorau cymuned, mae dyletswydd yn y Bil, onid oes, ar gynghorau sir i ymgymryd â'r gwaith yna, ac rwy'n meddwl bod y Gweinidog wedi newid yr amserlen wedi trafodaethau oherwydd roedd yn gweld maint y gwaith. Ond, os meddyliwch yn nhermau ad-drefnu, meddyliwch am y dasg o geisio newid cynghorau cymuned, ac, os gwelwch yn dda, os oes un peth sydd eisiau'i osgoi, hwnnw ydy o, achos mae'n fwrn sylweddol iawn, iawn, yn ariannol ac yn nhermau adnoddau ar yr union adeg rŷm ni wedi ad-drefnu cynghorau sir. Wedyn, y peth olaf rydych ei eisiau ydy'r dasg yna, byddwn i'n awgrymu, yn siarad o bersbectif cynghorau sir, a byddwn yn annog Llywodraeth Cymru i ailfeddwl hynny. Mae'n fwrn ychwanegol ar amser rydym eisiau canolbwyntio ar drefn cynghorau newydd a chael pob dim yn iawn o ran ein tŷ ein hunain. Rwyf yn meddwl bod hynny'n fwrn ychwanegol sydd yn mynd i ddwyn pwysau ac adnoddau oddi ar ein prif waith ni.

Mr Edwards: Yes, well, I think that watching the game between Ireland and Wales was quite enough to work up most of us. But on the point about the reorganisation of community councils, there is a duty in the Bill, isn't there, on county councils to undertake that work, and I think that the Minister has changed the timeline after discussions, because he saw the scale of the work. But, if you think in terms of reorganisation, think of the task of trying to change community councils, and, please, if there is one thing that we want to avoid, that would be it, because it's a very significant burden, financially and in terms of resources, at a time when we have reorganised county councils. So, the last thing you would want to do is that task, I would suggest, speaking from a county council perspective, and I would encourage the Welsh Government to rethink that. It is an additional burden at a time when we would want to concentrate on the structures of the new county councils and get everything right in terms of our own house. I think that that would be an additional burden that will bring pressure and take resources away from our main work.

[158] **Christine Chapman:** Okay; thank you. Any other comments? No. Mike, you have a supplementary. I'm going to ask Bethan and then Mark, because obviously they haven't had an opportunity to come in, but, Mike first on a supplementary.

[159] **Mike Hedges:** Job evaluation—it came up with different results in Neath Port Talbot than it did in Swansea. Dominic MacAskill came to see us last week, and he came up with the solution; you just move everybody up to the highest grade. He had found a way of paying for that, in that you charge the highest rate of council tax of the merging authorities to everybody in the area. I don't know what your view is on that. One other question is: we have the known unknowns, don't we—the travel costs, pension and redundancy costs, and unfair dismissal costs? If people aren't going to be offered early retirement, they are going to be filling tribunals with unfair dismissals. Has anybody given any thought to the known unknowns?

[160] **Christine Chapman:** There are two specific ones there.

[161] **Mr Thomas:** CIPFA tried to pick up on some of these, but didn't cover them all. I think they covered extensively the issue of travel cost. They covered extensively the issue of the establishment of transition teams, and a range of others. They touched on job evaluation. But, you are right. As I say, just to point to the fact that there are, possibly—. I think you've got a decision in this Assembly as to whether you apply the new Treasury consultations that are emerging, but there will be much greater difficulty in getting people to leave local government in the next period if a £95k cap is imposed and if there are severe restrictions to local government. We got through the last one on the basis of flexibility, and everybody knows it. There was huge flexibility. There was a national redundancy scheme. The staff commission made a ruling the last time that those who wanted a job would be found a job. There was a range of things put into place that eased the way. Those conditions no longer exist.

[162] **Christine Chapman:** Okay. Bethan.

[163] **Bethan Jenkins:** Diolch. Roedd **Bethan Jenkins:** Thank you. I was diddordeb gennyf i weld yn y Bil fod interested to see in the Bill that there elfennau o ran dyletswyddau statudol are elements in relation to statutory ar gyfer cynghorwyr. O feddwl nad duties for councillors. Considering yw Llywodraeth Cymru, mewn Biliau that the Welsh Government at the gwahanol, eisiau gweld gormod o moment, in different Bills, don't want fanylder ynghylch lot o'r hyn y mae too much detail in relation to what it hi'n gwneud, mae lot o fanylder is doing, there is a lot of detail here ynghylch beth y dylai cynghorwyr fod as to what councillors should be yn gwneud. A ydych yn credu bod doing. Do you think that this is

hyn yn realistig? Rwy'n gweld eich bod wedi dweud bod yr hyn sy'n cael ei rhestru yn hen ffasiwn. Beth yw eich barn chi ar y rhestru hyn mewn Bil? Yn fy marn i—ac mae pawb wedi rhoi eu barn—bydd yn mynd allan o ddyddiad o ran yr hyn y bydd gofyn i gynghorwyr ei wneud. Bydd yn newid gydag amser. I'w roi mewn Bil yn statudol, a fydd hyn yn broblematic i chi fel cynghorwyr ac i gynghorwyr y dyfodol?

realistic? I see that you have said that it is rather an old-fashioned approach. What's your opinion on listing these in a Bill? Everybody's given their opinion, and in my opinion, I think it would be something that would date very quickly in relation to councillors' duties. I think that to put it on a statutory basis in a Bill may be problematic to you as councillors perhaps, and councillors in the future.

[164] **Christine Chapman:** Councillor Edwards, and then Councillor Stewart.

[165] **Mr Edwards:** Mae'n debyg mai dyna un o'r cwestiynau sydd yn anodd ei resymu o ran pam fod angen deddfwriaeth yn ei gylch. A ydych angen cynnwys mewn Bil sut y dylai cynghorydd ymddwyn? Rydym i gyd yn teimlo'n rhwystredig weithiau ynghylch aelodau etholedig ar bob lefel, mae'n debyg. Ond nid yw hynny'n golygu bod angen deddfu, os caf fentro dweud hynny. Rwy'n credu bod y ffordd y mae aelodau yn ymddwyn yn fater i bleidiau gwleidyddol yn bennaf. Mae angen swydd-ddisgrifiad—mae'r WLGA wedi datblygu swydd-ddisgrifiad—ac mae angen cynorthwyo aelodau gyda hyfforddiant er mwyn sicrhau eu bod yn deall beth yw'r disgwyliadau. Ond siawns nad ydych angen deddfu i ddweud wrth aelod beth i'w wneud. Ble mae pendraw hynny? Dyna ydy'r perygl os ydych yn mynd i ddeddfu. Dyna pam rydym yn teimlo bod angen ailystyried hynny. Mae rhai

Mr Edwards: More than likely, that is one of the questions that is difficult to rationalise as to why legislation is needed around it. Do you need to contain in a Bill how a councillor should act or behave? We all feel frustrated at times about elected members on all levels, I suppose. But, that doesn't mean that we need to legislate, if I dare say that. I think that the way that members behave is a matter for political parties in the main. There is a need for a job description—and the WLGA has provided one—and a need to assist members so that they understand what the requirements of them are. But surely you don't need legislation telling a member what to do, because where would that end? That's the danger if you do legislate. That's why we feel that there is a need to reconsider that. Some councillors do a great deal more than is recommended in the Bill as it stands,

cynghorwyr yn gwneud llawer mwy and there are exceptions. But, Chair, nag sydd yn cael ei argymhell yn y Bil if I may say so, I would say that you fel y mae, ac mae yna eithriadau. shouldn't legislate on the basis of the Ond, os caf fentro dweud, Gadeirydd, extreme or the unusual. There are peidiwch â deddfu ar sail yr hyn sydd dangers to doing that, if I may say yn eithriadol neu'n eithafol. Mae so. peryglon gyda hynny, os caf fentro dweud.

[166] **Christine Chapman:** Okay, thank you. Councillor Stewart.

[167] **Mr Stewart:** Yes, I would echo that. Look, politicians face a test every five years or every four years, and the public will determine whether they have done their work or not. If they haven't, they get voted out. I would say, though, that I don't think writing it into legislation is the right answer to this. In my own authority, all of the councillors are committed to doing annual reports. We have regular objective-setting and all of those other things. But they are all at different levels: some are cabinet members; some are, obviously, representatives of other bodies. You can't write that into a statute or anything. So, I certainly don't think that's the right answer. I would certainly look for the highest standards to be applied to politicians at all levels. I don't think there should be higher expectations of councillors than of Assembly Members or MPs. If we have got standards, they should be applied equally to all representative members.

[168] **Christine Chapman:** Ok, thank you. Mark.

[169] **Mark Isherwood:** In addition to lines on a map, the Williams commission report emphasised the need to start delivering services differently. He, or they, used the term 'co-production', designing and delivering with communities, local organisations and so on. With that in mind, how do you believe provisions for improvement requests from community bodies will affect your ability to take a strategic approach to service delivery and to manage competing demands?

10:00

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

[171] **Mr Thomas:** I think the improvement requests need rethinking. I think, in terms of the process outlined in the Bill, we're worried that it's

cumbersome and bureaucratic. People can make improvement requests now, and they're not shy about making improvement requests. I think there is a process in terms of many councils, where people are allowed to present petitions in committees, there's a range of mechanisms for the public to make their voice heard in terms of budget consultations and a range of other things. I just don't see where this one comes from, in terms of a process to make a request, which then requires a bureaucratic response. I think we've got to bear in mind that there's something called 'localism'. If we do bear that in mind, this has got to be part—. The warp and weft of local democracy, I think, currently caters for that; I don't think you need this process.

[172] **Mark Isherwood:** Have you provided any estimate of the costs for what improvement requests might be?

[173] **Mr Thomas:** It's almost impossible to cost.

[174] **Mark Isherwood:** Can I ask, in the context of the Williams recommendations about co-production—which wasn't so much about giving one body a statutory right to request an improvement, but rather about the strategic approach of local government changing so that, pre-consultation, it would design and deliver with communities—what consideration have you given to global and local UK evidence of models where that has actually worked to generate more for less, but also better outcomes at lower cost, and I'm thinking of Western Australia as a prime example of mental health services, but regarding much of the work that's been going on in the UK and even Welsh councils to drive this forward?

[175] **Christine Chapman:** Councillor Edwards.

[176] **Mr Edwards:** Rwy'n meddwl bod yna enghreifftiau da o gyd-gynhyrchu, fel rydych yn nodi, ac mae'n bosib mai un o'r elfennau rydym wedi eu colli o'r comisiwn gwreiddiol gan Williams ydy'r angen i wasanaethau cyhoeddus ddod at ei gilydd gyda chymunedau i gyd-gynhyrchu. **Mr Edwards:** I think that there are good examples of co-production, as you mentioned, and maybe that's one of the elements we've lost from the original Williams commission, that need for public services to work together with communities to co-produce.

[177] Os ydym yn edrych ar y ffordd mae cynghorau yn trafod cyllidebau If we look at the way that councils are discussing budgets at the moment,

ar hyn o bryd, ac yn ymgynghori'n and consulting widely on that—not
eang—nid yn gymaint ar gyd- so much in terms of co-production,
gynhyrchu, ond mae yna broses but there is a consultation process
ymgynghori dros rai misoedd mewn over some months in some examples
rhai enghreifftiau i sicrhau ein bod to ensure that we have a budget that
ni'n cael cyllideb sydd yn adlewyrchu reflects the public's priorities. There
blaenoriaethau'r cyhoedd. Mae are good examples of that already in
enghreifftiau da o hynny eisoes. Mae place. Moving towards a process of
mynd i broses o gyd-gynhyrchu mwy co-production on a more formal
ffurfiol yn mynd i olygu mwy o basis would mean more resources,
adnoddau, wrth reswm, ond, fel certainly, but, as a matter of
egwyddor, rwy'n meddwl ei fod yn principle, I think it's something we
beth yn sicr y dylem ni afael ynddo should look at, but there are
fo, ond mae yna oblygiadau i hynny o implications in relation to timetables,
ran amserlen, wrth gwrs, ar yr adeg of course, at a time when we need to
pan mae angen newid ar frys gyda change some things rather quickly.
rhai pethau.

[178] **Christine Chapman:** Okay. Any further questions, Mark?

[179] **Mark Isherwood:** No, that's fine.

[180] **Christine Chapman:** Well, look, we're going to have to draw this part of the meeting, now, to a close because of time. I know that there were other questions that Members did want to ask, but if you're happy, I'll send them to you and perhaps you can respond in writing.

[181] **Alun Davies:** Can I—?

[182] **Christine Chapman:** No, we're going to finish at this point, because we've got another panel. Can I thank you for attending this morning? We will send you a transcript of the meeting so that you can check it for factual accuracy. Thank you for attending. We're going to take a very short break now, until about 10.10 a.m., and then the Minister will be coming in. Thank you.

*Gohiriwyd y cyfarfod rhwng 10:04 a 10:13.
The meeting adjourned between 10:04 and 10:13.*

**Bil Llywodraeth Leol (Cymru) Drafft: Sesiwn Dystiolaeth 5—Y
Gweinidog Gwasanaethau Cyhoeddus
Draft Local Government (Wales) Bill: Evidence Session 5—Minister for
Public Services**

[183] **Christine Chapman:** Okay. Welcome back, everyone. We are now moving on to the next evidence session on the draft Local Government (Wales) Bill, and for this session we have the Minister with us, Leighton Andrews AM, Minister for Public Services, and also his officials, Lisa James, deputy director, local government democracy division, Welsh Government, and also Ben Crudge, project lead, impact assessments for the local government Bills, Welsh Government. So, welcome, Minister, and welcome to your officials.

[184] I'm not sure if you did catch some of the previous session. We were just with the Welsh Local Government Association, but we have some questions for you now in response to some of the evidence that we have already taken. First of all, Minister, can I just ask you: how confident are you that local authorities will be in a position to bear the additional costs placed on them by the merger process, particularly in the context of the current financial climate? If you haven't been able, obviously, to listen to the previous session, there was a feeling, I think, from the WLGA that this would be difficult for them financially. So, I just wonder whether you could respond to that.

10:15

[185] **Leighton Andrews:** Well, I'm very confident that they can bear the additional costs of mergers, and all of the studies have indicated that there will be significant savings from the process of mergers. I think we have to remember always that there is a cost to doing nothing. We commissioned last year the review of administrative costs in local government, which was carried out for us by KPMG, and that identified potential savings in local government now, before merger, that could be undertaken if all local authorities were performing to the capabilities of the best in the UK of some £151 million a year. But, certainly, the savings that we've quantified, and others have quantified externally, demonstrate that from the process of mergers, savings will flow.

[186] **Christine Chapman:** Okay. Thank you. Do you see any risks that could prevent the intended net financial benefits of the draft Bill being achieved?

[187] **Leighton Andrews:** Well, there are some risks. One risk, of course, is the current economic policy of the UK Government, which is obviously failing and has resulted in very significant cuts to the Welsh Government budget. Should we see further cutbacks in public spending at a UK level, that could have an impact on the costings that we've put into the regulatory impact assessment. I think a further factor could be delay. If there is any delay post-election in May, then that could have an impact because it will bear on the savings that are being found currently. It could delay our ability to take forward the merger process and therefore delay the realisations of the savings that would flow from it.

[188] **Christine Chapman:** Okay. Thank you. Alun, you had some questions, I think.

[189] **Alun Davies:** Thank you. Do you not agree that there might be a third risk as well, Minister, and that is a lack of political support for the proposals that you're putting forward? I think one of the things that I find, speaking to people around the country, is that there is little support for particularly the map that's been published. Certainly in south-east Wales—an area that I represent—I can think of virtually no support for the proposal being put forward by the Welsh Government.

[190] **Leighton Andrews:** Well, I would have to disagree with you on the final point you said in that I know a number of people within Gwent who very much believe in that as the footprint for local government reform. The proposal has come to me from a number of quarters. In respect of political support, well, that remains to be demonstrated in May. We have made clear what our preferred option is. I've always said in the Chamber, and in this committee, that I think that, as we move forward in the process of local government reform, it will be important to have a consensus beyond simply one of the political parties in the Assembly. Therefore, post-election, we will have to look at what the balance of support is and have the appropriate discussions.

[191] **Alun Davies:** Okay. It would be interesting to know who in south-east Wales you're referring to.

[192] **Leighton Andrews:** Sorry, was that a question?

[193] **Alun Davies:** Yes, it was.

[194] **Christine Chapman:** Well, yes, it is.

[195] **Leighton Andrews:** It sounded like a statement.

[196] **Alun Davies:** It was a question, Minister.

[197] **Leighton Andrews:** Well, I think I will discuss that privately with the Member in due course.

[198] **Christine Chapman:** Okay. Right. Alun.

[199] **Alun Davies:** Okay. We'll talk about our secret friends later, but in terms of—on the record—the political debate that we're having in Wales, it is striking how little support there is for not the concept of reorganisation—and I think the session we just had with the WLGAs was very much a sense of, you know, 'We don't want 22; 22 are not sustainable. Therefore, we need change'—but there's a titanic lack of agreement on what that change looks like. Is it not the role of the Welsh Government to perhaps be—how should I say it—more proactive in seeking a consensus on that, rather than end up with a proposal with so little support?

[200] **Leighton Andrews:** Well, there have been several proposals over the last two years. The Williams commission came out with three options, more or less. Well, the variance, you could argue, was slightly more. We looked at those. Nobody seemed to be able to agree with the Williams commission proposals. We then looked again. I had people saying to me in my own party that they thought as few as six or seven would be sufficient for Wales. Again, I'll talk to you about that privately. We then looked at the map, we looked at what Williams had recommended, we came to our view on the map, and we published that. Now, we have said all along—the First Minister was on record as saying it; I was a member of the committee at the time, when the Williams commission report was published—that we were willing to engage in discussions with other political parties around the map. The reality is that everybody can agree on local government reorganisation, but nobody is prepared to agree on what it should look like. That is not a sustainable position. People need to grow up, bluntly, and we need to get agreement on this as soon as we can after the May elections, because, as the trade unions have said to you, this is leading to some demoralisation among staff in local government who want to know what the way forward is. We've given every opportunity to local government to agree on a map. They can't agree. So, we

as a National Assembly are going to have to make those decisions and legislate on those decisions in the next Assembly.

[201] **Christine Chapman:** Before I bring Alun back in, one of the points that came up, Minister, was that it was just about a map, as opposed to the benefits of how to deliver public services. I did question—they did give the impression that these discussions hadn't really taken place. Can you comment on that?

[202] **Leighton Andrews:** The Williams commission produced a very substantial report that dealt precisely with those issues. In fact, the local government recommendations of the Williams commission report are contained in a very small number of the 62 recommendations that the commission made, which were about improving the quality of delivery of public services across the piece. Subsequent to the Williams commission report we had had a White Paper produced in July 2014 on public service delivery. We had a subsequent White Paper in February 2015 on the future of local government. There was extensive consultation and discussion on those things with local government. But let's not pretend that this is a process that suddenly started, either, just a couple of years ago with the Williams commission report. This committee has debated at length the issue of collaboration to deliver better public services by local government. You as a committee have produced reports on that. We can go all the way back to the Local Government (Wales) Measure in 2009, and the discussions that have taken place with local authorities about how better to deliver public services, either separately or jointly. We know that five local education authorities were in special measures. I'm pleased to say that they've moved out of special measures, largely, now. We know that local authorities have failed on social services in the recent past in Wales. There have been extensive discussions going back—well certainly all the time I've been in the National Assembly; you predate me, Chair, on being in the National Assembly, by four years, as does Mr Griffiths, but I suspect that these discussions have been there since the early days of the National Assembly. Indeed, Peter Black, I'm sure, would also remember that. So, nobody can pretend in local government that there's not been extensive discussion around this subject. After May there will be legislation, there will be reorganisation of local government, because we have got to stop talking about the need for it and actually do it.

[203] **Christine Chapman:** Thank you. Alun, any further questions? Then Mike.

[204] **Alun Davies:** Except, of course, that there's no political consensus for that, and without a majority there is no way that can happen.

[205] **Leighton Andrews:** I'm not naïve. There is a National Assembly election in less than three months' time. There will be no political consensus over the next three months. After that, we have to reach political consensus on the way forward.

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

[207] **Alun Davies:** We understand the electoral timetable. I think the committee's very well aware of that. But we're also aware that, quite honestly, telling people to grow up probably isn't the best way of reaching that consensus at the same time. So, we need to reach a position whereby—. Steve Thomas was sitting in your seat half an hour ago, and he suggested that the leaders of local government in Wales would be prepared to sit with yourself, a Minister, the new Minister, and the Welsh Cabinet to look for a way forward, an agreed consensus on the way forward. Would you be prepared to accept that invitation?

[208] **Leighton Andrews:** Well, I think we've met with the leaders of local government on many, many occasions. But I don't think this is something that should be decided by the leaders of local government sitting down with the Welsh Cabinet in a smoke-filled room—or, in these days, under our legislation, a smoke-free room. This is something that I hope will engage the people of Wales. That's why we're out to consultation on the draft local government White Paper at the present time. But I do think it is fair to say that the time for talking about reorganisation in the abstract has got to come to an end and that a move forward on the process of reorganisation in reality has to commence very swiftly after the May elections.

[209] **Alun Davies:** But the hard reality is that that cannot happen until there is agreement. I accept—. As you know from previous conversations, I felt the White Paper was a very powerful White Paper in terms of both the commentary and your introduction to it, and, in terms of some of the things it proposed, I think there's a general welcome for them—the general power of competence, for example. I think many of us want to see more powers accrued by local government and not a centralisation of power, and I think it would be useful for us to understand your views on some of those issues. However, we do have this roadblock, Minister, and I don't think we can get around it simply by making a statement that this must happen and will

happen. We need to get around that roadblock by talking, by agreement, by consensus, by consent, and, if we're able to do that, then you'll have a far more profound opportunity to make sustainable far-reaching reforms than using the whip to drive through an unpopular policy.

[210] **Leighton Andrews:** Well, I've never tried to use a whip to drive through this policy. I've always said from the beginning that it will require the agreement of more than one political party to deliver reform, and my view remains, as I've said in the Chamber before, that there are two political parties that provide the leadership of the bulk of local government in Wales and I suspect, at the end of the day, that some form of agreement between those two political parties will have to be the way of taking that reform forward.

[211] **Christine Chapman:** Okay. Alun.

[212] **Alun Davies:** It's Labour and Plaid Cymru that I presume you're talking to—

[213] **Leighton Andrews:** Well, those are the two parties who lead the bulk of local government in Wales.

[214] **Alun Davies:** —just for clarity, for the record. This is my final question. So, in terms of where we're moving to in your proposals, the WLGA has said that there doesn't appear to be any underpinning rationale regarding the optimum size of a local authority. This committee invited you, Minister, to give consideration to more fundamental changes rather than simply mergers. Did you give any consideration to a more fundamental change of local government? And did you have in mind the creation of an optimum size, if you like, for a sustainable way of delivering services?

[215] **Christine Chapman:** Minister.

[216] **Leighton Andrews:** Well, I did look, as soon as I came into office, at a variety of options in the sense that I looked at what had been proposed by Williams—that was the Government starting place when I came into this post—and I considered whether it would be feasible to go back and, as it were, start from scratch and I decided that, in the situation we were in, that was unlikely to be productive and I considered that it would have been used as a delaying tactic by local government had I gone down that route. So, I decided, ultimately, that the important thing was to drive forward with the

approach to local government reform and to move initially away from simply a discussion around the map, which had been what had come out of Williams. You'll recall that, when I was on the backbenches, I said that I didn't think Williams had a vision for democratic local government, which is why I was anxious to produce the White Paper that we produced in February 2015, which did look at a vision for democratic local government in Wales.

[217] I think the reality is that, no matter how much people talk about the functions of local government as being the important issue here, they always come back to issues of size and structure. And so they want us to define an optimum size. If you look at the evidence across Europe and across the world, I don't think there is an optimum size for tiers of local government. They vary considerably across the piece. We have come forward with a proposition. In the next Assembly, I think we will need, collectively, to reach a conclusion on the way forward.

[218] **Christine Chapman:** Okay, thank you. Alun.

[219] **Alun Davies:** And the issue on additional powers?

10:30

[220] **Leighton Andrews:** The White Paper said that we would be prepared, following local government reform, to look at additional powers for local government, and public health was mentioned as a possibility. I think that the appropriate time to consider that is when we have finally settled the reformed structure.

[221] **Christine Chapman:** Right, I've got Mike and John, and then Peter.

[222] **Mike Hedges:** Minister, we also know that size doesn't solve all our problems; the largest health board in Wales is also in special measures. The question we had from the Welsh Local Government Association today was on size. You propose a new Gwynedd, including the current Gwynedd and Ynys Môn, which are roughly the same size as Carmarthenshire. We know that Newport is roughly the same size as Powys, maybe slightly bigger. We know that RCT is bigger than Powys. We know the average-sized council is going to be about the same size as Cardiff currently is. There does seem to be a wide variation of proposals on sizes of local authorities in terms of population, and people don't see why. People have said to me on many occasions, 'If Powys has got enough people at, what is it, 140,000 or

150,000, why haven't we?' and that covers probably half the local authorities in Wales.

[223] **Christine Chapman:** Minister.

[224] **Leighton Andrews:** I think I've said before, as Humphrey Bogart almost said, 'We'll always have Powys.' Look, as I understand it, the leader of Gwynedd in the session earlier on with the WLGA said he thought that we needed to move to a situation where the number of local government authorities was in single figures. I have considerable sympathy with his position, and I think he takes a very responsible approach to these matters.

[225] Obviously, size of authority—you're focusing on size of population. Size of area, of course, varies considerably in terms of the map that we have proposed. I go back to what I said earlier: there is no optimum size. We've got to make judgments as a National Assembly.

[226] **Mike Hedges:** You said, 'We'll always have Powys'; Powys was a 1973 local government reorganisation invention, wasn't it?

[227] **Leighton Andrews:** Indeed. I was making a joke. It may have been a poor joke. [*Laughter.*]

[228] **Mike Hedges:** No, but I think the point you were trying to make was that Powys is different. All I'm saying is that Powys has only existed since 1973. We had lots of things before that.

[229] **Leighton Andrews:** I'm sure you're right.

[230] **Christine Chapman:** Okay. I've got John, then Peter and then Janet. Again, we've got the Minister for, you know, three quarters of an hour, I think, so can we make sure that we have questions now so that we get an opportunity to hear what the Minister has to say? So, John.

[231] **John Griffiths:** I just wanted to return briefly, Minister, to the offer, as I think Alun described it, from the WLGA and the local authority leaders earlier for a post-election meeting, because I think there was an acceptance from local government earlier that perhaps they hadn't shown enough leadership. I think we understand their difficulties; there are many different views. As you said earlier, everybody accepts the need for change, but nobody can agree on the structure that would best deliver that change. But I think they

did accept that there's a need for leadership from them, and obviously a need for leadership from Welsh Government. And notwithstanding what you said about the wider agenda, which must be right, about engaging the people of Wales, when we move beyond the election there will be a new situation and a new political reality. And it would seem appropriate at that stage, I would have thought, to get local government to the table, given the spirit that they made the suggestion in. Notwithstanding that there have been lots of meetings, there will then be a new situation and it makes sense to discuss the best way forward and to give the opportunity to provide some leadership for local government in Wales.

[232] **Leighton Andrews:** I'd be very happy to meet them again if I'm in this post after the election, but let me just say: there is barely a week that goes by without me meeting leaders of local government collectively or individually.

[233] **Christine Chapman:** Peter.

[234] **Peter Black:** Thank you, Chair. There was quite a lot of unanimity amongst the local council leaders in the previous session, particularly around the costs. The RIA estimates between £54 million and £90 million, I think, in terms of the cost of this process. And the leaders were, I think, unanimous in saying that (a) they don't have that money, (b) that they would have to make severe service cuts to find that money and (c) that you should pay them to do it. How would you answer those points?

[235] **Leighton Andrews:** Well, let me just say at the outset: there is never a good time to have a structural reform of local government. Obviously, there will be costs to this. We've been upfront about that in the RIA; we've set down what we expect those costs to be. Our costs are not very far away from what the Chartered Institute of Public Finance and Accountancy estimated for the WLGA, but savings then flow, and that is the reality of this. Local government is well aware of that. Local government currently carries around £1 billion in reserves across Wales. Some local authorities carry rather more than others. They have the ability to borrow. There are plenty of routes open to them for the way in which these costs can be managed. Let me make a suggestion—a helpful suggestion, I hope—to the leaders of local authorities in Wales.

[236] **Peter Black:** I'm sure they're listening.

[237] **Leighton Andrews:** Can I suggest that they go to Chester and meet with the leader of Cheshire West and Chester Council because, of course, they merged; they came from a merger of two councils. What turned out from that merger, of course, was that the initial expectations were that savings would be some 10 per cent to 15 per cent of the overall spend for the authority, but after three years they found, in fact, that the savings have risen to as high as 20 per cent to 25 per cent. They had no money from central Government to fund the merger costs, and they are now achieving twice the savings that were anticipated in the original cost estimates. They've achieved major savings in reducing chief officers and directors, back-office functions, ICT systems, procurement and the better management and use of assets. They identified a huge oversupply of public buildings, and the rationalisation and disposal of those surplus assets has enabled them to fund new infrastructure and investment projects. I suggest that we need more ambition from local government in regard to the merger process, and they can look just across the Welsh border to Cheshire West and Chester if they want to see where there has been a merger successfully completed and the costs have been managed.

[238] **Christine Chapman:** Peter.

[239] **Peter Black:** I think the other thing that all the leaders agreed on was that the savings would not materialise, although I think the chief executive of the WLGA did bring them back down to earth by referring to their own CIPFA report, which underlined that there were savings to be made there. I think the issue they have is that the savings come in later on in the process. It's very difficult always to identify the savings and to apply them against costs, particularly with an organisation as complex as a local council. Is there provision for the Welsh Government to fund, on an invest-to-save basis, the sorts of costs that were involved in the merger, which would then be repaid once the savings came through?

[240] **Leighton Andrews:** Well, I wouldn't rule out an approach that looked—. I mean, invest-to-save requires repayment, ultimately, of course.

[241] **Peter Black:** That's the point that I'm making, yes.

[242] **Leighton Andrews:** Yes. I certainly wouldn't rule out an approach like that if we could get agreement on what that reform and map was likely to look like.

[243] **Peter Black:** Okay. That's helpful. On specific costs, the RIA states that local authorities' ICT costs were estimated on the basis of the ICT costs associated with creating Natural Resources Wales. Given that the Wales Audit Office recent report on that issue states that the scale and time required for some of the exit arrangements were underestimated in the business case, will you be revisiting those particular ICT costs in the light of that WAO report?

[244] **Leighton Andrews:** Well, we don't think there's a need to do that. We've obviously seen the WAO report on the Natural Resources Wales development. It's one piece of evidence that will be used, certainly, to inform the final estimates on the RIA, but the estimates that we see in the WAO report, though they're not completely comparable, seem to be in line with the estimates that we've put into the draft RIA. But we'll certainly review those.

[245] **Peter Black:** I think the thing about ICT costs is that they're always tied in with change management, and all the huge costs actually come in at the change management side of it—and, of course, the alleged savings as well. I've had lots of experience of this in Swansea. How are you separating out those ICT costs from that change management process, given that most authorities will go down the change management route in terms of ICT?

[246] **Leighton Andrews:** Well, I think it depends on what you mean by change management. The reality, I think, is that ICT in local government is very unambitious indeed in Wales. You and I both have histories in this area in terms of having to deal with things. I had, when I was education Minister, to find resources to fund effective fast broadband connections to all schools in Wales because of the failures of local government ICT management. I'm afraid that most local government ICT directors, as far as I can see, consider largely only the corporate needs of their authority and do not understand the needs of, for example, schools, and therefore, we had to go down that programme. I see a lack of ambition in local government ICT—a considerable lack of ambition—throughout Wales.

[247] I don't think it's understood the way in which ICT is moving in the twenty-first century, and in very few places in Wales do I see it focused on the real needs of residents or, indeed, the opportunities for ICT to transform services. This is a conversation I had with a number of local authority leaders just last week, just to go back to the point that we regularly meet with local government leaders. So, I think that there are big issues there. The fact of

merger might, in fact, be a trigger to sorting out some of the failures of ambition in ICT as part of that change management process.

[248] **Peter Black:** It sounds like you may have to put some advice in place to actually make sure that that happens.

[249] **Leighton Andrews:** Well, I do see some green shoots in one or two areas.

[250] **Peter Black:** Okay. The final question I've got here is to ask you how confident you are that all local authorities will be sorted by 2020. I'm not going to ask you that question; I know the answer to that question. But, of course, Steve Thomas, referred earlier on to the fact that local government reorganisation—that we actually defeated fascism in less time than we've had to reorganise local government. Are the three or four years from the Assembly elections sufficient time to actually bring this process about?

[251] **Leighton Andrews:** Well, I'm interested that the chief executive of the Welsh Local Government Association has appeared to have compared himself to Adolf Hitler. I have just come from a meeting with the chief of the general staff, so perhaps it is appropriate this morning for that metaphor to be used. I suppose it depends on when you think fascism started in Europe. You know, if you want to go back to the 1920s—

[252] **Peter Black:** 1923.

[253] **Leighton Andrews:** —to the Munich beer hall putsch—. I mean, look, this kind of rhetoric is unhelpful, bluntly, because we can all indulge in it. I can indulge in it just as much as the chief executive of the Welsh Local Government Association. Does it get us anywhere? No it doesn't. The reality is that reform needs to happen. Reform needs to happen fast, but reform will depend, of course, on legislation, so there will need to be an agreement immediately after the May elections on the form of that legislation. We have a consultation currently. I look forward to what the committee has to say in respect of the evidence that you've taken, which will inform our conclusions on the back of that consultation. The consultation comes to an end on Monday. I would anticipate making a statement to the National Assembly before dissolution on the responses that we've had to the consultation, and it will be for the next Government to legislate and to build the necessary consensus, as Mr Davies has requested.

[254] **Peter Black:** Okay, thank you. I think that, whatever happens, Minister, your tanks are firmly on the local government's lawn now.

[255] **Leighton Andrews:** Well, thank you for that. I am trying to avoid those metaphors.

[256] **Christine Chapman:** Right. Janet is going to be next, but there are two very specific brief questions from Mike and Mark on the point that was made earlier. So, Mike, quickly.

[257] **Mike Hedges:** Minister, you mentioned Cheshire West and Chester. Wasn't that formed by the merger of two district councils and the splitting of Cheshire County Council rather than the merger of two unitary authorities?

[258] **Leighton Andrews:** Yes, but I don't see what difference it makes in practice. I was asked about savings. I gave the example of the savings that were achieved—savings that outpaced the expectations that had been formally held, and the costs turned out to be lower than had been formally expected.

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

[260] **Mark Isherwood:** Similar point: we heard this morning that the best delivery model for services should inform the number of local authorities, not vice versa, and that scale is no guarantee of good services. Cheshire West and Chester—the boundary only starts six miles from where I live; bang next door there's a neighbouring authority. But that did look at the delivery model for services first. It was a voluntary approach, modelled on the combined authority model, which many parts of local government in England have been taking forward—very different to a corporatist model; I do not equate that with fascism, but a big Government, top-down model, which has, unfortunately, a poor record internationally. Can you not see the difference in approach, and that simply stating that those who do not believe in a corporatist model don't have a view?

10:45

[261] **Leighton Andrews:** I very much agree with you that the corporatist model imposed in the mid-90s has not delivered for Wales, and we've seen that in terms of the poor performance of many local authorities within Wales. What we have tried to do, over several years now, is engage in a dialogue

around the best approach for local government reform in Wales, starting with the discussion that took place well before Williams on collaboration between local authorities, and into Williams, and then, discussions that took place across the whole of Wales around the functions that should be carried through by local government. I produced the White Paper in February last year, which looked at the functions of local government, and how best to deliver those. We've engaged fully in that debate. Ultimately, there has to be a conclusion to this debate.

[262] **Christine Chapman:** Okay, thank you. Janet.

[263] **Janet Finch–Saunders:** Today, one of the things that came across was the complexity of what's going forward in terms of the regional consortia, the community committees, the public service boards, and the Well–Being of Future Generations (Wales) Act 2015 and all the things there, and the over–bureaucratic approach that you might be taking. In terms of community councils, because they keep being mentioned as part of this reform, how do you expect them to improve the capacity and capability of whatever form of local government goes forward?

[264] **Leighton Andrews:** Well, some of them are already delivering quite significant services for their local communities. But they vary; they vary in size and scale. We have parts of Wales which have no community councils or town councils at all—my own constituency being one of those. The reality, I think, of community councils in Wales, is that the landscape is patchy. I would like, myself, to see a town and community council structure that crosses the whole of Wales. It may be that in urban areas, such as the major cities, you need a different model, but that's entirely feasible. What we have done, obviously, is to work with One Voice Wales; we've put in significant investment over many years to support their development work with town and community councils. We continue to support that work. We've recently had a review of One Voice Wales. I think there are opportunities here, but, again, it's down to leadership and those opportunities being seized.

[265] **Janet Finch–Saunders:** Thank you. Minister, I'm not alone in picking up a lot of frustration this morning from the WLGA and different council leaders. After Alun Davies teased out some of their frustrations, it became apparent that they want to be part of any ongoing process, and I'd only echo and endorse points made earlier—that after the elections is all well and good, but we have a lot of demoralised front–line workers; we have people of all levels, and elected members, who haven't got a clue. And it's very hard, you know,

to run services, not knowing in terms of funding, and what have you—. Is there any scope for looking at it on a cross-party basis, really? There's a lot of goodwill going forward here that could be salvaged, and I just feel that there should be something that you can do before—you know, some kind of negotiations. I know you're going to deliver a statement; I hope that statement is quite positive, because I know it's going to be quite difficult now for people going forward.

[266] **Leighton Andrews:** Well, they do know about funding. The reason they haven't had certainty on their funding, of course, for the next few years, has been the delay in the UK Government's autumn statement, which meant that we as a Government, and, indeed, as a National Assembly, have had to delay the process for our draft budget. Is there some uncertainty amongst staff? Well, you've heard from the trade unions. The trade unions want a resolution on this this year. We have sought to engage with local government in this process for many years now. I'm afraid that there is an unwillingness amongst local government to sign up to the process of local government reform. It's fine that they can come in front of a committee and say they all want it to happen. But, bluntly, the leadership has not been there within local government to drive this process forward. So, it will be down to the next Welsh Government to take this process forward. As I've said—as I've always said—this will be a matter for resolution by more than one political party. I think it's right that a reform as fundamental as local government reform should proceed on the basis of agreement with more than one political party. But, local government has to commit to this process. Our door is open for meetings with local government on this issue. But, I don't see any concrete, feasible, meaningful proposals coming out from the Welsh Local Government Association as to the structure, functions, system or map that they would like to see.

[267] **Janet Finch-Saunders:** Minister, one of the biggest concerns—because I carried out a survey—is, again, there are some people for it and some against it, but what they don't want to see is centralisation. We all want to try and keep services as local as possible. You've given the example of Chester and what happened there. You had a really good model on the table with the Conwy and Denbighshire model. There was ambition, there was vision, there was enthusiasm and there was determination to work with you. Yet, you rejected that. Surely, that now demoralises where you had a good model. How do you move forward when you've literally thrown the baby out with the bathwater?

[268] **Leighton Andrews:** The model that came to us from Conwy and Denbighshire was the least worked through, probably, of the voluntary merger proposals we had to consider. The chief executive of one of the two local authorities was uncertain himself as to whether it could have been delivered on the timescale that we had set out in the voluntary merger prospectus. So, perhaps it's not surprising that, in the end, we were unable to go forward with that model. Had we done so, also, of course, it would have essentially determined that north Wales would have three local authorities. There is still a very active debate in north Wales as to whether three is the right model or whether two is the right model. That's why—

[269] **Janet Finch–Saunders:** I can assure you there is no debate going on in north Wales about that.

[270] **Christine Chapman:** Let the Minister finish, Janet.

[271] **Mark Isherwood:** Six is favoured.

[272] **Christine Chapman:** Mark.

[273] **Leighton Andrews:** I'm quite happy to accept what Mark Isherwood says, which is that there is a lobby for six local authorities in north Wales, from the six local authorities in north Wales. Again, that takes us back to the point that it is impossible to get leadership from local government on this matter. Decisions will have to be taken by the Welsh Government after the next election, with the agreement of political parties in this National Assembly. I think we can meet local government leaders as often as they want, but, until we see something concrete coming forward from them, there will be no agreement. I am not prepared to put up with a delaying tactic, nor will any other Minister who succeeds me be prepared to put up with a delaying tactic. I'm sure that's true. I'm sure that that would be a feeling widely shared after May by people in all political parties.

[274] **Christine Chapman:** Janet, further questions, and then we'll move on to Lindsay.

[275] **Janet Finch–Saunders:** I agree with the previous panel that if you're going to go into public service reform, I think it needs to be about rather more than just local government and I think—

[276] **Christine Chapman:** Is there a question for the Minister?

[277] **Janet Finch–Saunders:** Yes, all I would say is, please don't centralise the delivery of our local services, because—

[278] **Leighton Andrews:** Nobody is planning to centralise the delivery of local services. I didn't hear a question there, but, let me say that for the record.

[279] **Mark Isherwood:** It's not how they see it.

[280] **Christine Chapman:** Okay, thank you. Lindsay.

[281] **Lindsay Whittle:** Thank you, Minister. You touched briefly on morale. I can tell you, because I'm still a member of local government—I'm very proud to say that—that morale is very low amongst most council officers because of the uncertainty. There's been much debate today about strong political leadership. Well, with respect, I would say you're not Adolf Hitler. I don't think like those arguments and I don't think anyone has even implied that. With respect, I don't think Steve Thomas meant that. You must have mistaken what he said. But, I think that you needed to show better political leadership. You have in this very room experienced local government people of 40-plus years' standing—leaders, councillors of many years' standing—who could have perhaps helped. I'm wondering whether Welsh Government has actually even looked at this, for example: how many people do you think will be wanting to leave under the 85-year rule as a result of this local government reorganisation? How much do you think that will cost the pension schemes and how much do you think that will lose in experience to local government?

[282] **Leighton Andrews:** Well, look, Lindsay, we've published a regulatory impact assessment and we've published the cost and benefit calculations there, and we've given you detail on the cost and benefit calculations. So, we've looked at all aspects of this, including pension issues. In terms of what you said about taking experience from elsewhere, we had at least one local government leader on the Williams commission, of course. If you go around—we could do it now, we could go around all 22. Let's look at the views of all 22 local government leaders. The leader of the authority on which you sit believes his authority should stand alone.

[283] **Lindsay Whittle:** Yes.

[284] **Leighton Andrews:** The leader of Gwynedd believes that there should be probably seven or eight; he's probably pretty close to what the Government is currently proposing. However, even in his own political party—your political party—the leader of Ceredigion disagrees with the leader of Gwynedd; the leader of Conwy, who I think is a member of your political party—

[285] **Lindsay Whittle:** He is.

[286] **Leighton Andrews:** —would also disagree with the leader of Gwynedd. So, just in your political party, that's three views. I suspect that in my political party you could probably find up to a dozen different views from the leaders of local government in Wales. This cannot go on. Chief executives know this cannot go on; directors of service know this cannot go on; front-line public service workers know this cannot go on; members of the public do not want it to go on. Members of the public want local government reform. I believe that very strongly.

[287] **Alun Davies:** That demands a consensus to be taken forward.

[288] **Leighton Andrews:** Yes.

[289] **Christine Chapman:** Right, okay. Lindsay, any further questions?

[290] **Lindsay Whittle:** Well, if you ask members of the public about local government reform—. I accept some of what you say, obviously, that there are disagreements—that's a healthy democracy and that's why it's important that we make sure we get this right. We don't want to do another John Redwood. You don't want to be as famous as John Redwood, I would respectfully suggest, or I wouldn't have thought that you would, anyway—I wouldn't.

[291] **Alun Davies:** 'Notorious' is the word.

[292] **Christine Chapman:** He does know the national anthem.

[293] **Leighton Andrews:** I probably don't want to be as notorious as John Redwood.

[294] **Lindsay Whittle:** Well, yes, that's a better word.

[295] **Leighton Andrews:** And I can sing the national anthem.

[296] **Lindsay Whittle:** You can, indeed. But, when you knock on doors, which we're all doing at the moment, and some of us do it throughout the entire year, people's main worry is the council tax. If I were living in Blaenau Gwent, which my colleague Alun Davies represents, I would be wondering, 'Why am I paying £400 a year more for a band D property than where Lindsay Whittle lives?' So, do I tell the people in Blaenau Gwent, 'Your council tax is going to come down to my level', or do I tell the people in Caerphilly, 'Your council tax is going to go up to the Blaenau Gwent level'? Well, if you told the people in Caerphilly, 'Your council tax is going to go up to the Blaenau Gwent level, give us an extra £400'—I think it's £450 a year—no-one will want your local government reform. No-one at all.

[297] **Leighton Andrews:** It's all in the presentation, isn't it, Lindsay, with you?

[298] **Lindsay Whittle:** I'm sure it is and you're not presenting it very well.

[299] **Leighton Andrews:** It depends what you're talking about, really. I mean, if you want to have a discussion around council tax harmonisation, I'm very happy to have that conversation. When I knock doors, I find that I get a considerable number of questions around council services. I get a considerable amount of dissatisfaction—and I'm talking about when I knock doors across different parts of Wales now—with overall local government performance, and I get a considerable amount of feeling that we have too many councillors, too many chief executives and too many leaders in local government in Wales. I have said those things in the Chamber and in this committee in the past. I'm talking, now, about canvassing across very wide areas of Wales.

[300] **Lindsay Whittle:** Did you defend local government, Minister? Did you defend local government?

[301] **Leighton Andrews:** I suspect what I said would've depended, to a degree, on where I was.

[302] **Lindsay Whittle:** Or whether you wanted the vote.

[303] **Leighton Andrews:** Well, what do you knock doors for, Lindsay? I mean, this is a completely futile discussion.

[304] **Lindsay Whittle:** If you're being honest, that's fine.

[305] **Christine Chapman:** I don't think this is a point we need to—. Right, I'm going to move on. Lindsay, have you finished? Any further questions?

[306] **Lindsay Whittle:** Yes, go on. That's fine, thank you; other Members have questions.

[307] **Christine Chapman:** Okay. I'm going to move back. Alun, have you got any further questions?

11:00

[308] **Alun Davies:** I was going to try to pursue the issue of the decentralisation of services. We've seen fundamental change in the way that services are delivered. I think some members of the earlier panel were very clear that we've seen, perhaps, more fundamental change in the delivery of services than the Welsh Government fully appreciates, in some places—in some function areas. And with technological change, we are seeing services delivered in different ways.

[309] You said in reply to an earlier question that you didn't really want to consider additional powers until after we have a map. I think some people would find that a rather curious way of framing the debate, because I think many people would look at the sort of functions that we would like held locally and the functions that we would require at a regional or a national level, and then create the shape of the authorities that would deliver those functions. So, would it, perhaps, be a better way of approaching this if we had a debate about what functions we want to see local government deliver first and then draw the map, rather than draw the map, and then try to shoehorn some of those functions in there? I accept that the White Paper has created a debate around some of these issues, but it hasn't been a fundamental debate about decentralisation in Wales, has it?

[310] **Leighton Andrews:** I'm glad you recognise that the White Paper last year was precisely designed to create that debate, and, I think, started a sensible dialogue about the relationship between central and local government in Wales that we had not previously had during the period of devolution. I think it is important to have that debate, and that's why we had that White Paper. That predated, of course, the publication of the map.

[311] **Alun Davies:** But we haven't had any clarity on additional functions or a reduction in function. At the moment, if you look at—. Let's take my local authority in Blaenau Gwent: we're involved in the city region issue; we're delivering the services that a unitary authority does; we're involved in debates about the metro; and we're involved in discussions around the city deal and the rest of it. So, you're having all these discussions at different levels, with the health board with its own particular footprint and you've got the fire service and you've got the police service—all these different footprints and different service delivery models and mechanisms—but what we don't seem to have is that clarity of where the functions will lie in the future. What we seem to have is trying to shoehorn a map into existence, and then the functions may or may not remain the same, depending on a debate that'll take place at some point in the future.

[312] **Leighton Andrews:** Well, I'm confused now, Mr Davies, because you started off by saying there would be no debate, then you said there was a very active debate going on around things like the city region, the local health board boundaries and a whole series of other matters, and then you said you wanted clarity. So, do you want debate or do you want clarity?

[313] **Alun Davies:** What I want is a leadership that has a vision about where we're going, but what we can't—

[314] **Leighton Andrews:** That's what the White Paper did.

[315] **Alun Davies:** I think it went a long way down that route. I thought it was one of the best White Papers I've seen produced by this Government and the previous one.

[316] **Leighton Andrews:** Thank you.

[317] **Alun Davies:** I thought it was well written, I thought it had an intellectual clarity to it and a grammatical clarity, which is almost always missing from Government papers. [*Laughter.*] So, I don't simply wish to criticise that process, but what I'd like to tempt you towards—you're usually very good at being indiscreet—[*Laughter.*] What I'd tempt you towards is a more profound vision of the services you see local government delivering in, say, five years' time. If the next Assembly is about reorganisation and if you or another Minister sitting in this seat in three or four months' time takes this ball and runs with it, which I'm not convinced is actually certain at the

moment, then what are the services that a new Gwynedd will be delivering? What are the services that a new Conwy will be delivering? What are the services that the greater Gwent, if you get your way, and I hope you don't, will deliver? Until we understand that, I'm not sure that we can have that debate.

[318] **Christine Chapman:** Minister.

[319] **Leighton Andrews:** I thought you were going to call it the greater Blaenau Gwent then, for a moment.

[320] **Alun Davies:** I'd be happy with that.

[321] **Leighton Andrews:** Look, I think the White Paper went into extensive detail on the opportunities for local government, and what we said was we wanted citizen-led, activist councils that deliver high-quality public services with and for their communities. I think the vision in that document is quite clear. You've been very complimentary about it; I'm grateful to you for that. I think that we had this committee scrutinise me on that local government White papers; we've had extensive discussions in this committee about that. I am comfortable with what we outlined in there. That outlined a new relationship, if you like, between central Government and local government. It made it clear that the Welsh Government would expect to set certain kinds of benchmarks for performance and targets in a very limited number of areas—for example, education, social services and the environment. It made it clear that there was scope, also, for the general power of competence to be granted to local authorities, as they'd been requesting. It looked also at the relationship between principal local authorities and town and community councils, as well. So, I think there was a considerable amount in that White Paper. That remains our vision for the future of local government in Wales.

[322] **Alun Davies:** Is your instinct to devolve more powers to local government, or not?

[323] **Leighton Andrews:** Not to the current 22 local authorities, no.

[324] **Alun Davies:** But to future local authorities.

[325] **Leighton Andrews:** I think that is a debate to be had when we have created a new structure.

[326] **Alun Davies:** I accept that; you've said that before, but I'm trying to tease out where you're coming from. Are you coming from a direction of wishing to do so or coming from a position where those powers have to be prised out of you?

[327] **Leighton Andrews:** I don't think we're at that stage of debate, bluntly. It seems to me that the stage of debate we're currently at is trying to resolve the question of local government reform. Once we have resolved that, then we can engage in the debate on what other powers may or may not be capable of being devolved.

[328] **Christine Chapman:** Thank you. We've got 25 minutes left, and I know that some Members haven't had the opportunity yet to come in, so I want to make sure that everybody has had opportunity, as far as possible. John.

[329] **John Griffiths:** I just wanted to come back on the matter of general powers of competence, Minister, because we've had varying views, I think, in terms of how significant that power would be and to what extent local authorities could do things that they're not currently able to do. I just wonder if you could give us some idea of your view as to the significance of those general powers of competence. What sort of things could local authorities do that would make a real difference and achieve a real improvement, compared with their current powers?

[330] **Leighton Andrews:** This is a power, obviously, that local government has sought itself, and we set out in the White Paper our views of that in considerable detail. I don't propose to go through trying to discuss that in a way that would limit the use of that power. I think, once you have that power, local authorities can innovate and can look at new ways of approaching the development of their areas and new ways of engaging with their communities. But, as I said, I felt we dealt with that issue considerably around the time of the local government White Paper.

[331] **John Griffiths:** So, given that, you know, as I say, we've had differing views, Minister, there's nothing you would say, at this stage, then, in terms of just how significant those powers would be.

[332] **Leighton Andrews:** Well, I don't want to restrict local government in the use of that power. I think it's for them to determine that. They sought that power and it's for them to explain how they're going to use it.

[333] **Christine Chapman:** Thank you. Mark, did you have some further questions?

[334] **Mark Isherwood:** Yes, thank you. Firstly, an inconvenient truth is evidence available internationally that many smaller nations, regions, organisations and businesses are very good at delivering services cost-effectively and efficiently. There's no direct correlation between size and service delivery. What consideration have you given to such evidence internationally and nationally to consider what linkage there is between the structure of a map and the size of the organisation within that structure, and the bottom-up approach that is actually trying to design the services to deliver best outcomes backwards?

[335] **Leighton Andrews:** I've said in this committee today and previously that I don't think there's necessarily an optimum size for delivery. It's quite true; even within Wales there are small councils that are delivering high-quality services. I wouldn't deny that. I think the issue for us is whether the current structure of local government in Wales is coherent and makes sense overall. Our view is that it does not. In terms of international evidence, I've looked at the examples, both in this current job and in my previous role as education Minister, in a variety of administrations around the world.

[336] **Mark Isherwood:** Okay. Well, SOLACE—the society of local authority chief officers—told us, regarding community area committees, that they had

[337] 'concerns about the potential plethora of bureaucracy and the cost of maintaining and supporting this.'

[338] Why, therefore, do you believe your proposals for local area committees would enable better delegation and delivery of functions?

[339] **Leighton Andrews:** [*Inaudible.*] My arthritic fingers are not serving me very well this morning, I'm afraid.

[340] I'm familiar with what SOLACE has said. I think it's important that we do put in place, after reform, a structure that enables elected members to stay closely in touch with their own communities, and that that then facilitates a structure in which local communities can feed their priorities into, for example, the broader budget-setting process. That's why we've suggested a model of community area committees, which will feed directly into the decision-making process within authorities. They can also provide

challenge to the cabinet in a local authority to demonstrate that it is taking account of differences between communities within their local authority.

[341] I think that the proposal for community area committees is part of that process of changing the way in which local authorities run their services. Scrutiny through the formal process that we currently have is one way of providing challenge across a broad service, but I think community area committees can introduce a new form of challenge on behalf of communities.

[342] **Mark Isherwood:** Again, I'm sorry I used the term 'local area committee'. I think it was Stalin who used that for the cadre system. I shouldn't have used it.

[343] What are your views on SOLACE's suggestion that an alternative approach would be, and I quote, to

[344] 'redesign the relationship between Community Councils and the new local authorities, with powers of delegation aligned with clear lines of accountability for delivery and cost effectiveness'.

[345] **Leighton Andrews:** Well, it may be possible to do that as well, in the sense that we said in the White Paper originally that we wanted to explore the relationship between principal local authorities and town and community councils. However, one of the problems currently is that we have a very patchy map of town and community council provision. This is a consultation. We'll look at what SOLACE has said alongside looking at what others have said.

[346] **Mark Isherwood:** How can you provide assurance, then, that the creation of community area committees wouldn't lead to increased complexity and bureaucracy within local government arrangements, and what can you propose within this legislation to safeguard against that—i.e. keep it organic rather than systemic?

[347] **Leighton Andrews:** Well, I think we're trying to build on some of the things that already exist in Wales at the present time, and indeed beyond Wales. I mean, authorities such as Monmouthshire and Cardiff, for example, have approaches to neighbourhood management in place that are about understanding the collective needs of communities and also how to involve those communities in the democratic process. I think whenever a structure is created, somebody complains that it has got an element of bureaucracy

about it. That almost comes with the territory, to be honest. I think it's down, ultimately, to the local authorities to make these things function, but there are organic developments already in place in a number of authorities.

[348] **Mark Isherwood:** Can you not understand or see the concern that the tiers for one small area of governance, which would be mandatory, would be complex and costly? How do you respond to the concern that the estimated cost of £1.7 million would not, as you allude, actually represent value for money accordingly?

[349] **Leighton Andrews:** I can certainly understand the fears, and it's down to leadership in local authorities to ensure that doesn't happen. The cost is estimated. It's not a major cost, frankly, across the whole of local government in Wales, which spends some £8 billion a year. So £1.7 million is a very small fragment of that. It's based on a broad assumption that there would be roughly 100 committees across Wales meeting about six times a year at a cost of around £17,000 per committee. I don't think that's a burdensome cost. I don't think it's a major bureaucratic mechanism, either.

11:15

[350] **Mark Isherwood:** What if the leadership, doing its job properly and providing leadership, evidences alternative models, as SOLACE have sought to do, and suggested that the proposed model would not be the most cost-effective, efficient way of doing this?

[351] **Leighton Andrews:** Well, as I said, we're out to consultation and the consultation closes on Monday. We'll look at what's been said during the process of this consultation and SOLACE's views are there to be looked at.

[352] **Mark Isherwood:** I'm concerned that a number of times, you've suggested that those who disagree with your proposals lack leadership. I hope you'll withdraw that and confirm that leadership includes, as you seek to do, bringing forward often provocative proposals, but respecting those proposals, and then look at the evidence, wherever they may come from.

[353] **Leighton Andrews:** Well, I am quite prepared to accept that leadership includes the right to disagree with propositions from other people. But on the broad issue of local government reform, I do think there has been a lack of leadership from within local government and I'm not going to retract that.

[354] **Mark Isherwood:** I think we're aware of your view on that. Okay, thank you.

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

[356] **Gwyn R. Price:** Thank you, Chair. Good morning. Given the WLGA's evidence that authorities already have arrangements in place to accurately engage with communities regarding service improvement, why does the Minister consider the provision for improvement requests is necessary?

[357] **Leighton Andrews:** Well, I think what we're seeking to do here is to ensure that community bodies have an effective opportunity to engage with their council and a right to participate. I know that the WLGA believes this is already happening and that local authorities are already dealing with informal improvement requests. If that's the case, then, the only additional activity would be to make public the requests received and the actions agreed. I don't think that's a huge extra burden for them.

[358] **Gwyn R. Price:** That's it, Chair, thank you.

[359] **Christine Chapman:** Thank you. Bethan.

<p>[360] Bethan Jenkins: Rwyf i jest eisiau gofyn cwestiynau ynglŷn â'r hyn sydd yn cael ei roi gerbron o ran dyletswyddau statudol i gynghorwyr. Fe wnes i ofyn cwestiynau i'r panel WLGA yn gynharach ynglŷn â hyn o ran ei fod yn weddol <i>specific</i> ynglŷn â'r dyletswyddau sydd yn orfod arnyn nhw. Nid yn unig oedden nhw'n dweud bod potensial i fynd allan o ddyddiad, a bod yn hen ffasiwn ond hefyd, mae'n mynd rhagddo'r dyletswyddau y mae Aelodau'r Cynulliad, Aelodau Seneddol ac eraill yn eu cael.</p>	<p>Bethan Jenkins: I just wanted to ask questions about what is being brought forward in terms of statutory duties for councillors. I asked questions of the WLGA panel earlier about this in terms of how it's quite specific about the roles and responsibilities that are set out as being statutory for them. Not only was there possibility that they could become outdated and old fashioned, but it also goes beyond the duties expected of MPs, AMs and others.</p>
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<p>[361] Rydym ni'n gweld o Filiau gwahanol sydd yn dod o'r Llywodraeth gan Weinidogion</p>	<p>We see from various Bills that come from the Government from various Ministers that they don't want to be</p>
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gwahanol nad ydyn nhw eisiau bod yn rhy *prescriptive* mewn nifer o adegau, oherwydd ei fod yn cyfyngu ar eu gallu nhw i weithredu. Pam, felly, ydych chi wedi dod gyda chymaint o fanylion yn hynny o beth o beth fydd yn orfod ar aelodau etholedig ar lefel lywodraeth leol i'w wneud?

[362] **Leighton Andrews:** Well, let me say from the outset that there's nothing I am suggesting in this Bill that I would not be prepared to contemplate for Assembly Members as well. You know, the holding of regular surgeries: I certainly hold those; the way in which we report to constituents; a duty to turn up to meetings, you know—all of those things are expectations of Assembly Members. Maybe we should codify them for Assembly Members as well. I don't have a problem with that, myself.

[363] I think it is right, however, at the very least, to have a debate around these issues in respect of local government. I'm sure we all are aware, because none of us around this table is naïve, that we hear, from time to time, from councillors that some councillors do rather more than others in terms of serving their constituents, or contributing to committees or other meetings, and I do think it's right that we, as a National Assembly, seek to set high standards in local government.

[364] **Bethan Jenkins:** Nid wyf yn credu bod unrhyw un yn dadlau yn erbyn egwyddor y peth ac yn sicr, egwyddor y ffaith y dylai pobl fod yn gweithio'n galed dros y bobl maen nhw'n eu cynrychioli. Ond, nid wyf yn deall o'r hyn rydych chi wedi ei ddweud, pam fod angen hyn mewn deddfwriaeth. Wrth gwrs, gallem ni roi canllawiau, gallem ni gael cod, rwy'n derbyn hynny, ond pam, yn gwmws, bod deddfwriaeth yn angenrheidiol yn hynny o beth? Achos bydd yna bethau a fydd yn newid. Bydd cyfrifoldebau yn newid

Bethan Jenkins: I don't think that anyone is arguing against the principle of this, and certainly, the principle that people should be working hard for the people they represent. But, I don't understand from what you're saying, why this is needed in legislation. Of course, there can be guidance, there can be a code of practice and I accept that, but why, precisely, is legislation needed in this regard? Because there will be things that will change. Time will pass, responsibilities will change. So, is the minimum of what a local

gydag amser. Ai isafswm yr hyn y member should be doing what is set
 dylai aelodau lleol fod yn ei wneud out in legislation, or should there be
 yw'r hyn sydd mewn deddfwriaeth a requirement of the minimum that
 felly, neu ofyniad o isafswm yr hyn y they should be doing as a local
 dylent fod yn ei wneud fel representative?
 cynrychiolwyr lleol?

[365] **Leighton Andrews:** Well, it's a fair question; it's a fair debate, I think. It seems to me that what we're trying to do here with the Bill is to set high expectations in terms of local government performance. We want to ensure that our electors can have confidence in those who are standing for election, that they have an understanding of the duties that will be expected of them. I'm sure that the vast majority of councillors who are conscientious people themselves would be carrying out most of these functions. However, I'm sure that we're all aware of suggestions where this has not been the case. So, as I say, my proposal at the moment is to put it into legislation. You're quite right; it could be in guidance. As I say, we're out to consultation until Monday on this. We'll look at the views that have come in, but it seems to me that, if we're going to legislate for a fundamental reform of local government, then perhaps restating the duties of local councillors is worth doing. I don't think that's been done for—. Well, I don't think it's ever been done, actually. My officials are confirming that they don't think it's ever been done. Maybe it should be done for Assembly Members. Who knows?

[366] **Christine Chapman:** Mike.

[367] **Mike Hedges:** Returning to structures, my question is that we had SOLACE and we've had the Welsh Local Government Association talking about enhanced community councils. I've heard you and the First Minister also talk about enhanced community councils. This is getting to more and more look like, to me, pre-1973 with the rural and urban district councils underneath the large county councils. Do you see the similarity? And, if so, do you see that it's a problem?

[368] **Leighton Andrews:** I was only 16 in 1973, so—

[369] **Mike Hedges:** So was I.

[370] **Leighton Andrews:** My memory doesn't go back that far.

[371] **Mike Hedges:** So was I, but I also wasn't born at the time of the second

world war: neither were you, but you've managed to express an opinion on that, and that's not necessarily within your area of responsibility at the moment. So, can I take—?

[372] **Alun Davies:** At the moment? [*Laughter.*]

[373] **Mike Hedges:** Exactly. At the moment: I have no certainty that defence will not be devolved to Wales. There are two people in this room that would like it to happen. [*Laughter.*]

[374] **Bethan Jenkins:** We could sort Trident out then.

[375] **Leighton Andrews:** Sorry, what's the question, then? [*Laughter.*]

[376] **Mike Hedges:** The question was, with enhanced community councils and very large county councils—it didn't cover the Rhondda, but areas without having county boroughs at the time—aren't we looking at something very similar to pre-1973?

[377] **Leighton Andrews:** Well, I think what we're looking at is a new role for town and community councils within a context of larger principal local authorities. I'm not sure whether it's particularly helpful to try and draw comparisons to whether that's a return to pre- or post-1973. I'm focused on the future model for local government here. This seems, to me, to be an argument that can be had by people who have a very in-depth knowledge and extensive background in the history of Welsh local government. However, I don't have that background, and I'm not particularly interested in that as a debate. What I'm interested in is the future.

[378] **Mike Hedges:** Chair, can I just throw one last question in?

[379] **Christine Chapman:** Mike.

[380] **Mike Hedges:** We've talked about local government and we've talked about local councillors. Will you join me in congratulating the local councillors of all political parties and none for the hard work they do on behalf of their communities?

[381] **Leighton Andrews:** Yes, of course I will. I've said—you may recall that when I was—. I've said it as a Minister, and I've said it as a backbencher in recent years, that this is a very difficult time for everybody involved in local

government, regardless of their party. They're having to make—. Nobody came into local government to cut and shut. They're all having to make very difficult decisions. I think we understand that, and I think it's a sentiment that will be widely shared within the Assembly.

[382] **Mike Hedges:** Thank you. That's me.

[383] **Christine Chapman:** I've got Alun, and then Lindsay.

[384] **Alun Davies:** Yes, my question actually follows on precisely from that. One of the characteristics of the policy that you and predecessors have followed has been to protect local government from the worst of the austerity cuts that we've seen from the United Kingdom Government. One of the characteristics we've seen develop over the last five years is that local government in England is being emasculated in terms of the funding cuts. I think the National Audit Office estimated that there was a 40 per cent real-terms cut in the funding available to local authorities in England, which is causing absolute chaos for the delivery of services and, of course, a loss of jobs and the loss of democratic localism in any realistic sense at all.

[385] Now, the policy that has been followed by the Welsh Government has been to protect local government, to protect local jobs and to protect local democratic accountability. In terms of taking this forward—and whatever the shape of different maps and forms or functions—do you foresee that, over the next few years, a Welsh Government that you were a part of would continue that financial policy of underpinning local services, local jobs and local government and giving local government the sort of protection that has enabled it to withstand the financial pressures that you have described yourself?

[386] **Leighton Andrews:** Well, I'm glad you've reminded us of the way in which we've protected local government spending over recent years because, even with the bung that was handed yesterday to Conservative councils in the south-east of England by the UK Government, the cuts on average being suffered by councils in England compared to councils in Wales are roughly double this year into the next financial year—double the cuts in England compared to the cuts that have been sustained in Wales.

[387] I think that, if you look at the Welsh Government budget, it is very clear that a considerable amount of the money is passed through to local government. That is done in order to sustain local services in important areas

such as education and social services, waste management, and leisure and library services, of course. The difficulty for us, ultimately, is the budgetary settlement that we receive from the UK Government. I think it is likely that local government is going to have to rely more on its own resources, though I think we would want to keep our protection high. But I can't predict the kinds of budgetary settlements that the Welsh Government will receive from the UK Government over the next few years.

[388] **Christine Chapman:** Lindsay.

[389] **Lindsay Whittle:** I just wanted to make a quick point, Chair. I've been around since 1967, but pre-1973, of course, every area of Wales had urban district councils and town councils, and they don't now. Probably half of Wales doesn't have a town or community council.

[390] **Mike Hedges:** The urban—*[Inaudible.]*—but old county boroughs didn't.

[391] **Lindsay Whittle:** The old county boroughs, yes.

[392] **Christine Chapman:** Okay, well we can discuss this separately.

[393] **Alun Davies:** Shall we go for a cup of coffee while you two discuss this? *[Laughter.]*

[394] **Lindsay Whittle:** But the cost of establishing them is what concerns me. I wouldn't do it, if I were you, Minister, but that's your—

[395] **Christine Chapman:** Minister, we are sort of coming to the end of the session, but there was a specific question that I think you needed to respond to. This is on Part 5, 'COUNTY COUNCILS: IMPROVEMENT OF GOVERNANCE'. The auditor general did raise a concern that several aspects of Part 5 are not compatible with audit independence, and obviously that's a fundamental audit principle. Can you respond to that comment?

[396] **Leighton Andrews:** Yes. I thought that comment was absurd.

[397] **Christine Chapman:** Okay. Well, that's fairly clear then. Okay—

[398] **Alun Davies:** Is there a reason why you think it's absurd?

[399] **Leighton Andrews:** Yes. Let's be clear: the Wales Audit Office and the role of the auditor general are clearly laid down in statute. I think the independence is guaranteed by statute. I'm surprised that the auditor general or his officers don't think that there is a role for them in working, for example, with the inspectorates to develop collective assessments of local authorities, and I'm surprised that they see this clause as a breach of their independence. I think their independence is guaranteed in statute.

11:30

[400] **Christine Chapman:** Okay. Well, as I said, I think we need to draw this session to a close, so can I thank the Minister and his officials for attending? I think it's been an excellent discussion. Obviously, we will be deliberating on what we have heard. So, can I thank you, Minister, for attending today? Obviously, as usual, we will send you a transcript of the meeting so that you can check for any inaccuracies.

Papurau i'w Nodi Papers to Note

[401] **Christine Chapman:** For the committee, then, there are a number of papers to note, and I would like to invite the committee to move into private session.

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o Weddill y Cyfarfod ac o Gyfarfodydd 25 Chwefror, a 2, 10 ac 16 Mawrth

Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Remainder of the Meeting and for the Meetings of 25 February, and 2, 10 and 16 March 2016

Cynnig:

Motion:

bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod ac o gyfarfodydd 25 remainder of the meeting and the Chwefror, a 2, 10 ac 16 Mawrth, yn meetings of 25 February and 2, 10 unol â Rheol Sefydlog 17.42(vi).

and 16 March 2016, in accordance with Standing Order 17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

[402] **Christine Chapman:** So, first of all, are Members content with that? Yes.

Derbyniwyd y cynnig.

Motion agreed.

[403] **Christine Chapman:** Before I close the meeting, I just wanted to say that this will be the committee's last public meeting before dissolution. The remaining couple of meetings will be in private session because we need to draw conclusions together for the evidence. So I would like to put on record my thanks to all the members of this committee for their work over the course of this Assembly, but also our clerking team as well, because I think they've done an excellent job. So, can I thank all of you, anyway?

[404] I'd now like to close the public meeting.

Daeth rhan gyhoeddus y cyfarfod i ben am 11:31.

The public part of the meeting ended at 11:31.