

Carl Sargeant AC/AM

Y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth

Leol

Minister for Social Justice and Local Government



Llywodraeth Cynulliad Cymru

Welsh Assembly Government

Eich cyf/Your ref

Ein cyf/Our ref: LF/CS/024/11

Angela Burns AM

Chair

Finance Committee

National Assembly for Wales

Cardiff Bay

CF99 1NA

11 February 2011

Dear Angela

Proposed Local Government (Wales) Measure

Thank you for your letter dated 2 February about the Assembly Government's amendments tabled to the proposed Local Government (Wales) measure which would enable the Welsh Ministers to amalgamate local authorities in Wales.

You expressed your members' concern about such wide ranging amendments being introduced after Stage 1 scrutiny. The amendments are a response to increasing urgency of the need to provide effective tools to drive forward collaboration between local authorities. This was recognised by Legislation Committee 3 in their Stage 1 report which stated that:

"given the drive towards collaboration across public services generally, we believe that the proposed Measure needs to be strengthened to provide a more effective tool to compel collaboration in circumstances beyond the current limited powers in the 2009 Measure."

The proposed amendments would give the Welsh Ministers a power to amalgamate two or three local authorities (and no more). In the current financial climate, local authorities need to work together and collaborate much more closely with their neighbours. In the last year it has become clear that some local authorities are more willing to do this than others. To save money and protect frontline services, we need the tools to make this happen.

The Local Government Measure provides us with a timely opportunity to secure powers which, it has become obvious, are necessary. If we did not take the opportunity to introduce the amendments at this stage, we would need to start the whole process of timetabling and

introducing a new Measure following the elections in May. This is likely to take another 12 months– it is conceivable these powers may need to be used before then.

This is an enabling power – it would enable Welsh Ministers to bring forward a proposal for amalgamation at some point in the future. It is not possible at this stage to make an assessment of the cost implications; these would depend entirely upon the circumstances of each proposed amalgamation. We would certainly anticipate each amalgamation producing large-scale savings arising from changes in corporate services, procurement savings and the economies of scale which would flow from the amalgamation of two or three authorities into one. The savings would depend on many different factors depending on the authorities concerned.

Looking to the future, the use of this power will be governed by the Assembly's super affirmative resolution procedure. This means that when proposing to use the power, Welsh Ministers must consult with the representatives of those affected before laying before the Assembly a document explaining the proposals, the results of the consultation and an initial draft order. Details of all the costings and projected savings would be included in the consultation proposals and in the explanatory document to be placed before the Assembly when the initial draft order is laid. It would be an opportunity for Assembly committees to "call in" the proposal during the 60 day period for detailed scrutiny.

I hope my explanation of the procedures has provided re-assurance about how we would use the power and the information we would examine and publicise.

Yours sincerely

A handwritten signature in black ink, reading 'Carl Sargeant' with a stylized flourish at the end.

Carl Sargeant AM/AC