



Localism 2016-21

A plan for public services in Wales

November 2015

Summary

The National Assembly for Wales elections in May 2016 come at a crucial time for public services in Wales.

The impact of ongoing austerity has seen £720m cut from local services since 2010, and it is anticipated that local councils will face a cumulative budget shortfall of over £940m by 2019.

The majority of unprotected council services now face being locked into a process of serious decline, with services vital to economic growth and the general well-being of communities having already experienced budget reductions of between 20% and 50%.

Councils are delivering

Local authority performance indicators have broadly improved year on year during the past Assembly term and, despite some significant challenges in some service areas, the WLGA expects that by 2016 none of Wales' local authorities will be in special measures.

There is ample evidence in key services to demonstrate that when the Welsh Government and local government work closely together that remarkable results can follow. Wales achieving the highest average recycling rate, the development of a National Model for Regional Working and school improvement consortia all offer active and effective examples of a joined-up approach between local and central government.

The same principles apply for the growth-agenda, where the North Wales Economic Ambition Board, the Growing Mid Wales initiative and the Swansea Bay city region are all driving ambitious regional regeneration programmes. The Cardiff City Deal alone could provide a direct investment of up to £1bn over the next 10 to 15 years.

Councils are changing

Councils are evolving in response to financial pressures, with demand management increasingly replacing the traditional operating model of providing 'blanket' services to our communities. There is far greater variety of service providers and service delivery models, including the emergence of community trusts, local authority trading companies and mutuals. There is greater innovation, wider use of digital technology as well as a move to delivering services at a regional level through new merged services, shared posts and joint procurement programmes.

Welsh local authorities are fully committed to radical public services reform. We accept the need for change. As we approach the Assembly elections however, the position on local government reorganisation in Wales remains uncertain and there is no clarity over costs or how it would be funded.

Whatever the outcome of the next Assembly election, reorganisation will not happen until 2020 at the earliest. Any predicted savings may therefore be as much as a decade away and will not remedy the enormous financial challenges we face over the next five years.

Helping councils deliver for local communities

Our councils need early commitments and support to tackle the challenges faced now, next year and in the run-up to any future reorganisation.

Local services provide the bedrock of safer, more cohesive and fairer communities. In this setting, councils are the key democratic bodies charged with the role of governing their locality and representing it. To do that they must have autonomy, financial security and control of their own localities. This is the essence of localism.

Our manifesto therefore calls for:

- **Clarity and commitment to partnership** - clarity from the Welsh Government about the future of local government, its roles and responsibilities and clarity around the plans and timescales for reform. A restatement of a commitment to partnership governance in Wales is essential to ensure that local and national government are working together based on clear principles of mutual respect and understanding.
- **Fair and flexible funding** - councils need greater fiscal autonomy and flexibility to respond to local needs and priorities. Specific grants should be transferred into the settlement, and the Welsh Government should commit to multiyear financial settlements so councils can plan more effectively and fully cost and fund any new national initiatives or legislation.
- **Commitment to the principle of Subsidiarity** - the Welsh Government should commit to the European Charter of Local Self Government and the principle of subsidiarity, where the presumption is that power is transferred to the level of government closest to the people. The Welsh Government has a clear national strategic role, but councils want to see momentum behind the devolution of powers beyond Cardiff Bay to local government and to local communities.

Our manifesto sets out 40 key priorities for the next Welsh Government to address, which will help local authorities respond to local challenges and needs and contribute to the delivery of national ambitions and outcomes. More importantly they will help local councils deliver on the priorities of their own local communities.

Whatever happens in the 2016 Welsh General Election, our manifesto makes it clear that urgent Government action is required now to protect local services and the communities who rely upon them.