

Future Relationships with Welsh Local Government

Summary

1. This report sets out the constitutional amendments which the LGA Executive is recommending to the General Assembly. It indicates the areas which will be given further consideration by the LGA Executive.

Recommendations

2. That:
 - I. The constitutional changes set out in Paragraphs 8 and 9 of this Report be approved.
 - II. Consideration of voting rights, subscription levels and inclusion within political balance calculation be delegated to the LGA Executive, following further consultation with the Welsh Local Government Association and local authorities in Wales.

Background

3. On 25th November, the LGA Executive approved a report which outlined the progress which had been made since discussions with the WLGA began at the 2003 Annual Conference. A progress report was made to the General Assembly at its July meeting.
4. In summary, this is a new category of membership for Welsh authorities, with reduced representational rights, coupled with a range of services provided by the LGA, agreed and paid for under a service level agreement. This approach recognises the devolution settlement, while continuing to provide local government in Wales with a service on non devolved matters, and the benefits of access to a wider base of information and experience. Welsh authorities will have the option of the new form of membership, or of continuing as full members of the LGA.
5. The membership relationship with the LGA is a matter for individual authorities in Wales. Twenty out of twenty five individual authorities (including the three fire authorities) in Wales have given protective notice of withdrawal from 31 March 2005, while making it clear that the notice will not be acted upon if an amended relationship is achieved.
6. A meeting arranged between the leadership of the WLGA and the LGA Group Leaders will take place early in the new year, to agree the final details.

Constitutional Provisions

7. The current provision regarding the WLGA is as follows:

- “11.1 There shall be a Welsh Local Government Association for member authorities in Wales, which shall speak for interests in Wales**
- 11.2 In recognition of the special constitutional position of Wales as a nation in its own right:**
- (i) the Welsh Association will have complete autonomy in respect of all policy matters affecting Wales;**
 - (ii) the Welsh Association will have complete autonomy in respect of Wales’ relationships with the international community including European organisations;**
 - (iii) the Welsh Association will be entitled to appoint directly representatives to the Welsh share of places on national and international bodies**
 - (iv) the Association will pay to the Welsh Association a grant equal to one half of the annual running costs of the Welsh Association, calculated on a basis agreed by the Association;**
 - (v) the Welsh Association will determine its own constitution and subscriptions.”**

8. The LGA Executive recommends that this be replaced in its entirety by the following:

“11.1 Local Authorities in Wales, and statutory joint combined fire and police authorities established by statute and National Parks authorities in Wales, shall be eligible either for full membership of the Association, or for welsh

11.2 Welsh Local Authorities joining as full members will be entitled to participate fully in all the activities of the Association. Welsh Local Authorities that join as welsh corporate members will have limited voting rights as set out in article 6 of the Constitution, and limited representational rights as set out in article 9.3 of the Constitution.

11.3 There shall be a Welsh Local Government Association for member authorities

in Wales, which shall speak for interests in Wales.

11.4 In recognition of the special constitutional position of Wales as a nation in its

own right:

- (i) the Welsh Association will have complete autonomy in respect of all policy matters affecting Wales;
- (ii) the Welsh Association will have complete autonomy in respect of Wales' relationships with the international community including European organisations;
- (iii) the Welsh Association will be entitled to appoint directly representatives to the Welsh share of places on national and international bodies"

11.5 In addition to the subscriptions paid by individual Welsh Authorities, the

WLGA shall pay to the LGA a sum agreed annually under a service level

agreement for member services, corporate services and policy development

and lobbying on non devolved policy;

11.6 The Welsh Association will determine its own constitution and subscriptions

and will pay over to the Local Government Association individual authorities

subscriptions to the LGA collected by them."

Voting Rights

9. Article 6 of the Constitution sets out voting rights at the General Assembly (based generally on population) and differentiates between the voting rights of full and corporate members. This principle needs to be followed for the new category of welsh corporate membership.

The LGA Executive recommends the following addition to Article 6:

"Welsh Authorities joining as welsh corporate members shall be entitled to vote only as follows

- (a) On the election of Chair, Vice Chair and Deputy Chair under Article 7.4 and on questions of estimated expenditure and subscriptions under Articles 23.1 and 23.2, each member will have one vote
- (b) On non-devolved matters directly relevant to their statutory duties and responsibilities, each welsh corporate member shall be entitled to the same number of votes as a unitary authority within their population band

Welsh Authorities opting for full membership will have voting rights equivalent to that of

a unitary authority within their population band on all matters.

Matters for the LGA Executive

Subscription levels and other financial considerations.

10. Initial discussions with the WLGA have suggested that the subscription level for welsh corporate membership could be set at that which applies to corporate members (and district councils). For 2004/05 this was £13,037. For the 25 authorities eligible for membership, this would produce an income of £325K. For 2005/06, there would be an additional income of £130K, from the five authorities who have not given protective notice. It is probably unsafe to rely on this as an authoritative indication of the numbers of authorities who would wish to stay in full membership in the longer term and it may also be necessary to enter into fresh negotiations with the five authorities so far as 2005/06 is concerned. Notice had to be given by 31st March 2004 to be effective by 1st April 2005, and several of the authorities concerned changed political control after the June elections
11. In 2004/05 welsh authorities contributed £928K to the LGA through individual member subscriptions. £521K was paid back to the WLGA. This is more than the 50% referred to in the Constitution. The amount “retained” by the LGA was therefore £407K which could be regarded as covering the full range of services provided by the LGA to member authorities and the WLGA.
12. The LGA Executive will discuss the subscription level for welsh corporate membership of the LGA for 2005/06 with the WLGA.

Political Balance

13. The political balance of the LGA is calculated after the local elections each year, by reference to the overall electorate represented by each party (and none). Welsh Authorities with identical voting rights and subscriptions as their English equivalent have been included within the calculation. The next elections in Wales will be in 2008.
14. The position if some or all Welsh Authorities opt for welsh corporate membership, with reduced voting rights and subscription levels needs careful consideration. There are options at either extreme. One approach would be to ignore the welsh corporate membership category and include all Welsh members in the political balance calculations. Alternatively, authorities in welsh corporate membership could be taken out of the calculations.
15. A compromise would be to reduce the weighting given to welsh corporate members within the calculations of balance. This would complicate the calculations, but it would be possible to reduce the electorate attributed to an individual welsh corporate member by a factor equivalent to the proportion that the reduced subscription level bears to the subscription level that would have been payable if the welsh corporate member had remained in full membership.
16. The LGA Executive will discuss this with the WLGA.

The Service Level Agreement

17. There are two main categories of services to be covered. The first is administrative / corporate e.g.

- Provisions of payroll services, including pension management
- maintenance of member database
- access to member facilities a Local Government House
- access to information centre, receipt of First etc.

The cost of providing these services is being established and charged to the WLGA on a pro rata basis

18. The second set of services are around policy development, lobbying, tracking Welsh “Bills”, joint work, access to Central Government and signposting. Current examples are:

- Treasury – Macro Economic policy and the Barnett formula
- ODPM – Balance of Funding, Primary Legislation on Local Government
- Cabinet Office – Emergency Planning and civil contingencies
- Home Office Police Service, Immigration and Nationality, Community and race, Justice System (Probation, CPS etc)
- Department on Constitutional Affairs Devolution Settlement, Elections
- Department for Environment, Food and Rural Affairs Regulatory Services associated with DEFRA e.g. Animal Health and Welfare, Food Safety, Environmental Protection
- DCMS Broadcasting Licensing, Gambling
- Department of Work and Pensions Housing benefit, Council Tax benefit, Pensions, One Stop Shop

19. It is intended that this second category of services will be paid for by the welsh corporate membership subscriptions.

20. The LGA Executive has agreed that officers progress the service level agreement and report back.

Implications for Wales

21. These are set out in the Report.

Financial / Resource Implications

22. These are set out in the Report.

Contact Officer: John Rees 020 7664 3274 john.rees@lga.gov.uk