A new partnership?
The National Assembly for Wales and Local Government

Martin Laffin, Gerald Taylor and Alys Thomas

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Acknowledgements

We would like to thank the members of our advisory panel for their advice and guidance during the research, and particularly Pat Kneen from Joseph Rowntree Foundation (JRF). We would also like to thank those in the Assembly and local government who were kind enough to give their time and especially the Assembly civil servants who assisted us with the financial information in Appendix 3. However, we take full responsibility for any errors of fact or interpretation in this report.

Executive summary

This report is a study of the impact of devolution on local government in Wales. The advent of the Assembly in 1999 has transformed Welsh politics and government. Not least, it has raised significant questions over the respective roles of the Assembly and local authorities. The central question we address is whether the creation of the Assembly has led to a more crowded Welsh governance system and policy space, and, therefore, whether it has reduced local government discretion.

Setting the scene

The Assembly is an elected body with an all-Wales mandate that has displaced a Welsh Office that was essentially an agent of the centre. This change has created new political dynamics within Wales. The Assembly Cabinet has been keen to assert its policy leadership within Wales, yet has to recognise the political salience of local government (especially Labour local government) and the value of local government given the Assembly's limited policy development resources (its policy deficit). Similarly, those in local government have to recognise not only the need for a policy framework for Wales, but also the right of the Assembly to formulate and implement such a framework.

Ambitions

The Assembly is not entirely the master of its own relationship with local government. It has to work within an England-and-Wales policy system, yet Welsh ministers are more favourably inclined towards local government than their Westminster counterparts. They have given greater freedoms to local authorities and have introduced, in *policy agreements*, an important new policy instrument with the potential to co-ordinate Assembly and local priorities. However, they still face the difficult challenges of reconciling local diversity and service uniformity, departmentalism and co-ordination, and local democracy and service quality. Furthermore, key issues of accountability underlie these challenges: the new realities of devolution mean that Assembly ministers will increasingly take the blame when things go wrong.

Aspirations

The crucial issues for local authorities are twofold: money and discretion. Perhaps not surprisingly, devolution has not led to a significant increase in local government's share of the Welsh spending cake. Other policy priorities, not least health, press heavily on the Assembly. Over recent years, central government, under the Conservatives and now Labour, has significantly eroded local discretion. To some extent, the Assembly has slowed this erosion, notably by making less use of specific grants as policy instruments. Furthermore, the introduction of policy agreements and community strategies does have the potential to allow a more equal matching of priorities.

Structures

The Partnership Council fulfils a significant role of symbolic partnership but its 'rules of the game' require better definition and articulation. This raises issues about how meetings are managed, and especially the inputs from

ministers and how the Welsh Local Government Association (WLGA) involves its members. Feedback from the 'efficient' part of the Partnership Council (the task groups) was broadly positive and, as the 'dignified' part develops as a forum to which these report, its role may gain greater clarity.

The Labour Party plays a crucial role in Assembly–local government relations (ALGR). Labour links are important in co-ordinating policy between the Assembly Cabinet and local government. These links and party solidarity (as a 'rule of the game') underpin the way in which the Partnership Council presently works and are crucial in holding the WLGA together. But, many members from non-Labour authorities feel that the WLGA does not fully articulate their views. Meanwhile, some policy networks in Wales are highly developed, while others are only starting to emerge as Welsh policy communities or networks begin to crystallise. In particular, the professional associations, potentially key actors, have only very recently organised themselves on a Welsh basis and as yet are not effectively wired into ALGR.

Conclusions

The report's findings do not bear out the view that the Assembly would, as a strong sub-national body, crowd Welsh policy space, reducing local discretion. Collectively, local government, primarily through the WLGA, has been able to influence the Assembly on significant issues. Individually, local authorities have at least retained similar levels of discretion to those they enjoyed pre-devolution.

Four main factors have produced this outcome:

- the small number of authorities involved

- the closeness of the Assembly to local government

- the role of the Labour Party

- the Assembly's policy development deficit.

There is a striking contrast with English central–local relations where central government is more remote from local authorities and Labour ministers do not see local government as an important constituency. Nevertheless, key local government figures have argued that the Assembly should define its spheres of responsibility with greater clarity and stick to those spheres.

The report concludes that this demand for a tidy and mutually binding statement of respective powers and responsibilities is unattainable. Workable lines of managerial accountability between the Assembly and local authorities *do* have to be established but the arguments for an overall, internal Welsh 'constitutional settlement' are weak. The Assembly, like any comparable sub-nation state body, faces irresolvable tensions that make a strategic role both extremely difficult to define with any clarity and even more difficult to sustain over time.

The Assembly has to:

- work within the constraints of an England-and-Wales policy system, which shapes and sometimes overrides its own policy priorities

- respond to growing public demands for service uniformity yet be committed to local diversity

- ensure that the quality of local service delivery is high yet respect local democracy.

In Wales, as in other parts of the UK, both sides have to learn to live with ambiguity and accept the existence of irresolvable tensions.

Lessons

The lessons for the Assembly

- *Building on policy agreements*. Policy agreements have the potential to articulate effectively the policy priorities of the Assembly and local government.

- *Better strategic vision from the Assembly*. An overall policy vision of the Assembly's future direction would assist local government in its planning processes, promote more cross-cutting working and a more co-ordinated style of working within the Assembly.

- *Improving consultative processes*. The Assembly could ensure that its consultative processes more effectively engaged local government.

- *Scope for improved understanding between Assembly and local government*. Various initiatives are proposed whereby mutual understanding could be promoted.

The lessons for local government

- *Strengthening mediating organisations – WLGA*. The WLGA could play an enhanced role in improving and widening the policy dialogues between the Assembly and local authorities, particularly as a *knowledge broker*.

- *Strengthening mediating organisations – professional associations.* Given the deficit of policy development resources within Wales, the professional associations could play a more significant role.

- *Strengthening the role of elected members in ALGR.* The WLGA could do more to create effective accountability in ALGR by enhancing the role of elected members.

- *Individual authorities could adopt a more strategic approach in their relationship with the Assembly*. Individual local authorities need to consider what messages they want to send up to the Assembly rather than simply react to Assembly initiatives.

1 Introduction

This report is a study of the impact of devolution on local government in Wales. The advent of the Assembly in 1999 has transformed Welsh politics and government. Not least, it has raised significant questions over the respective roles of Assembly and local authorities. The Assembly has a very different relationship with local government compared with that of the former Welsh Office. As this report shows, the quality of the dialogue between these two levels of government has improved considerably since devolution. Nonetheless, significant areas of contention and irresolution remain within the relationship. The aim of this report is to inform debate among policy-makers and the public over the future direction and operation of Assembly–local government relations (ALGR).

The central question we address is whether the creation of the Assembly has led to a more crowded Welsh governance system and policy space, and, therefore, whether it has reduced local government discretion. Certainly, the Government of Wales Act 1999 not only left Welsh local government powers untouched but also required the Assembly to respect the role of local government. The assumption behind the Act was that the combination of a reinvigorated and directly elected level of government and powerful local government units would neither inhibit the Assembly's ability to make policy for Wales nor compromise local discretion. This study tested out this assumption.

The study explored the issues of ALGR at two levels. First, it investigated the general issues and pattern of relationships between the Assembly and local government at the collective level. This part of the research involved a general assessment of the role of the main mediating links in ALGR, particularly the Partnership Council, Welsh Local Government Association (WLGA) and professional associations. It also involved an in-depth analysis of three policy areas (school education, housing and social care) as representing major areas of local government service delivery activity. Second, at the level of individual authority relationships to the Assembly, six contrasting authorities were selected as case studies to examine the quality of those relationships.

This report is structured as follows. Chapter 2 sets the scene by outlining the Welsh devolution settlement and the recent history of Welsh local government, and elaborates on the main research question. Chapter 3 considers the Assembly's ambitions and, in particular, the policy tensions facing the Assembly and the policy instruments available to it. Chapter 4 turns to local government and reflects on the extent to which local authority discretion has been affected by devolution and the local government perception of the Assembly's role and style. Chapter 5 analyses the structures of partnership – mainly the Partnership Council, the WLGA and professional associations – between the Assembly and local government. Finally, Chapter 6 sums up the main findings of the research and outlines some of the lessons for the future of Welsh governance.

2 Setting the scene

Introduction

This chapter introduces the background to the main study. It sums up the powers and challenges facing the Assembly and the recent historical background to local government in Wales. It then considers the ambiguities and challenges inherent in Assembly–local government relations as a prelude to the later chapters.

The National Assembly for Wales

The National Assembly for Wales started work in July 1999. The Assembly has two main and unusual features. First, it exercises only secondary legislative power and so remains dependent on Westminster for primary legislation; unlike the Scottish Parliament and Northern Ireland Assembly which do have primary legislative powers. Thus, the Assembly has to work within the constraints of England-and-Wales policy systems, which shape and sometimes override Assembly policy priorities. However, the Assembly does enjoy complete discretion in determining its budgetary priorities as its spending allocation is an untied block grant. This grant is fixed through the Barnett Formula which gives Wales a roughly population-based share of planned changes in comparable spending in England.

Second, the Assembly is a corporate body not a parliament, which means that the distinction between executive and legislative functions is blurred – a design feature that has created tensions within the Assembly (Laffin and Thomas, 2000). It has 60 elected members and a small Cabinet which comprises the First Minister and eight ministers – a Business Secretary, a Minister for Finance and Local

Government and six Assembly Ministers covering the portfolios of Economic Development; Rural Affairs; Environment and Transport; Health and Social Services; Education and Lifelong Learning; and Culture, Sport and the Welsh Language. Another important feature of the Assembly is its seven subject committees which mirror these six portfolios plus local government. These committees are multi-functional, being expected to scrutinise as well as contribute to policy development.

Since October 2000, the Assembly Cabinet has been a coalition between Labour, the largest party, and the six-strong Liberal Democrat group. Even critics of the coalition agree that it has brought much-needed political stability to the Assembly following its turbulent first year, during which its foundation First Minister was forced to resign (Thomas and Laffin, 2001).

The Assembly has had a significant impact on the Welsh political landscape with the arrival of 60 elected, full-time members. The smaller parties, particularly Plaid Cymru, have a significant representation in the Assembly. The composition of the Assembly membership represents a decisive break with the traditional demographic make-up of elected members in Welsh local government. Assembly membership is more feminised (24 of the 60 members are women, over half the Welsh Cabinet are women), younger and more professional. In the context of this report, notably almost half (23) of the Assembly members (AMs) had served as local councillors.

The major challenge for ministers and Assembly members has been how to establish the Assembly as the key institution in Welsh governance and life. They are acutely aware of the narrow margin in the 1997 Referendum

which paved the way for the Assembly and are anxious to raise voter turnout at the next election above 50 per cent. Thus, the political premium has been on highlighting the value that the Assembly can add to policy-making in Wales. The main means of demonstrating the value-added is through the development of distinctive Welsh policies. Already, some instances of Welsh distinctiveness have emerged. The Assembly appointed the first Children's Commissioner in the UK in early 2001, following specifically Welsh legislation passed by the Westminster Parliament. The Assembly will provide free bus travel from April 2002 for pensioners and disabled people; prescription charges have been frozen and entirely abolished for 16–25 year olds and the over-60s; and dental charges have been abolished for the same age groups and eye-test charges for the over-60s. Another instance is the first Welsh Education White Paper in October 2001 which has explicitly rejected some of the key elements in its English counterpart (National Assembly for Wales, 2001a).

However, the Assembly faces a policy development deficit in terms of limited staff resources. It has about 3,000 civil servants, only a small proportion of whom are policy-level officials, to cover a wide range of policy areas. It is also taking time for many Assembly staff to adapt to the new, more policy-active ways of working and move away from the traditional Welsh Office policy role of simply passing on Whitehall policy (Laffin and Thomas, 2001). The policy deficit is very relevant here as it is an important reason why some Assembly ministers and officials have sought to work more closely with local authorities and their representative body, the WLGA. It means, too, that the WLGA

has a greater potential for influence than does the Local Government Association in London faced by the large Whitehall policy machine.

Local government in Wales

Historically, Welsh central–local relations were characterised by close relationships between staff in the Welsh Office and local authorities, certainly compared with England (Boyne *et al.*, 1991, pp. 16–17). Even during the 1980s and 1990s, central–local relations in Wales, while not entirely harmonious, were less polarised than in England. Nevertheless, good personal relationships between the Welsh Office and local government were of limited value as long as the former lacked influence in Whitehall. However, as will be shown in later chapters, the post-devolution Welsh political landscape means that the Assembly has been able to deal much more meaningfully with local government than did the old Welsh Office.

In 1996, Welsh local government was reorganised into 22 unitary authorities, replacing eight county and 45 district councils in Wales. These authorities range widely in size from Cardiff with a population of 321,000 to Merthyr Tydfil with a population of 57,000. Traditionally, the Labour Party has dominated South Welsh politics and the independents rural Wales. However, more recently, Plaid Cymru has challenged Labour hegemony in South Wales. In the 1999 elections, Plaid took control of Rhondda Cynon Taff and Caerphilly County Borough Councils. These elections left Labour with overall control of eight councils, Plaid with three (the third being Gwynedd), nine with no overall control and two controlled by independents (Pembrokeshire and Powys).[1]

However, Labour retained control in the large conurbations of South Wales so it narrowly retained control of the WLGA.

In common with other parts of the UK, Welsh turnout in local elections is low in comparison with general elections. Turnout in 1999 was 49.7 per cent, interestingly only marginally higher than in 1995 (48.8 per cent), despite running in parallel with the Assembly elections. Notably, these turnout figures are higher than those for England (31 per cent).

The Assembly Cabinet shares with the Cabinet in London a recognition of the need to improve local election turnout and to revitalise the demographic and gender balance of local government. Certainly, it is implementing the Local Government Act 2000 with few reservations. This Act, among other things, requires Welsh and English local authorities to reorganise their political management structures around a separation of 'executive' and 'scrutiny' roles. In particular, authorities can elect any of three options – a directly elected mayor, or a council leader and cabinet, or a directly elected mayor and council manager. Following an approach from the Assembly, and as part of the Partnership Agreement underpinning the Labour–Liberal Democrat Coalition, central government agreed to add a 'fourth option' for Wales to accommodate some rural authorities. Under this option, an authority would not have to operate an 'executive', but would still be required to appoint scrutiny committees. In the event, almost all Welsh authorities have opted for the leader and cabinet model, and none for the mayor models.

Assembly–local government relations

The Government of Wales Act 1998 obliges the Assembly 'to promote local government', establish a Partnership Council with local government and report annually on local government. Interestingly, the Scotland Act 1998 contains no similar provisions. Moreover, the Government of Wales Act left existing local government powers and responsibilities untouched. The strong, and declared, implication was that the new Assembly would complement not compromise local authority autonomy. The reason local government remained untouched by devolution, at least directly, was less to do with any thought-out blueprint of post-devolution central–local relations than with the immediate and pressing need at the time of devolution to get local government, specifically Labour local government, support for devolution.

This Welsh combination of a strong sub-nation state level of government and strong local authorities, strong in the sense of enjoying a wide range of functions, is very unusual in federal or regionalised countries. Federal countries like America, Canada and Australia combine strong state governments and weak local governments with few powers and functions. Such international comparisons underline the potential for ambiguity and dispute in post-devolution Wales. On the one hand, the new Assembly was to be a new body. It might fall short of being a full-blown parliament, but it would still have significant and meaningful powers. It would not be a 'Mid Glamorgan County Council on stilts'. It would be an active, autonomous policy-maker, certainly compared with the old Welsh Office.

On the other hand, the powers of the (then only too recently created) 22 unitary local authorities were to be left alone. Thus, both the Assembly and local authorities have been left with significant, potentially overlapping powers and responsibilities, particularly in the high-spending services of education and social care. (Arguably, a tidier and less crowded settlement would have given the Assembly responsibility for the major spending areas and left authorities with local regulatory functions, such as planning; although these functions still involve overlapping responsibilities, and some decentralised machinery would have had to be invented to deliver the high-spending services within Wales.)

The 1998 Act and Ron Davies, the then Secretary of State for Wales, insisted that these tensions would be resolved through a relationship of 'partnership' between the Assembly and local government. In practice, 'partnership' has proved difficult to define and was consequently of limited value as a guiding principle for ALGR. Considerable ambiguity surrounded how 'partnership' was defined and enacted. In our interviews, across the Assembly and local government, people defined 'partnership' in a wide variety of ways. Some saw it as essentially about the Assembly fixing the policy settings and authorities running their services according to those settings; if it was a partnership, it was a Victorian marriage with the Assembly as the paterfamilias, the senior partner. Others saw it more as a marriage of convenience, each partner having different spheres of activity – this is our business and that is the Assembly's or local government's: do not interfere with us. Yet others again saw 'partnership' as a modern marriage, implying

joint policy-making across a wide range of policy areas.

We interpret 'partnership' in intergovernmental relations in terms of 'rules of the game'. The rules of the game are the formal and, even more important informal, rules that define the mutual expectations of how those involved should and should not behave (Rhodes, 1986, p. 19). Thus, degrees of partnership can be measured by the extent to which those involved accept the importance of the rules of the game and stress informal rather than formal rules. Examples of the rules of the game include party solidarity (intra-party disputes should be solved in private not in public arenas), trust (confidences or potentially politically embarrassing pieces of information are exchanged on the assumption that the other side will not abuse them) and consultation (consultation exercises will genuinely permit the other side to have some influence). These rules are not immutable but change over time – in particular, the new rules of the game in Wales are very different from the older rules that held sway during the Welsh Office years. Historically, these rules of the game have been important in British central–local relations, although in recent years the centre has taken only limited account of them (Entwistle and Laffin, forthcoming, 2002). Nonetheless, as we argue in this report, the rules of the game have acquired considerable importance in ALGR. They govern the day-to-day contacts between Assembly officials and local authorities, internal party relationships between elected members at both levels, professional associations, assorted working groups and local authorities' exploration of the multiple channels of access into the Assembly. This report maps out the

shape of the new game board and seeks to identify the emerging 'rules of the game' by examining the ambitions, aspirations and structures of the Assembly and local government for Wales.

Conclusions

The Assembly is an elected body with an all-Wales mandate that has displaced a Welsh Office that was essentially an agent of the centre. As we have argued, this change has created new political dynamics within Wales. The Assembly Cabinet has been keen to assert its policy leadership within Wales, yet has to recognise the political salience of local government (especially Labour local government) and the value of local government given its policy deficit. Similarly, those in local government have to recognise not only the need for a policy framework for Wales, but also the right of the Assembly to formulate and implement such a framework.

3 The Assembly's ambitions

Introduction

Assembly members and ministers are keen to make a difference. They are acutely aware that they must be seen to be delivering better public policy in Wales if the Assembly is to win greater recognition and legitimacy within and without Wales. Yet they face severe constraints. Quite apart from the legislative and financial constraints, they have very limited staff resources to develop policy. These constraints mean that they have strong incentives to work closely with local government. Local government offers the Assembly Cabinet both crucial political support within the country, as well as a significant source of much needed policy and professional expertise. Thus, whereas the present central government in London holds English local government at arm's length (Entwistle and Laffin, forthcoming, 2002), the Assembly and Cabinet have sought to work closely with local government in Wales.

Assembly ministers support the Westminster government's programme for the political modernisation of local government, despite widespread reservations across Welsh local government, as essential to revive local democracy. This programme hinges on the introduction of political executives and the new 'community leadership' obligation, and Welsh ministers are working on further initiatives to draw a wider range of people into local government (for example, improved councillors' allowances and even severance payments for long-serving councillors).

This chapter outlines the main policy tensions confronting the Assembly, and particularly ministers, in their relationship with local government and asks how they are seeking to reconcile these tensions. It also considers the mix of policy instruments that the Assembly Cabinet is using to manage this relationship, particularly the newly introduced policy agreements.

Key policy tensions

Between Assembly autonomy and as agent of the centre

Key to the Assembly's ambitions is the search for greater policy-making autonomy. In almost all policy areas, the Assembly is still working within the constraints of an England-and-Wales policy system, which shapes and sometimes overrides Assembly policy priorities. The Blair government's reforming zeal has led to a massive flow of central initiatives that have tended to push the Assembly into a reactive mode. The Assembly leaders have had to assert themselves in the face of pressures that push the Assembly into the role of *agent* of the centre. Not least, ministers and civil servants noted how English policy announcements, particularly in the education and health areas, created expectations within Wales. But, of course, what is the point of devolution if the Assembly is simply a replay of the Welsh Office? The challenge for the Assembly has been how to *respond* rather than just *react* to central government. The Assembly Cabinet has had to adapt central initiatives to Welsh circumstances, in so far as is possible within its limited powers, and knit them into its own policy agenda. Nonetheless, the Assembly has got some of its own legislation on the Westminster statute book – in particular, the Care Standards Act 2000 and the Children's Commissioner Act 2001 provide for the appointment of the Children's Commissioner.

This flow of central initiatives presents difficulties for the Assembly Cabinet and administration in assuming an active or even strategic rather than reactive approach to policy. They have sought to grasp the initiative in some policy areas. They introduced a new Welsh variation on Best Value in the form of the Wales Programme for Improvement in November 2001. Another example is the more distinctive Welsh education policy – for once published simultaneously with the English White Paper, despite the apparent initial opposition of the Secretary of State for Education. The *Wales: The Learning Country* Paper (National Assembly for Wales, 2001a) dissents from the English Paper in affirming the comprehensive ideal, rejecting the idea of specialist schools, and allowing successful schools to expand in response to demand and privatisation, all favoured by Labour in London. The impending England and Wales education bill is expected to allow the Welsh to opt out of these requirements.

Between diversity and uniformity

The tension between diversity and uniformity is another perennial tension within central–local relations. The UK trend has been for central government to stress uniformity over diversity and so seriously curtail local discretion, especially in education and social care, for central government can point to powerful pressures for uniformity and equality of treatment. Not least, the public now expect to receive the same level of service wherever they live. Recent concerns over 'healthcare by postcode lottery' have underscored these expectations. Within Wales, the Assembly faces the same expectations and thus a vital policy theme has become service equalisation: 'The

existing gap in the quality of life between our least and most favoured communities is unacceptable and will need to close' (National Assembly for Wales, 2000a, 1.2). This has raised concerns over wide variations in spending across Wales; for instance, social services spending ranges from £166 per head in Pembrokeshire to £256 per head in Merthyr Tydfil (Williams, 2001). Similarly, the Narrowing the Gap working party is a response to issues of equity arising from the significant disparities in school and LEA performance across Wales, for instance the spend per pupil ranges from £2,560 in the Vale of Glamorgan to £3,500 in Ceredigion (Education and Lifelong Learning Committee, 2001).

Inevitably, pressures for uniformity, in turn, create demands for funding to be directed towards particular services. The best instance is the education lobby, one of the best organised in Wales. The teachers' and secondary heads' unions have vociferously lobbied the Assembly to direct more money towards schools and to require local authorities to pass that money onto the schools.

The Assembly Cabinet has apparently talked around the uniformity–diversity tension on several occasions. Despite the strong political pressures, especially from the education lobby, it has rejected hypothecation or moves towards the greater use of specific grants. Unlike in England, the Cabinet has not sought to direct authorities to make specific top-up payments to schools. Nonetheless, service ministers are watching carefully the ways in which the new policy agreements are evolving; and, unless authorities fairly closely follow Assembly policy priorities, political pressures for more intervention in local spending may well re-emerge.

To confuse matters, conflicting messages over the Cabinet's real intentions on hypothecation have spilled out. Political closure is difficult on this question given that the diversity–uniformity tension is inherent and that service ministers and officials are inevitably drawn towards advocating uniformity. Some senior local government members have interpreted these mixed messages, rightly or wrongly, as evidence of hidden agendas within the Cabinet. Some officers also reported that civil servants from Assembly service divisions had lobbied them to ensure that their authorities spent funds in line with the Assembly's service priorities. These mixed messages also gave an impression of confusion within the Assembly, as one councillor puzzled: 'is it evidence of infighting in the Assembly or the left hand not knowing what the right is doing?'

Between departmentalism and co-ordination

A strong theme of contemporary public administration is the need for greater co-ordination across public services. In the current jargon, government must be 'joined up', that is, break out of the traditional 'siloed' or departmentalised ways of thinking about policy and develop 'cross-cutting' approaches to problems. The Assembly, too, has embraced this rhetoric but, as yet, can point to only limited progress. In mitigation, despite Whitehall's strong emphasis on joining up, central departments themselves have made only limited progress (Kavanagh and Richards, 2001). In housing, for example, whilst the Assembly's strategy consultation document, *Better Homes for People in Wales* (National Assembly for Wales, 2000b, pp. 1, 21), makes a link between quality of housing and areas such as education and social inclusion, housing measures are notably absent from the initial targets of the Assembly's new instrument for monitoring local authority performance, policy agreements (see Appendix 2). The final strategy document (National Assembly for Wales, 2001e, pp. 7–8, 24, Section C) reiterated and redefined these themes, making specific reference to the policy agreements, but not to specific targets.

This lack of progress is rooted at least as much in the ineluctable problems of organising service delivery as in institutional inertia. The service delivery 'silos' are the embodiment of the need to have specialised, differentiated organisational machinery to deliver services. In any case, boundaries have to be drawn somewhere and, wherever they are drawn, they will enable some policies and disable others. Accordingly, some civil servants argue that departmentalism does fulfil vital service delivery functions. Some wonder whether the joined-up policy agenda was not a step too far when core services still required urgent attention. Those within the service 'silos' see service improvement and promotion as at the very least a prior condition to cross-cutting work; one civil servant reflected on the challenge of:

> … getting local authorities and indeed the Assembly to understand that it is all very well to talk about a seamless health and social care agenda and to put in place a continuous structure, but actually that is no good, you can only really get good joint working if you have good social services and good health services; the agenda of joint working has to be set in the agenda of good core services as well as joining up.

The impact of the professional inspectorates can also reinforce departmentalism.

Inspectorates are crucial sources of information for central government and the Assembly as central–local relations are now cast in strong regulatory frameworks. For example, in social care, the civil servants reflected the concerns of the Chief Social Services Inspector Wales on the quality of local authority social services delivery. His 2000–01 annual report highlighted the joint reviews and argued:

> … when political and corporate support for social services is weak the service will not thrive. There is still much work to be done in councils to improve the understanding of the social services, and to ensure that services are responsive to local need. (Williams, 2001, para. 4.5)

He also presented the case for professionalised social services – arguing that the reorganisation of traditional social service department into multi-disciplinary, problem-based departments risked directing attention away from the problems of delivering core services, especially when an authority is failing to deliver on them and could weaken the tight management of social services. Interestingly, the English Chief Inspector barely touched on these issues in her report over the same period (Platt, 2001).

The resilience of departmentalised, service-based approaches is a function of ministerial ambitions as well as professional-administrative structures. Ministers identify themselves, are publicly identified with and judged within their portfolios. Thus, their portfolios exert a much stronger magnetic force on ministers than any corporate policy agendas. Ministers are further inhibited from working more laterally by their heavy workloads and the need to troubleshoot crises within those portfolios. To counterbalance

this magnetic pull, Cabinet sub-committees are now in place to encourage ministers and civil servants to think and act across the boundaries, for example the children's services sub-committee pulls together social care, education policy and youth policy. Even then, as one political adviser pointed out, cross-cutting issues tend to lack the political weight of the more traditional issues – for instance, hospital waiting lists are much more electorally sensitive than children's services.

Many interviewees, and the participants in our November 2001 conference, stressed that the Assembly Cabinet needed to develop a more encompassing policy vision for the Assembly if it were to achieve greater integration across services. Notably, some ministers and civil servants also worried over the Cabinet's inability as yet to articulate such a vision.

The need for increased policy co-ordination led to a revamp of the civil service Executive Board, in September 2001, to give a strengthened corporate policy focus to the senior civil service. The Board now includes not just the permanent secretary and group directors (the top ten or so officials), but also the head of the cabinet secretariat and the political advisers. Its new brief is to concentrate on the co-ordination of policy. In addition, the Assembly Strategic Policy Unit will be given a sharper political edge as it will include the four political advisers.

Finally, as the Assembly seeks to co-ordinate across services, it is at least indirectly limiting local authority discretion. For example, central government recognises the increasing interdependence between health and social care, and now stresses the need to manage health and social care as a single system. The Assembly has

followed, recognising the service delivery logic (National Assembly for Wales, 1999). The 2000-01 winter beds crisis underscored the logic of closer operational relationships between health and social services. The Welsh NHS Plan (National Assembly for Wales, 2001b) reaffirms this view and announces further proposals for joint working under the Health Act 1999. This Act has increased the flexibilities between the health and the social services sectors, providing for pooled budgets, lead commissioning and integrated provision. Furthermore, the associated guidance envisages the Assembly setting objectives locally for *both* NHS and social service providers. The new Local Health Groups – which bring together doctors, local government representatives, dentists, pharmacists and the voluntary sector – will also come to play a more significant role, following the abolition of health authorities in April 2003.

Consequently, the imperatives of health policy will increasingly drive a key part of the social care agenda, as one civil servant explained:

> *…the other dimension to this is the operational agenda around flexibilities in health and the more seamless, virtual service notion delivered from separate organisations but operating as one, that ideal – how well is that delivered? That is going as it were to shape a lot of this other [social care] agenda.*

Between local democracy and service quality

The tension between local democracy and service quality has haunted central–local relations for at least as long as that between diversity and uniformity. Since the nineteenth century, the centre has fretted over the quality of local service delivery. The present central government under Labour is no exception. It has promoted policies that pull in both directions – some promoting local democracy (for example, the political management reforms) and others that are intended to improve local service delivery yet limit local democracy (for example, the use of inspectorates, funnelling money directly to schools and various action zone initiatives). Exactly the same tension faces the Assembly Cabinet. At least to date the Cabinet has stressed local democracy. Most ministers have had considerable personal experience of local government and that must shape their perceptions; they are also very aware of the political sensitivities surrounding local government management issues. Ministers, accordingly, draw heavily on their own experience and their own networks for policy guidance in ways that often surprise their civil servants who remain tied to more formal sources of information.

The Audit Commission has been crucial in keeping quality issues high on the agenda. Over recent years, its reports on individual authorities raised concerns over serious management and service deficiencies within Wales, even more so than within English authorities. The 2001 Audit Commission report on Best Value summed up these concerns. It found that only 33 per cent of Welsh authorities, compared with 43 per cent of English district councils and 63 per cent of all other English authorities, were judged 'likely to lead to improvement' over the first two years of Best Value (Audit Commission, 2001, p. 10). The joint Social Service Inspectorate and Audit Commission reviews of Welsh social service departments have raised similar concerns. The

Audit Commission *Learning the Lessons* (note the implied admonishment) on the first six joint reviews in Wales reported that Welsh authorities performed significantly less well than their English counterparts – none of the six councils reviewed was judged to be 'serving people well', two were considered 'not to be serving people well' and the other four 'serving some people well' (Audit Commission, 2000a). The equivalent English report, intriguingly given the more upbeat title of *Promising Prospects*, was much more positive (Audit Commission, 2000b). In a similar vein, the Cardiff Business School Welsh Best Value study team has stressed that, in Wales:

> *… central government's objective of achieving continuous improvement is likely to prove unattainable in many services in the short-term.* (Boyne et al., 2000)

Not least, the Waterhouse Report details chillingly how the care system failed children and young people in care in North Wales, many of whom were physically and sexually abused over a long period of time (Waterhouse, 2000). The Report is a sad litany of failures on the part of the former Clwyd County Council and of the then Welsh Office. Waterhouse urges greater concern with the quality of management in local government (other scandals in the social care system elsewhere in the UK mean that these problems are not unique to Wales). Interestingly, Waterhouse recommends that the Assembly should be both more 'strategic' in its approach yet be more willing to intervene when problems surface.

The Assembly Cabinet responded to Audit Commission criticism by questioning the Commission's understanding of the particular circumstances of Wales – especially the key role of public employment and the post-devolution context (for example, the Commission report ignored policy agreements in Wales despite mentioning English public service agreements). Both Mrs Hart, the Minister for Local Government and Finance, and the WLGA accepted that substantial scope for improvements in local government performance did exist. But, instead of a 'naming and shaming' approach, they preferred an approach that recognised the importance of achieving improvements 'owned' by local authorities. Equally, they saw the present regulatory regime of audit and inspection as expensive, too bureaucratic and often having a demoralising impact on members and officers rather than motivating them to seek improvements. The Assembly administration and the WLGA have jointly devised a new 'Wales Programme for Improvement' to replace Best Value in Wales. This new Programme will involve a corporate diagnosis or self-examination by each local authority, followed by peer examination and an action and annual performance plan, but it will still be subject to external audit by the Commission.

Of course, ministers are taking the risk that authorities will indeed demonstrably improve their performance. The new realities of Welsh politics mean that Assembly ministers increasingly take the blame when things go wrong. Certainly, they are much more exposed to criticism and blame if things go wrong compared with the old Welsh Office and its almost vice-regal secretaries of state, for they are very much present in Wales and are claiming to be adding value to public policy. This is the price that Assembly ministers are having to pay to demonstrate their relevance in Wales.

Policy instruments

In principle, the Assembly has powerful, 'hard' policy instruments available to it to direct local authorities, particularly through secondary legislation and funding strategies (for example, specific grants, the pooling of funds between health trusts and local authorities). In practice, the Assembly Cabinet has preferred softer policy instruments, involving persuasion, much more so than central government in England.

Inspectorates and best practice guidelines
Wales has a comparable set of inspectorates to those in England. Most are specifically Welsh inspectorates such as the Social Services Inspectorate Wales (SSIW), Estyn (school inspectorate) and the new Care Standards Inspectorate. Others are England and Wales inspectorates; the most important example is the Audit Commission which includes the Best Value Inspectorate. In England, inspectorates have become key central government instruments to monitor and drive change in local authorities. These inspectorates operate on a 'naming-and-shaming' basis, identifying 'failing' authorities and organisations, and often providing the rationale for a push to contract out services or to use private or non-profit organisations to run public services. In Wales, the inspectorates have made less use of naming and shaming. Even so, the Audit Commission, both through the joint inspections and Best Value inspections, has raised important questions over the capacity of Welsh local government to reform itself. The Assembly and local government search for a 'Welsh Way' raises interesting questions about the role of the Audit Commission in the Welsh context.

Whereas, in England, the Commission is a powerful policy instrument serving the central policy agenda, in Wales it is now seen increasingly as promoting an agenda in conflict with that of the Assembly and local government.

Another type of policy instrument is the various 'best practice' guidelines established through national priorities guidance and national service frameworks ('national' in the sense of England and Wales). The Assembly has varying degrees of control over the different regulatory frameworks. For example, it is devising the framework for the new Care Council for Wales and Care Standards Commission which will regulate the standards of practice and behaviour of individual practitioners in the care sector. In other cases, Assembly control will be weaker and more indirect. For instance, the new Social Care Institute for Excellence (SCIE) will play a key role in shaping the future planning and management of social services in both England and Wales, particularly where it provides guidelines on tackling service variations across authorities. Yet, despite being a joint Department of Health–Assembly initiative, the Assembly influence over its work will inevitably be quite limited.

Policy plans
The Assembly does have a strategic plan which, at least in principle, should provide local authorities with some guidance. The original plan, *Better Wales*, and the Partnership Agreement (*Putting Wales First*) were consolidated into a single plan in the Summer of 2001. Interestingly, only a few local government interviewees thought that *Better Wales* was

useful to them, but almost all considered that it fell short of giving a powerful vision of where the Assembly should be going. Thus, it may be useful in indicating some Assembly priorities but clearly has its limits as a policy instrument in ALGR.

Local authorities themselves have to submit 38 different plans to the Assembly, ranging from child protection to waste recycling. Clearly, the sheer number of plans and their many overlaps blunts their value as policy instruments and imposes a substantial form-filling burden on authorities. The Assembly administration is working on reducing and simplifying these planning requirements (the Assembly itself lacks the powers to consolidate existing plan requirements and will have to obtain Secretary of State approval for any consolidation).

In addition, local authorities from 2001 have a duty to prepare community strategies indicating how they will promote the economic, environmental and social well-being of their areas and contribute to sustainable development (under the Local Government Act 2000). These strategies are much broader than earlier plans – authorities are required to involve a wide range of local organisations in their areas, agree with them on key priorities for the future and pursue them in partnership with those in the public, private and voluntary sectors. The Assembly's aim is to use these plans to work towards an 'agreed vision' between authorities and the Assembly (National Assembly for Wales, 2001c). But it is too early to say whether community strategies will prove a useful policy instrument (see next chapter for discussion of the local authority view).

Policy agreements

The new policy agreements reflect a compromise in the diversity–uniformity tension. The agreements identify key objectives in four key action areas, identified in *Better Wales*, and these objectives are shared by the Assembly and local government, and provide targets for each authority over the forthcoming three years. The aim behind the agreements, originally proposed by the WLGA, is to reduce the pressures for the Assembly to earmark or hypothecate funds for particular purposes and to shift 'the emphasis from inputs to outcomes'. The Assembly has also supported the agreements by making up to £30 million available over the first three years of agreements to provide an initial incentive for concluding the agreements and a final reward for those who achieve their targets. These policy agreements are different from the English public service agreements (PSAs). So far, only 20 authorities have signed on to the PSA process. Unlike the Welsh agreements, the PSAs are negotiated individually between central government and the authority, and allow for authorities to reach agreement to move money across services more flexibly to reflect their particular circumstances and policy achievements. They are closer to a contractual model as they involve some element of payment by results (see the next chapter for a longer discussion of policy agreements and Appendix 2 for more details).

Conclusions

The Assembly is not entirely the master of its own relationship with local government. It has to work within an England-and-Wales policy system. Even so, Welsh ministers are more

favourably inclined towards local government than their Westminster counterparts. They have not tightened their control over local authorities and have introduced, in policy agreements, an important new policy instrument with the potential to align Assembly and local priorities. But they still face the difficult challenges of reconciling diversity and uniformity, departmentalism and co-ordination, and local democracy and service quality. Not least, crucial issues of accountability underlie these challenges – as we stressed, the new realities of Welsh politics mean that Assembly ministers must increasingly take the blame when things go wrong.

4 Local aspirations

Introduction

Welsh local authorities are characterised by wide diversity, ranging from Cardiff, a major UK city with a tenth of the Welsh population, to the North and West Wales authorities with large areas but sparse populations. Political cultures also differ strikingly across Wales. The South Wales authorities have strong Labour traditions, although the Plaid electoral resurgence now poses a serious challenge to Labour domination. Meanwhile, outside South Wales, most authorities are characterised by weak party control, some have significant numbers of independent councillors and several have strong Welsh linguistic traditions. Not least, wide variations exist in spending, reflecting the very different characteristics of the authorities, varying from £910 per capita in Monmouthshire to £1,120 in Gwynedd. (These differences are reflected in standard spending assessments and central government support, see Appendix 3, Table A3.7).

Local policy agendas

It is difficult to distinguish the impact of devolution on local discretion from that of the change of central government. Many we interviewed made precisely this point. Not least, from 2000–01, Welsh local government spending constraints have been loosened, but then so have those in England, so that devolution has not led to any significant increase in Welsh local government spending over English local government (Appendix 3, Tables A3.1 and A3.3). However, the Assembly has made, and in 2001–02 will make, significantly less use of specific grants to local government compared to England (Appendix 3, Table A3.5).

Most authorities have sought to reorganise their departmental structures around their own policy agenda and priorities. Political modernisation has spurred them to rethink linkages between and across services, and to reorganise their officer structures around their new cabinets. Most authorities have slimmed down to between four and seven chief officers – the main exceptions are Gwynedd and Powys with nine each, Torfaen with 12 and Swansea with 14. The traditional service-based departments have been disappearing. Only two authorities now retain chief housing officers, some authorities have abolished the post of director of education and others have broken up their social services departments or subsumed them in larger departments (although all authorities are still required to have a designated director of social services, but several of these are now at second- or third-tier level).

Those authorities that have introduced new, slimmed down departments have created a wide range of different linkages between policy and service areas. Some have subsumed education into departments of lifelong learning, others have combined education with leisure and culture (Gwynedd), and recreation (Flintshire). Meanwhile, Bridgend, Carmarthenshire and Ceredigion have put education into community services; and Flintshire and Cardiff with children's services, and the Vale of Glamorgan into development. Cardiff has separated out schools and lifelong learning; schools has become part of family and children's services, and lifelong learning part of leisure. Social services are most commonly linked with housing in many authorities, but in others are included in directorates entitled

personal services (Bridgend and Wrexham), or community services (Rhondda Cynon Taff and the Vale of Glamorgan). In some cases, housing has been linked with social services in merged community services, personal services, or strategic and corporate services departments (Merthyr Tydfil). In other authorities, housing has been linked with environmental services (Ceredigion), environmental health and trading standards (Powys), finance and property services (Conwy), regulatory services (Pembrokeshire) and public protection (Gwynedd).

In many authorities, working practices have also changed to generate more corporate and less service-based methods of working. In some, and Wrexham is a good example, the directors spend only part of their time directly engaged on their assigned portfolio; for the rest, the chief executive allocates them particular issues ranging across the authority's work. Furthermore, Wrexham's Cabinet responsibilities and scrutiny operations do not closely mirror the council's administrative organisation so creating contrasting linkages between the administrative and political sides of the authority.

It is still too early to assess the impact of these new, merged departments and new ways of working. Notably, they do not, for the most part, closely mirror the sort of connections the Assembly is making between policy areas. Clearly, links, such as education with leisure, are likely to engender different perspectives than, say, if education is linked with community services. Similarly, linking housing with social services creates a different perspective than when housing is linked to property services, environmental services or public protection.

The new politics of ALGR

The Assembly has changed the political and administrative landscape of Wales. The Welsh Office was essentially an agent of central government not an independent policy-making entity. Nevertheless, central–local relations in Wales acquired a different character from those in England. Not least, local authorities were, and are, much fewer in number and they were able to build closer relationships with successive secretaries of state than was possible in the case of their English counterparts. Even so, those council leaders then involved in central–local relations felt that the Office had little leeway, especially over the financial settlement, and that discussions with the Welsh Secretary were cordial but seldom fruitful. One observed: 'it wasn't worth the train fare to London'.

Some chief executives recalled close working relationships at the officer level, much closer than would have been the case in England at the time. But it was 'very much a senior officer to civil servant dialogue, it wasn't politician to politician'. Others detected problems with this apparent bureaucratic dominance; another chief executive explained:

> Before devolution it was just bureaucracy; it is impossible to put pressure on bureaucracy, now there is a democratic link.

Thus, despite Welsh Office accessibility (at least to some) on the administrative side, the narrow window of political opportunity presented by just one secretary of state alienated those outside the right political circles. Some leaders did resent what they saw as small, closed networks around both Conservative and Labour Welsh Secretaries.

These perceptions have now changed completely. All the elected members and officers interviewed stressed that the Assembly was a great improvement on the old Welsh Office – in terms of accessibility, openness and susceptibility to influence. Even so, certain key local government leaders, almost exclusively South Wales Labour members, did contest the role of the Assembly in ways they did not the Welsh Office. They saw the Assembly as threatening their autonomy in ways the former Welsh Office never did. These views have been fuelled by personal rivalries as some Labour members themselves sought and failed to achieve election to the Assembly. The advent of the Assembly Labour–Liberal Democrat Coalition in October 2000 has been a further source of tension; a senior Labour councillor said:

> … there is no appetite for the party that came fourth in Wales becoming the second most powerful party in Wales.

These ALGR tensions are essentially internal Labour Party tensions. It is important, too, not to exaggerate their significance – almost all those who expressed these views then talked up their day-to-day experiences of working with the Assembly. They were particularly appreciative of how Edwina Hart, the Minister for Finance and Local Government, dealt with local government and pushed their interests in Cabinet.

Those from Plaid-led councils, such as Rhondda Cynon Taff and Gwynedd, sometimes felt they were not receiving the acknowledgement they deserved from the Assembly, but no one interviewed argued that there was a systematic attempt to politically sideline or embarrass them. Ironically, the

members in the authorities more remote from Cardiff – in Gwynedd, Carmarthenshire and Wrexham – were generally more sympathetic to the idea of the Assembly as an institution. They did have niggles about Assembly ministers sometimes cutting short meetings with senior members who had travelled some distance:

> The clear message is that I've got more important things to do than this, and it happens all the time.

Devolution has increased political and administrative complexity within Wales. Each local authority has several Assembly members who represent part or all of their areas. Local authorities have seen a consequent increase in correspondence as AMs take up constituency work, often duplicating the work of local councillors. Tensions have occurred as local councillors, AMs and MPs compete for credit among the electorate. Some interviewed argued that there should be clear protocols separating out these three roles and mandates (or four as some pointed out that list AMs also took up constituency cases) to reduce the load on authorities answering the same inquiry from different elected representatives. Others doubted whether such protocols were really necessary or even enforceable. These tensions were worse where members from different parties were involved. As far as we were able to ascertain, the political parties did little to build links between their AMs and local councillors; only Plaid has a Councillors' Assembly.

Another issue was regions within Wales. Assembly members saw the regional committees as a problematic part of the Assembly machinery, regarding them as talking shops and not systematically linked into the Assembly policy process. Nonetheless, many in

local government were concerned that the Assembly, for administrative purposes, was seeking to make greater use of regions within Wales to deliver services. The WLGA has already objected to what they see as this trend. One Chief Executive summed up:

> *There is, I think, growing evidence that the Assembly will increasingly work through these four regional groups. That's been happening particularly, initially, around economic development issues and some cultural and other issues, but you can see the potential for anything which is a major planning issue, whether it's transport, perhaps special educational needs provision in education, or whatever, to be taken up to this regional planning level, which I think would discomfort a lot of local authorities, and would start to reduce our freedom of action within the scope of what we do. I think it would be a dilution of the unitary authority benefits.*

Issues in ALGR

The burden of new initiatives
The Assembly has had to pass on many major central government policy initiatives and has added its own on top. The impact on authorities is considerable. They experience serious burdens on their time and resources as they respond to the Assembly's consultations, policy initiatives and information requests – one South Wales chief executive: 'Local authorities are sinking under the weight of initiatives and strategic documents that need responses'. Another chief executive reflected local government sentiment by welcoming greater consultation, but questioning whether it was always both *real* and *effective* consultation:

> *There was always consultation in the Welsh Office, but I think there's a feeling now that that consultation is even more important, the ability to influence it is even more important and, where consultation now appears to be contrived, it's done in a very short timescale, or there's no real indication that anyone's going to change their mind over what's been said back to them, and I think there's a stronger feeling of frustration about that.*

The need to manage these demands means that authorities must develop a strategic approach to their relationship with the Assembly. How can they work out a consistent, clear approach to assess the relative significance of the numerous Assembly initiatives? One tactic is simply to monitor English policy shifts – one officer:

> *I tell my staff to keep an eye on the Departmental websites so we can see what's happening in England.*

This approach has its pitfalls – another officer:

> *I started to keep an eye on what was going on in England in the expectation that it would later happen in Wales, but it doesn't actually follow, and that's part of almost the determination to have the 'made in Wales' stamp on it.*

Another tactic is for authorities to respond selectively; one officer said he had to make snap decisions on how to respond on a document's title and contents. The lesson is that authorities have to cultivate skills in reading the political runes of Assembly policy-making. Notably, only one officer mentioned the Assembly's *Better Wales* plan as a valuable guide (although this

may reflect as much on them as on the qualities of the document):

> *I think one of the strengths of the Assembly was the betterwales.com documents, which really were incredibly helpful in terms of setting strategic goals, because that was really saying what does a better Wales look like, and in terms of setting strategic goals as an authority we used that document heavily to set our own strategic goals.*

Problems of co-ordination

Another related issue, that many brought up within the case study authorities, was what they perceived as the Assembly's lack of co-ordination across its internal divisions. One chief officer gave an example:

> *Some of which* [initiatives] *haven't been, what I would call effectively, co-ordinated. So, for example, just in the youth service, there are two separate consultation reports, one emanating from the Education Minister, the other from social services, both of which, one called Extending Entitlement, the other Children and Young Peoples: A Framework, overlap.*

Some officers felt frustrated in their attempts to create new locally based initiatives, involving new combinations of service provision. One chief officer described how his authority had spent over a year arguing about the details of a novel joint facility involving health and social services. Despite initial support from the Assembly, he saw his initiative bogged down as Assembly officials, from different divisions, checked that every detail was in place before they allowed his authority to continue.

Communicating local diversity to the Assembly

Despite their small number, Welsh local authorities are very diverse in their circumstances and aspirations. What concerned authorities was what they saw as the Assembly's failure sometimes to tailor or recognise special local circumstances and instead to pursue 'one size fits all' policies. These concerns extended to their own representative body, the WLGA. Those outside South Wales Labour expressed reservations over the WLGA's ability or willingness to represent their authority's specific interests. The Plaid-controlled authorities felt that Labour Party dominance of the WLGA meant their voices were not being heard; notably, these same members saw the Assembly itself as more sensitive to their specific interests than the WLGA. Nonetheless, they did recognise that the WLGA was a useful channel and had a key role. Certainly, we detected no push for any authorities to withdraw from the Association. In contrast, the LGA was regarded less favourably. Many in Welsh local government did question the value of continued membership of what was seen as an 'English' Association. But, again, we did not form the impression that these views added up to strong pressures for secession from the LGA.

Another concern, which some chief officers articulated, was that the Assembly's pursuit of under-performing authorities would lead to a more prescriptive regime for all authorities; although the evidence to date points away from this view. Nonetheless, one chief executive observed:

It's a question of the trust that exists, or the lack of it, between Welsh government and local government about our ability to deliver what they want us to deliver. Hopefully, as trust builds up, they will be less prescriptive. There is a danger that we will have government by regulation, and regulation management is inflexible and inhibiting to an organisation. So that's where I'd like us to go; it will take some time, I think, because local government has a problem in that there are 22 of us, and some of us are good and some not so good. Alas we are all treated the same, which means that we fall to the lowest common denominator which is what they prescribe for those who are not so good. So, those councils who are good, breaking new grounds, are efficient, are not very happy. That was always the case, it's not particular to Wales. I just hope that in Wales we will have the opportunity to move away from that sort of prescription.

Regulatory and inspectorial regimes

Regulation and inspection can be a heavy burden even for the better resourced authorities such as Cardiff, where one officer commented:

We spend so much of our time in doing things like preparing for inspection. The real difference between us and the Assembly is that we do something, we deliver services.

Similarly, an officer in North Wales:

… the mechanisms are sometimes, like school inspections, counterproductive; you spend so much time producing the paper you don't get enough time to deliver the service.

Even so, many officers saw the Welsh inspectorates as being more sympathetic and less harsh than their English counterparts,

particularly in the case of Estyn (the Welsh schools inspectorate) compared with Ofsted. Inspections could be valuable learning experiences. Generally, social services directors saw the Welsh Social Services Inspectorate as keen to engineer dialogue with those in local government.

Even so, many officers noted tensions between the Inspectorate's monitoring and developmental roles:

… in some cases, you can be working with somebody who is giving you advice over the development of your new performance management system, while another arm is criticising you for lack of proper assessment forms in your home care service.

As we noted in the last chapter, Welsh local authorities have emerged badly from recent Audit Commission reports. The WLGA attacked the Commission's approach in its response to the Commission's consultation 'Delivering improvement together'. The WLGA found it 'difficult to support the [Audit Commission's] statement that authorities are seeking a more "hands on" approach to audit and inspection', declaring that the Association's own stocktake pointed to the opposite conclusion (Welsh Local Government Association, 2001). Furthermore, it argued that the Audit Commission 'seems to be struggling to adapt to the changed landscape following Welsh devolution'. The WLGA did not deny that there was 'substantial' scope for improvement. Its argument was that local authorities had to 'own' the means of achieving improvement. Existing systems were not hitting the mark – there was too much bureaucracy and too much examination of detail did not allow for the necessary challenge to corporate culture

or systems of organisation. The culture of inspection needed to change and there should be an examination of the scope, role and cost of the regulatory regime and a review of the number of inspectorates. The paper proposed that Best Value should be 'rebadged' as the 'Wales Programme for Improvement' as it was 'tainted' within Welsh local government. As we noted in the last chapter, the Assembly itself has now accepted this approach.

Realising partnership

Policy agreements

Most local authority cabinet members interviewed in the case study authorities had either not heard of policy agreements or were unable to discuss their likely content (but they were still being negotiated during the research period). Council leaders tended to be sceptical, wondering whether it was hypothecation by another name, articulating concerns about the targets set and expressing concern as to how the Assembly might 'punish' failure to meet the targets. In particular, several members resented how their authorities' policy priorities were being skewed towards those of the Assembly. In particular, they argued that the push for spending on education and social care meant they could not spend money on much needed local regeneration projects.

The chief officers tended to be more positive, for example:

An interesting variation on what is happening in England, and generally much more acceptable to the Welsh culture … policy agreements reflect that kind of style of trying to come together and find a common style and consensus, rather than

having rigidly imposed frameworks of payment by results … it feels more like a partnership … As long as there's a healthy dialogue between both partners about where we're going, about shared objectives, and as long as there's some freedom of action about how they meet that local need then I think the agreements could be very effective and very useful.

Some chief officers, keen to move towards performance management systems and to inculcate a 'performance culture', did seize on policy agreements as a means of driving their objectives forward. However, there were reservations about the particular basket of indicators in the policy agreements; of the 18 indicators, all except two were in education and social services (see Appendix 2). Thus, large areas of local government activity were excluded, notably highly visible local services such as housing, street repairs and regeneration. Some saw the choice of indicators as simply reflecting the existence of already agreed measures and comparable data. Some saw the targets and indicators as too constraining; they perceived the negotiations as leading to a predetermined position with little accommodation of specific, local conditions. One officer worried over what would happen after the first three-year period:

We don't know what is happening three years hence – that in itself creates uncertainty. Is that performance incentive grant going to continue beyond the three-year period – if so, at what level?

Other officers were of the opinion that 'the jury was out on policy agreements'. They were fine if Assembly and local priorities coincided.

Indeed, one respondent felt that there had been a *greater* effort by the Assembly to influence spending priorities within local authorities than by the Welsh Office before devolution. He said that:

> *… the Assembly is asking for more stringent targets to be delivered earlier, while the authority is trying to develop a strategy and take on board the findings of a Best Value review and joint Social Services Inspectorate review in this area.*

Several members and officers saw the agreements as hypothecation under a different name. In policy areas such as education, considerable budgetary resources are allocated in the form of grants which are in effect hypothecated, leading to a 'mixed economy' of hypothecation (see Appendix 3, Table A3.6). Interestingly, in some authorities, apparently those involved in social services and education had argued that these services should enjoy the lion-sized share of the performance incentive grant as almost all the policy agreement targets related to their services. One officer, outside these two services, felt this argument added up almost to 'double hypothecation'. Of course, this argument will lose its force (and as yet we do not know if it will actually have any influence on local budgetary arguments) once the agreements are expanded to include a wider range of targets.

The issues of hypothecation and policy agreements are central to the evolution of relations between the Assembly and local government. Already, the WLGA has argued that the original concept of policy agreements as 'the foundation for a new form of central–local relations' and an 'effective counter to hypothecated funding' has been lost. The

Association view is that the Assembly has sought a 'more uniform' approach to the agreements which went against the spirit of the concept (WLGA Co-ordinating Committee, Enclosure 9.3, 29 June 2001).

The first policy agreements were not published until November 2001 (see Appendix 2). The targets they set did allow for variations across authorities, but these variations were limited by the nature of some of the targets and indicators chosen. Some indicators chosen were set at 100 per cent for all authorities and other targets were set in the high 90 per cent range, for example in school attendance, which inevitably created convergence as the targets bunched at the higher end of potential outcomes. Thus, in practice, only a few indicators, for instance those for support for disadvantaged groups living at home or on waste recycling, differed significantly across authorities. In effect, the range of indicators selected has narrowed the potential for policy agreements to reflect the diversity of needs and circumstances of individual authorities across Wales and, thus, allow greater local discretion. It will be interesting to follow the evolution of policy agreements to see whether in future the targets will be broadened to accommodate greater local diversity and discretion.

The written part of the agreement was less standardised. In particular, one section, referring to the authority's community strategy, provided each council with an opportunity to spread its wings and detail local achievements, objectives and strategies. What part this aspect of the agreement will play in determining the achievement of objectives by individual councils is, as yet, unclear. The policy agreements also set out the initial performance incentive grants

available to the authority, for instance Cardiff will receive £1,012,000 for concluding the agreement and £3,036,000 for achieving the targets, and Monmouthshire £266,000 and then £798,000.

To sum up: in relation to policy agreements, local government expects the Assembly to play a *co-ordinative* role, that is aggregate local policy priorities at the Welsh level, while the Assembly administration see themselves in a more *directive* role, fixing a framework of priorities within which authorities should accommodate themselves. This presents local authorities with a paradox. If they are to avoid hypothecation and the increased use of specific grants, they will have to stick to the Assembly's policy priorities as expressed in the policy agreements. Yet, if they stick to these priorities, they will be acting much as they would if they were indeed tied to hypothecated funds.

Community planning

Local authorities now have a new obligation to create a 'community strategy' and, within that community strategy, to promote the economic, social and environmental well-being of their area under the Local Government Act 2000. The Act provides new and more general powers for authorities to pursue these ends. The Local Government Partnership Scheme elucidated the complementary roles of local government and the Assembly in terms of community planning:

> *The democratic nature of local government gives it a leadership role locally similar to that which the National Assembly has nationally. Local government is ideally placed to establish mechanisms to elicit views, provide assistance to other bodies, to establish visions for its areas*

which identify strategic opportunities and ensure the delivery of services. The National Assembly will aim to provide the framework which supports local government in these roles. (National Assembly for Wales, 2000c, para. 4.1)

Local authorities, in Wales as well as in England, are only just beginning to explore this role and how far they can push the envelope of these new powers. Nevertheless, some of those in our six case study authorities believed that they were already getting there – one South Wales leader:

> *I think the best local authorities have actually developed community leadership before the words were found, and I think* [our authority has] *been a prime example of that, and Cardiff as well, and other areas where there was a clear vision for what was wanted for the next ten or 20 years, and have been striving towards and trying to take everyone with us.*

The WLGA had advised authorities to begin the planning process in April 2001, so, by the summer, the process was already under way in some authorities. The views of community planning were generally positive, but some concerns were raised about linking plans with resources. One chief executive saw community planning as 'a key aspect for setting the tone for the future'. Another welcomed the new duty to promote the economic, social and environmental well-being of the area because:

> *If the council is to improve the quality of life for local people they've got to tackle those issues fundamentally. It's not just about providing better public services for those who need them, it is actually about re-engineering the local economy, re-engineering our rundown communities and*

working with local people and businesses to do that. Now I think we were in that game anyway, but I think it's useful to have the lever of new legislative powers and the new focus on that emphasis for the first time.

However, one leader was more sceptical, questioning whether 'people' were really interested in 'the sort of thing the Assembly tells us we should be doing – consulting on community strategies and so forth' and that the Assembly needs 'to explain what they want from us and what they reckon it's going to bring to the people out there who are supposed to be our partners in all this'.

The new, more active community leadership role raises the possibility of new tensions emerging between individual authorities' priorities and those of the Assembly. One chief officer raised this tension; he felt that the Assembly had pre-empted much of what might otherwise emerge from the community planning process:

I guess if we were starting with a blank sheet of paper saying: arising out of the development of [our] *community strategy what really matters to local government, and how do we then tie that in with the government's agenda, which ought to lead us then to defining some of our own outcomes that take account of what government want and what local people want, I think that's the point where we might want to come up with a whole range of different indicators and targets.*

Again, the message from those in local government was that they would prefer to see the Assembly taking a *co-ordinative* rather than a *directive* role in working with authorities in the community planning process. As one chief officer expressed the position:

[The Assembly] *ought to be … working through all the community plans that local government will soon have to produce, developing on that and creating a framework to bring all those together.*

Another noted the Assembly's dependence on local government as its main implementation structure:

For much of the delivery of the Assembly's programmes, particularly around economic development, social and community renewal, local authorities are going to be pivotal players in delivering that agenda, and the Assembly, I think, needs to recognise local authorities as an agent, if you like, of government policy, which will be critical to them whatever they decide to do.

Conclusions

The crucial issues for local authorities are twofold: money and discretion. Perhaps not surprisingly, devolution has not led to a significant increase in local government's share of the Welsh spending cake. Other policy priorities, not least health, press heavily on the Assembly. Over recent years, central government, under the Conservatives and now Labour, has significantly eroded local discretion. To some extent, the Assembly has slowed this erosion, notably by making less use of specific grants as policy instruments. Furthermore, the introduction of policy agreements and possibly community strategies does have the potential to allow a more equal matching of priorities.

5 The structures of partnership

Introduction

The previous chapter discussed the impact of the Assembly primarily on authorities individually. The aim of this chapter is to consider the impact of the Assembly on local government collectively and in particular on its representative institutions and other structures of co-ordination. The four main structures of co-ordination between the Assembly and local government are the Partnership Council, the WLGA, the Labour Party and the professional associations. These structures will be analysed and their roles in ALGR identified.

Partnership Council

The Local Government Partnership Council lies at the heart of the formal relationship between the Assembly and local government. Much like the English Central–Local Partnership, the Council's formal role is to advise the Assembly about matters affecting the exercise of its functions, make representations to the Assembly about any matters affecting Welsh local government and give advice to local government (interestingly, the Scots do not have a similar body). It meets in public four times a year and includes AMs and local government representatives. It is supported by a joint WLGA–Assembly secretariat. The Partnership Council is based on some clearly stated, formal rules of the game. Its standing orders require that it should work on the basis of consensus and not by voting:

> *… wherever possible the papers to be discussed at Partnership Council will be joint papers – representing the views of the Assembly and local*

government. Where there is disagreement as to approach or policy, this will be recorded in the papers. (Joint Secretariat, 2000)

Some local government leaders argued, in our interviews, that the Council should be reconstituted more along the lines of the English Central–Local Partnership. They argued that the Council would be more effective if it were a private meeting between just the Assembly Cabinet (excluding the other AMs) and local government leaders, just like the English Partnership which is a private meeting of just ministers and local government representatives (note that Sir Harry Jones, Leader of the WLGA, attends as an LGA Executive member). Although, initially, the First Minister chaired the Council, when Rhodri Morgan became First Minister in March 2000, he delegated the chair to the local government minister; at the time, many local government leaders saw the change as a snub and as a 'downgrading' of the Council. However, since Edwina Hart took over the local government portfolio, her robust chairmanship and championing of local government has won over the leaders.

Another local government expectation was that the Partnership Council agenda would go beyond narrow local government issues and would examine 'issues that cover the whole spectrum of the Welsh Policy Agenda' (Partnership Council Minutes, 26 March 2001, para. 30). However, pressing local government matters – such as the Best Value reform, the development of policy agreements and the perennial questions of finance – have tended to dominate agendas. Even so, more recently, wider issues, such as economic development in Wales, have been included, largely as the result

of local government pressure. The conduct of meetings and handling of the agenda tend to be ritualistic, not least as Labour leaders and ministers are not anxious to parade their disagreements in public. As one local government Council member noted:

> *Quite often we can get the local government view over before the Partnership Council meets. We know where the stresses and strains are before agendas are drawn up.*

If the Partnership Council provides the more formal, ceremonial aspect of ALGR, then its 'efficient' aspect is its working groups where politicians, Assembly officials, local government officers and other interested parties address specific remits. For example, the Standing Consultative Forum on Finance makes recommendations on local government finance, specifically the formulae for distributing revenue and capital resources to local government. The Council has its own task groups. It established joint Assembly–local government officer groups in 2000–01, which included: Political Management Structures, Community Strategies, Policy Agreements and Performance Indicators, a Health and Well-being Task Group, and (from 2001–02) E-government, Procurement, Best Value and Variations in Schools Performance.

Of course, these task groups are a burden on senior officers' time. Yet, most officers pointed to the upside – their involvement meant that local government had valuable opportunities to shape and influence Assembly policy at the developmental stage: 'before they've dug themselves into a hole'. Some councillors experienced the full Council meetings as 'cumbersome and unwieldy', but found their involvement in working groups much more fulfilling.

The Partnership Council is not, nor was it intended to be, a decision-making body. On one level, it has a symbolic, but not insignificant role, as affirming the salience of local government to the Assembly. At another level, it provides a useful forum for trying to align the broad policy agendas or future intentions of the Assembly and local government. Local government can use it to communicate its priorities and vision for its own role in Welsh governance. At yet another level, the Council is a necessary mechanism for establishing and holding to account its various sub-groups.

The Welsh Local Government Association

The WLGA was formed in 1996, following the reorganisation of local government. It is a representative association, but membership is voluntary and it relies on member authorities' subscriptions. It is a constituent part of the (English and Welsh) Local Government Association, but retains full autonomy in dealing with Welsh affairs. The Association is governed by its Council, which meets about twice a year, but a smaller Co-ordinating Committee oversees its business on a more day-by-day basis. Since 1999, it has been finely balanced politically. Representation on the WLGA Council is determined by population (one member per 50,000). Thus, although Labour currently controls just eight local authorities, it enjoys a bare majority on the Council and has appointed an additional member to the Co-ordinating Committee to retain a majority there (as permitted under the WLGA constitution).

Local government associations are 'almost a contradiction in terms' as they must 'reduce diversity to the enforced uniformity of an association view' (Stewart, 2000, p. 103). Despite having only 22 members, the WLGA still faces the serious representative challenge that it treats Wales as if 'it is the same all over'. Many of those in non-Labour authorities feel that Labour domination excludes them, so that the Association does not reflect the interests of all member authorities nor a worked through consensus across all member authorities. One non-Labour member complained that the WLGA was a voluntary association but was 'run along the lines of a party machine'; another:

> *The ruling group has the right to control but I think the problem we see is … group meetings before the Co-ordinating Committee meets. Now, if the majority group decides on an issue, which it invariably does, then there is little purpose in us putting forward an amendment because it won't get through. Things have been decided by the majority group and there are times when people say: 'Well, what's the point of being here?'*

Furthermore, even Labour members outside South Wales recorded a sense of geographical distance and a perception that the WLGA was overly concerned with its South Wales authorities – one leading member:

> *I think there's quite a lot of ignorance in South Wales about North Wales … Now that's probably more true of the WLGA than it is of the Assembly.*

The strategic challenges facing the WLGA

Traditionally, the local authority associations, both in London and Cardiff, have sought to forge a relationship of 'partnership' with central government. Essentially, this partnership strategy involves an association seeking to work with central government on a roughly equal basis. The association tries to obligate central government to observe the rules of the game over how, when and for what matters local government should be involved in central policy-making (see Chapter 2). To date, the WLGA has pursued this strategy with considerably greater success than the LGA has in London (Entwistle and Laffin, forthcoming, 2002). Local government representatives and officers have been extensively involved and consulted in Assembly policy-making. The small size of Wales coupled with Labour hegemony, across local government and the Assembly, has facilitated this approach.

The other main strategy of the WLGA has been to act as a think tank, indeed as 'a premier *think tank* in Welsh Affairs'. This strategy is powerful given the Assembly's policy development deficit (see Chapter 2). Indeed, the WLGA's early policy development work did prove important in filling the Assembly's initial policy vacuum. Assembly ministers and officials did note that the WLGA had been a significant generator of ideas. As one respondent noted: 'The WLGA was fed up with *reacting* to the government and wanted to set an agenda of its own'. For example, the WLGA originally mooted the idea of policy agreements.

More recently, the WLGA has devoted fewer resources to maintaining its think tank strategy. For, as the Assembly has set up new and extensive policy consultative machinery, most of the WLGA policy officers' time has been absorbed by working with Assembly officials and by joint working parties, advising on the implementation of policies, rather than

formulating new policy. The consequence of this shift was member unease that the WLGA was insufficiently 'challenging' towards the Assembly, and that it was increasingly working to an Assembly not a local government agenda:

> *There's a big gap between the members who go to the WLGA and the Partnership Council and what comes back to us.*

The lack of new policy development on the part of the Association reinforced the impression of WLGA dependence on the Assembly. Thus, the WLGA faces a difficult challenge in deciding whether it should continue to devote its limited staff resources (about 12 policy staff) to a monitoring role vis-à-vis the Assembly, or whether it should switch resources back towards policy formulation.

A related weakness of the WLGA was the absence of worked-out policy positions on many major policy areas. In part, this reflects the understandable focus of the Association on the macro-issues of ALGR and consequent neglect of developments in specific policy areas. One consequence of these policy hiatuses was that some civil servants observed that they were not always clear when WLGA staff, in Assembly meetings, were expressing their own ideas and when they were representing WLGA policy.

The WLGA has been addressing its future through a Strategic Review. The Director's report noted the feeling that the Association had 'lost momentum and that local government had lost self-direction, as the implications of devolved central government took root'. A wide-ranging consultation was conducted, prior to the Review, which revealed that 'member authorities want an Association which is able to advise individually whilst protecting interests

collectively'. And 'a concern was expressed that many members saw the WLGA as "a club for the leader"' and not for less elevated members. A survey of members revealed that the favoured role for the WLGA was as a lobbying organisation and think tank which also provided an advisory service (WLGA Strategic Review, Director's Report, draft, 28 September 2001).

The WLGA's Strategic Review confronts the challenge of sustaining clearly defined policy objectives within the limitations of being a representative organisation and examines whether it has the capacity to develop such objectives. Our view is that it could develop a role as a *knowledge broker* within Wales, developing its think tank role but making greater use of outside sources of expertise (for example, professional associations and universities) rather than relying on its own limited staff resources. At the same time, it would need to develop policies more representative of a distinct 'WLGA view'. Not least, it would need to devise ways of involving elected members in policy formulation, monitoring and evaluation. Leaders currently meet monthly in the Co-ordinating Committee, yet other members (such as chairs of social services) do not have regular meetings (except at the Assembly's instigation). These meetings could be used to develop policy and to alert elected members to new policy developments (we found many senior councillors poorly informed of developments even related to their own portfolios).

In summary, the WLGA holds a central place in Welsh governance, much more so than the LGA in English governance. The challenge it confronts is how both to represent diversity yet

conduct a meaningful policy dialogue with the Assembly, all within quite limited resources. As we have suggested, the challenge of representation implies a closer relationship with elected members. The WLGA could also play a key role in improving and widening the policy dialogues between the Assembly and local authorities, and, indeed, across authorities.

The Labour Party

The Labour Party plays a key role in London–Cardiff relations (Laffin *et al.*, 2000) and inside Wales in ALGR. In Welsh Labour, local government has much greater standing and influence than does local government in English Labour circles. This influence is well illustrated by the government's inclusion of the obligation to promote local government and establish the Partnership Council in the Government of Wales Act to appease the devolution sceptics within Labour local government. Welsh ministers neglect Labour local government interests at their peril. Even so, there are tensions between Labour in the Assembly and in local government. The controversial Labour selection processes for the new Assembly generated considerable aggravation within the Welsh party. However, these processes did produce, as was intended by Labour headquarters in London, an Assembly membership profile very different from that of local government, particularly in terms of gender balance and age. In particular, just under half (24) of the 60 AMs are women, and both the Labour Assembly Group and Cabinet have a majority of women; in contrast, women comprise only 19 per cent of Welsh councillors (Edwards and Chapman, 2000).

A more recent source of tension has been the new Labour–Liberal Democrat Coalition formed in October 2000. Labour local government leaders were particularly incensed by the commitment to review local government electoral arrangements and the possibility of proportional representation (PR) – over which they had not been consulted – as PR would have a very considerable impact on Labour Party representation in local authorities. Labour figures also objected to the Liberal Democrats taking two Cabinet seats and not least the appointment of a Liberal Democrat AM, Peter Black, as Deputy Minister for Local Government and Housing (he is also a Swansea councillor).

Despite these early difficulties, Labour Party channels and solidarity have been important in facilitating and co-ordinating ALGR. Those links and solidarity (as a crucial rule of the game) underpin the ways in which the Partnership Council presently works and are crucial in holding the WLGA together – ironically the fissiparous tendencies in the past within the Association have come from Labour authorities. Labour has institutionalised links through representatives from local government and the Assembly who attend each other's group meetings. But these links seem, at least as yet, of little significance.

However, some non-Labour and even some Labour members see Labour dominance of the WLGA as problematic. Rightly or wrongly, they perceive Labour as managing the WLGA and even the Partnership Council for essentially Party ends and at times neglecting what they think are significant local government issues.

Subject committees, regional committees and AMs

All the Assembly committees touch on local government as most Assembly business involves local government issues. One AM even observed that the Local Government and Housing Committee was more like a cross-cutting committee than a subject committee. The Committee itself acknowledged this in one of its own papers:

> *Performance against* service-related targets *for areas such as education and transport will be assessed by other Committees. The main focus for this* [Local Government and Housing] *Committee is on the targets set for 'Better, simpler government' and 'Better quality of life'.* (Local Government and Housing Committee, 2000, emphasis in the original)

The Assembly subject committees do appear to offer local government a potential channel of access to the Assembly. Yet, little evidence emerged that local authorities were using them in any consistent or strategic way, although one leader did speak positively about 'multiple routes' for influencing the Assembly, mentioning how individual AMs had successfully pressed the authority's concerns about a particular issue in committee.

Another potential avenue of access to the Assembly is through the regional committees. These were created mainly to allay fears, in the North and West, of South Wales domination. These committees are simply consultative, comprising AMs in the region, and possess no formal reporting back mechanisms. This offers little incentive for local government officers and members to attend; only a few reported

attending and even then only once or twice. Across local government, those interviewed were only concerned about these committees where they associated them with what they saw as the Assembly's intentions to regionalise some of its service delivery functions. Indeed, the WLGA itself opposes the perceived trend towards planning and delivering public services on a regional basis, asserting the right of local authorities to seek joint arrangements with partners of their choice (WLGA Co-ordinating Committee Paper, 27 July 2000).

Carmarthenshire claimed to be the only local authority that had formal and regular meetings with all local AMs. This was appreciated on all sides. AMs were kept informed of the authority's plans and were less likely to be 'surprised' when announcements were made. Whether this model would work in local authority areas where political competition at both local government and Assembly level is more pronounced is questionable.

Some in local government raised the issue of the existence of too many representatives with overlapping and ill-defined mandates (see Chapter 3), so that aggrieved local residents were taking up essentially local government matters with representatives from the four or even five levels of government – contacting their MEPs, MPs, AMs, list AMs and councillors (perhaps both county and community). These representatives then raised these cases with the local authority, the officers of which could be responding to several inquiries about the same case. The argument was that there should be protocols, indicating what level of representative should take up what type of case. No doubt these might be helpful but our view is that, especially where more than one political

party is involved, the dynamics of electoral competition mean that representatives are unlikely to risk being seen to refuse to take up constituents' cases.

Policy networks and professional associations

The advent of the Assembly has engendered some new policy networks and given a new role and energy to established networks. For example, the education lobby has quickly reorientated its activities around the Assembly. Potentially, these networks perform a vital role in ALGR as channels of influence and communication. Cabinet ministers in Wales are themselves plugged into many of these networks and draw on them in their search for ideas and information outside the civil service channels. Professional links are very important, especially as many Welsh authorities are officer-driven. The links between authorities and different Assembly divisions have also varied. For example, in social services, a wide range of contacts is in place, including day conferences and regular meetings with the minister and civil servants. In contrast, in housing, comparable meetings with directors are only just beginning; although the Assembly housing divisions have long-standing and close contacts with the wider housing policy network in Wales.

Unlike in Scotland, Welsh professional officers have always belonged to England and Wales associations. Moreover, prior to local government reorganisation, with just eight counties, separate associations seemed unnecessary for the county-level professions. The advent of devolution and the creation of 22 authorities have created new conditions that are encouraging the formation of more autonomous Welsh branches of the professional associations. The Association of Directors of Social Services (ADSS), the Association of Education Directors Wales (ADEW) and the Society of Local Authority Chief Executives (SOLACE) illustrate these changes.

The Wales branch of the ADSS remains a branch of the national association. However, the 1999 Branch AGM reported that Welsh directors are facing 'a relentless agenda of work' much of which was being generated by the new Assembly. Thus, the ADSS in Wales is looking to play a more proactive role rather than simply reacting to Assembly initiatives. It has quarterly meetings with the Minister for Health and Social Services and support civil servants. During 2001, ADSS Wales created nine policy sectors, such as one on the health–social care interface, each headed by a lead director. These networks are to be supported by a series of e-networks to improve the exchange of information in Wales. Finally, one director commented on the difficulties faced by a professional association, like the ADSS, in accommodating devolution:

> [Organisations] *like the Association of Directors of Social Services constantly forget the Welsh agenda, and because most directors are in England they focus on the English agenda. So I'm constantly saying to them, 'hang on it's different here. Don't forget we've got a different NHS plan, don't forget Supporting People is different in the way it's being applied in Wales', which I think is quite a challenge for that organisation, because the risk is that it could eventually fragment and you could have a Welsh Association of Directors of Social Services, rather than just a Welsh branch*

of it, and I think that's a real challenge for lots of UK-wide organisations.

Similarly, the Association of Education Directors Wales (ADEW) has sought a more active role for itself. It meets about twice a year with the Minister for Education. Like the ADSS, it has organised itself around sub-groups, for example on Governance of Schools, Benchmarking and Special Education, often convened at assistant director level. Directors reported that their main conduit of engagement with the Assembly and the Partnership Council was through ADEW, regarded as 'a very important interface' and 'a good network'. ADEW members sit on key Assembly and Partnership Council working groups such as the Education and Lifelong Learning (ELL) study on Surplus Places and the Narrowing the Gap working groups on schools performance. However, a caveat is the need for the Assembly to target the expertise at an earlier rather than at a later stage. One respondent said that the Assembly had proved responsive to ADEW's input but only after the policy 'hare' had been set running:

> *We* [ADEW] *have been able to influence what the Assembly has done quite usefully, but often it has been after the event. The policy is announced, the purpose is announced, we've had to get together to say, 'hang on that won't work, let us help you make it work', which is the wrong sequence. The sequence should be the Assembly coming to us saying: 'We'd like to make this work, can we have all the pitfalls from your perspective? Can we come together as a group? Right, now, we can make the policy announcement.' The policy announcement often comes before the in-depth thinking.*

The Society of Local Authority Chief Executives (SOLACE), too, is a branch of an England and Wales association. Its membership includes chief executives and other senior, strategic managers in local government. SOLACE Wales has established a number of 'contact points', including a 24-hour 'exchange' event with senior civil servants once a year which allows for informal discussion. Strikingly, many chief executives noted that, despite well-developed channels between the service-based professional bodies and the Assembly, SOLACE did not have a comparable channel. Chief executives do serve on a wide range of Assembly working parties but these are mostly service-based or concerned with administrative arrangements. There is no corporate channel to counterbalance the service-based channels. Obviously, there is scope for chief executives to play a more prominent role in ALGR policy (as distinct from their involvement in authority-specific ALGR issues). In particular, more frequent meetings between chief executives and senior civil servants could be valuable. However, we understand that some council leaders are resistant to the idea of closer links between chief executives and senior civil servants.

Of course, professional advisers from local authorities are a key resource for the WLGA. Yet, few officers reported any extensive contact with the Association. Most regarded their professional association as their main arena, while relations between the WLGA and the professional associations were quite distant and largely unformalised. The WLGA appoints its professional advisers and calls on professional officers for advice in a piecemeal way; at present, it does not ask the professional

associations formally to nominate advisers or provide advice. Furthermore, Assembly officials (and often the local government officer himself or herself) were sometimes confused over whether a local government officer was representing the WLGA, a professional association, or simply his or her personal views. The WLGA could make more effective use of the professional resources of local government if it developed a closer working relationship with the professional associations. In addition, chief executives could be involved in a corporate channel within ALGR as a counterweight to the often influential, service-based channels.

Conclusions

The Labour Party plays a crucial role in ALGR. Labour links are important in co-ordinating policy between the Assembly Cabinet and local government. Those links and party solidarity (as a rule of the game) underpin the way in which the Partnership Council presently works and are crucial in holding the WLGA together. Meanwhile, many members from non-Labour authorities feel that the WLGA does not fully articulate their views. Elsewhere, some policy networks in Wales are highly developed, while others are only beginning to emerge as Welsh policy communities or networks begin to crystallise. In particular, the professional associations, potentially key actors, have only very recently organised themselves on a Welsh basis and as yet are not effectively wired into ALGR.

6 Conclusions and lessons

Our findings do not bear out the view that the Assembly would, as a strong regional body, crowd Welsh policy space and reduce local discretion. Indeed, post-devolution local discretion and autonomy have increased. Collectively, local government, primarily through the WLGA, has been able to influence the Assembly on significant issues. Individually, local authorities have retained similar levels of discretion at least equivalent to those they enjoyed pre-devolution. As we have argued, four main factors have produced this outcome: the small number of authorities involved, the closeness of the Assembly to local government, the political imperative engendered by Labour Party membership to work together and the Assembly's policy development deficit. The contrast with central–local relations in England is striking. Central government there is much more remote from the more numerous local authorities. Labour ministers do not see local government or even Labour local government as an especially important constituency to woo. Quite the reverse, New Labour in London attaches less importance to local democracy and diversity than the Welsh Cabinet and, even more unlike the Welsh Cabinet, favours the use of alternative forms of service delivery.

Even so, the comparative harmony of ALGR has not been entirely smooth. The role of the Assembly in Welsh governance remains contested in terms of its political mandate and ambiguous, reflected in the difficulties of defining 'partnership' and 'strategy'. Some key rules of the game remain uncertain. Many in local government argue that what we refer to as the rules of the game should be formalised – that the Assembly should define its spheres of responsibility with greater clarity and stick to

those spheres. With devolution still in its infancy, council leaders are still haunted by fears of an overweening Assembly whose ambitions will lead it to usurp local functions and powers. Furthermore, many members and officers see the Assembly as unpredictable (especially given its perceived lack of an overall policy vision) and inclined to intervene, and complicating the relationships of accountability with their own electorates. Thus, local government interests would like to see the Assembly constrained within clear and binding statements of its functions and responsibilities.

Our view is that this demand for a neat, tidy and (above all) well-entrenched statement of respective powers and responsibilities is unattainable. Obviously, there is scope for greater clarity over who should do what in particular policy areas. Not least, workable lines of managerial accountability between the Assembly and local authorities have to be established. But the arguments for an overall, internal Welsh 'constitutional settlement' are weak. In Chapter 4, we argued that the Assembly, like any comparable sub-nation state body, faces irresolvable tensions that make a strategic role both extremely difficult to define with any clarity and even more difficult to sustain over time. The Assembly has to work within the constraints of an England-and-Wales policy system, which shapes and sometimes overrides its own policy priorities; it has to respond to growing public demands for service uniformity yet is committed to local diversity; it has to ensure that the quality of local service delivery is high yet respect local democracy, risking the blame if local authorities do not prevent serious deficiencies from emerging within their services. In Wales, as in other parts

of the UK, both sides have to learn to live with ambiguity and accept the existence of irresolvable tensions (Walker, 2000).

Another reason for the tensions in ALGR is, what many people see as, the absence of a vision or sense of overall purpose from the Assembly's political leadership. Too often, those in local authorities experience Assembly policy driven from within the service-based 'silos'. Ministers might themselves be clear about where their portfolios should be going, but they are less clear over how their portfolios should articulate with those of their fellow ministers. Assembly civil service thinking and action as well remains departmentalised or 'siloed'. Local government argues that they have taken modernisation further than the Assembly. Many have begun to transform themselves from service-based towards more user-orientated organisations as they restructure their departments and give new, more cross-cutting type roles to the lead members.

The lessons for the Assembly

- *Building on policy agreements*. The Cabinet has responded to the tensions in its relations with local government and to its own search for a strategic role by adopting policy agreements (originally a WLGA idea). These agreements do not finesse any principles for the respective roles of the Assembly and local authorities, but rather seek to align their substantive policy priorities. As we noted, those in the Assembly tend to see the agreements as essentially *directive* policy instruments, while local government would prefer them to be more *co-*

ordinative – that is, more strongly reflecting local priorities. Nonetheless, they do appear to offer a compromise position between the demands for local autonomy and those for hypothecation.

- *Better strategic vision from the Assembly*. A common complaint from local government is what is perceived as the Assembly's failure to define a clear *overall* policy direction or vision and, consequently, a sometimes inconsistent approach to local government. The Assembly's departmentalised approach also remains an issue for local authorities. It has made only limited progress in work on cross-cutting issues; arguably, many local authorities have made more progress, at least in terms of structural reorganisations. The recent strengthening of the centre within the Assembly administration may assist co-ordination across the administration.

- *Improving consultative processes*. The Assembly could streamline consultation and improve the quality of its feedback from consultations with local government by reducing the volume of the consultations, being more selective in its consultations, co-ordinating the consultative process across the Assembly administration, not consulting when a policy decision has already been made and by allowing more time for consultation.

- *Scope for improved understanding between Assembly and local government*. Some remain unconvinced that there is a good

appreciation of the challenges of local government service delivery at the senior levels of the civil service.[1] An injection of senior local government experience at this level could be valuable, particularly if there were greater staff mobility between the Assembly and local government. Secondments have taken place between the Assembly and local authorities, mostly from the latter to the former and at relatively junior levels. Secondments, exchanges and even appointments of local authority officers at senior civil service levels could go some way to improve the senior civil service's appreciation of the challenges of local government service delivery.

Lessons for local government

*   *Strengthening mediating organisations – WLGA*. The challenge of representation implies a closer relationship with member authorities and greater efforts to identify and represent the views of the elected members. The WLGA could also play a key role in improving and widening the policy dialogues between the Assembly and local authorities, and, indeed, across authorities particularly on how policies and services should and could be joined up. The WLGA could also consider building on its role as a think tank by developing a *knowledge broker* role, orchestrating and outsourcing ideas and policy development work from other organisations (such as the professional associations and universities).

*   *Strengthening mediating organisations – professional associations.* Given the deficit of policy development resources within Wales, the professional associations could play a significant role. They could develop their activities and form more independent branches attuned to Welsh issues and circumstances. Of course, the professions do face a difficult balancing act both in articulating their own professional concerns with the various political agendas and in working with the sometimes different policy agendas of the Assembly and local government. It did seem that local authority chief executives could play a more significant role as a corporate channel within ALGR as a counterweight to the often influential, service-based channels.

*   *Strengthening the role of elected members in ALGR.* The WLGA could do more to create effective accountability in ALGR by enhancing the role of elected members. New ways could be considered of organising and briefing groups of executive members in their policy areas. In several policy areas, the WLGA did not have clear policies and it needs to build up policy positions that have the considered support of elected members.

*   *Individual authorities could adopt a more strategic approach in their relationship with the Assembly*. Individual local authorities need to consider what messages they want to send up to the Assembly rather than simply react to Assembly initiatives. Authorities could use the new community planning processes to

develop a role here, and make greater use of the new networks of power and influence created by devolution. In addition, authorities could usefully build closer links with their regional committees and with their local AMs.

Notes

Chapter 2

1 In October 2001, the Assembly passed legislation suspending local government elections for a year so that Assembly and local elections would be held on different days for perpetuity.

Chapter 6

1 As David Walker has recently noted: 'how remarkable it is that you can get to the top of any public service system without intense familiarity with the local conditions of service delivery' (Public Accounts Committee, 'Minutes of Proceedings', 20 March 2001).

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Appendix 1

Research methods

The research was in two main parts. First, it examined the role of the main mediating bodies between the Assembly and local government, in particular the Partnership Council and the WLGA. Three policy areas were selected for further investigation – school education, housing and social care – as representing major areas of local government service delivery. This stage of the research involved the analysis of documentary material (Assembly reports and minutes, press reports, WLGA papers, parliamentary papers, etc.) and interviews. Over 30 interviews were held with Assembly ministers, Assembly members, civil servants, local government leaders, local government chief officers and WLGA staff. These interviews were necessarily loosely structured.

Second, six case study authorities were selected as a representative sample of Welsh local government. These authorities were: Cardiff, the largest single authority and an economically significant urban centre for the whole of Wales; Rhondda Cynon Taff, a large valley authority which had recently changed hands from Labour to Plaid Cymru control; Carmarthenshire, a rural West Wales authority; Gwynedd, a north west rural authority, which was Plaid controlled and used Welsh as the language of business; Wrexham, a northern border authority mixing urban and rural influences; and Monmouthshire, a South Wales border council often perceived as a centre of relative affluence.

About six interviews were conducted in each of these authorities with senior officers and councillors. Those invited to interview included the chief executive, leaders, cabinet members

and the senior officer involved in our three key policy areas. The interviews were semi-structured and based on a range of questions which were common for chief executives and leaders, with a separate series of common questions for senior officers and cabinet members. Each interview lasted for a minimum of one hour with several interviewees being involved in follow-up or extended interviews. The questions were designed to test perceptions of the transition from Welsh Office to National Assembly, the changing role of local government, the effect of the Assembly's coalition, the representation of local authority opinion, the impact of consultation and advice required by the Assembly, the influence of the Partnership Council, the role of the WLGA, modernisation, Best Value, partnerships with third-party agencies, and the representative roles of local authorities and the Assembly.

The Project Advisory Panel comprised eight members – a civil servant, two local government chief executives, a WLGA officer, a representative of the Welsh Council for Voluntary Action (WCVA), two academics and a JRF staff member. The Panel met twice: once early on in the research to advise on the research design and then towards the end of the research to comment on the emerging conclusions. The research team also discussed the findings with several key participants towards the end of the research period and held a video-linked conference with 12 chief executives and heads of corporate services. In addition, they held a one-day conference in November 2001, attended by about 60 local government officers and members, civil servants and AMs. The

conference was addressed by Mrs Edwina Hart, the Assembly Minister for Finance and Local Government, and Sir Harry Jones, Leader of the WLGA. The research team also presented their findings to the conference and organised discussion groups in the afternoon based on the findings. These groups discussions were helpful in clarifying the issues in ALGR and largely confirmed the research findings.

Appendix 2

Policy agreements

Policy agreements were introduced in 2001 and the first were signed off and published in November 2001. They were negotiated between the Assembly and each of the 22 local authorities in Wales. They consist of two parts: first, a written agreement between the Assembly and the Council; second, a series of specified targets or indicators against which the Council's performance will be measured.

Common elements

The written agreement contains both common items setting out the context and expectations of the agreement and specific items agreed with each particular council. Consequently, they vary in length but follow a largely common format. Typically, the agreements contain about 14 agreed points.

All the policy agreements include the statement that the intention is to shift 'the emphasis from inputs to outcomes' and a statement on the context, which includes: the Best Value Performance Plan, the Assembly's local government scheme and the duty of community leadership on local authorities. This places the agreement clearly within the established roles of local government and the Assembly, notably the community leadership role for local government set out in the Local Government Act 2000; the monitoring and inspection role of the Assembly; and the Assembly's duty to 'promote' local government set out in the Government of Wales Act 1998.

The policy agreements are also linked to the Assembly's core strategic document *Better Wales* through a vision statement and priority themes.

The three priorities taken from *Better Wales* are:

- sustainable development, meeting the needs of the present without compromising the ability of future generations to meet their own

- tackling social disadvantage, the development of an inclusive society where everyone has the chance to fulfil their potential

- equal opportunities, the promotion of a culture in which diversity is valued and equality of opportunity is a reality.

Another important common element involves the mechanics of the policy agreements. Each includes a statement of the duration of the agreement, which in all cases was three years from 1 April 2001, meaning that the agreements were concluded six months after their start date. Each also includes a statement of the specific grant associated with the agreement payable in two parts – the first for concluding the agreement and the second for achieving the targets set at the completion of the duration period. Finally, there is a statement of appraisal of the targets, which will be assessed 'with reference also to other performance information available in the Council's plans for education, social services, transport, environmental services and the Best Value Performance Plan and through other existing means such as inspection services'. The targets are set so that they provide: 'a real improvement over existing levels of attainment and compatible, when taken together with targets set by other authorities across Wales, with

progress towards national or European targets where they exist'.

Council-specific elements

The significant council-specific elements enable the council to indicate how it is seeking to address the priorities of sustainable development, social disadvantage and equal opportunities in their areas, although they can include an extra theme outlining the council's relationship with the voluntary sector. These sections focus on the mechanisms and strategies of the council in these areas and any mention of local diversity and specific needs arises within this context.

Item 7 of the policy agreements contains a five-point statement of 'shared aims': better opportunities for learning; a better, stronger economy; better health and well-being; better quality of life; and better simpler government. The policy agreements each contain a set of targets arranged around the first four of these themes providing 18 'targets'. These are:

1   *Better opportunities for learning*. Four targets based on qualification achievement at ages 11, 15 and on leaving school, and on attendance.

2   *Better health and well-being*. Twelve targets based around three objectives, which are:
    - four targets for older people including provision of written statements of need, support at home and in residential care and delays in transfer to social care
    - three targets for support for specified disadvantaged groups to live at home
    - five targets for children's care including provision of care plans and the allocation

of social workers for three specified groups.

3   *A better stronger economy*. Agreed objectives for public transport use seeking a 'modal shift at a sub-regional level'.

4   *Better quality of life*. One target based on the recycling of household waste.

The focus of these targets has been in two main service areas: social services and education. Note that these are the areas in which the debates over hypothecation have taken place. The spread of the targets and their service focus has been the subject of criticism from local government.

The targets negotiated in the policy agreements were the subject of Assembly Cabinet decisions. This meant that the target for a 'modal shift' towards public transport was proposed to meet the Assembly's transport priorities and policies, whilst the waste recycling target was intended to move councils towards meeting European Union regulations on recycling.

A wider basket of targets was initially proposed by the Assembly covering a wider range of social issues such as rates of teenage pregnancy. These were narrowed down in negotiation with local government who felt that they had limited control over the factors affecting some of these targets. It is intended that the range of targets will be broadened to reflect other areas of local government activity in the next round of negotiations, leading to publication of agreements in 2004–05. The intention will be to develop targets that flow from and add to local community strategies as well as linking in and seeking to move towards

wider targets and aspirations, such as those provided by the Audit Commission, quality of life issues, or the Assembly's emerging Procurement Strategy, to name just three examples. This mixture of local, all-Wales, UK and even European concerns means that the policy agreements sit at the heart of the tensions between local and wider political concerns that we have identified.

Appendix 3

Welsh local government financial statistics

Table A3.1 Percentage of the Welsh budget spent on local government[a]

	1996–97	1997–98	1998–99	1999–2000	2000–01
Total Welsh budget[b]	6,885	6,790	7,154	7,456	7,908
Central/Assembly expenditure[c]	4,008	3,971	4,209	4,427	4,774
	(58)	(59)	(59)	(60)	(61)
Local authority support[d]	2,876	2,814	2,929	3,014	3,118
	(42)	(41)	(41)	(40)	(39)

Source: Financial Planning Division, National Assembly for Wales.

[a]Figures are in £ million actual not adjusted for inflation, figures in brackets are the percentage of the total Welsh budget. The figures for 1998–99 are the forecast out-turn and, for 1999–2000 and 2000–01, planned expenditure.
[b]Figures relate to the Welsh Office prior to 30 June 1999 and the National Assembly for Wales and Secretary of State for Wales' Office thereafter.
[c]Prior to 30 June 1999 refers to central government expenditure, which excludes local authority support.
[d]Includes cash and non-cash items such as credit approvals, but only those supported by the Welsh Office or National Assembly for Wales. Excludes grants and credit approvals supported by other government departments.

Table A3.2 Real changes in Welsh local government spending, 1994–95 to 2000–01 (1994–95 = 100)

	Gross revenue expenditure	Net revenue expenditure	Gross capital expenditure
1994–95	100	100	100
1995–96	103.2	103.7	102.9
1996–97	102.4	102.3	87.9
1997–98	102.2	103.5	75.6
1998–99	103.1	104.5	67.4
1999–2000	104.8	108.3	61.3
2000–01	110.2	112.4	65.0

Sources: National Assembly for Wales (2001d) for data on local government spending; authors' calculation of real changes using HM Treasury GDP deflators at market prices.

Table A3.3   Per capita percentage and actual variation in Welsh spending from English spending, 1996–97 to 2001–02. Percentage figures, figures in brackets actual variation £ per head

	1996–97	1997–98	1998–99	1999–2000	2000–01*	2001–02*
Revenue expenditure						
Education	+8.2	+7.6	+7.4	+7.5	+6.7	+4.5
	(+34)	(+31.9)	(+32.7)	(+33.6)	(+31.6)	(+23.4)
Personal social	+11.2	+11.1	+10.3	+6.0	+10.1	+9.5
services	(+18.2)	(+19.2)	(+18.9)	(+12.1)	(+20.8)	(+21.2)
Police, fire and	–8.4	–6.5	–5.5	–6.4	–4.6	–3.4
law and order	(–14.3)	(–11.4)	(–10.0)	(–12.1)	(–9.0)	(–6.7)
Non-Housing Revenue	–25.1	–23.6	–24.6	–24.4	–24.1	–25.7
Account housing	(–29.8)	(–27.5)	(–28.8)	(–29.2)	(–30.1)	(–32.8)
All other	+21.9	+20.0	+18.1	+18.3	+9.6	+16.3
services	(+40.2)	(+37.3)	(+35.2)	(+37.4)	(+21.7)	(+39.2)
All revenue	**+6.7**	**+7.5**	**+7.4**	**+6.7**	**+6.2**	**+6.3**
expenditure	**(+73)**	**(+83.8)**	**(+85.3)**	**(+80.2)**	**(+78.3)**	**(+85.3)**
Net revenue	**+9.1**	**+11.4**	**+11.0**	**+11.7**	**+12.9**	**+14.2**
expenditure	**(+83.4)**	**(+106.1)**	**(+107.2)**	**(+118.8)**	**(+137.3)**	**(+159.3)**
Central	+57.1	+45.5	+46.3	+50.9	+63.9	+59.7
grant	(+249.0)	(+209.1)	(+216.6)	(+240.4)	(+295.5)	(+297.7)
Capital expenditure						
Education	+21.6	+25.3	+7.5	–12.7	n/a	n/a
	(+3.5)	(+4.4)	(+1.5)	(–2.9)	n/a	n/a
Personal	+10.3	+16.7	+35.7	+3.7	n/a	n/a
social services	(+0.4)	(+0.5)	(+1.0)	(+0.1)	n/a	n/a
Police, fire and	–7.2	+7.7	–7.1	+8.2	n/a	n/a
law and order	(–0.5)	(+0.5)	(–0.5)	(+0.6)	n/a	n/a
Housing	+118.4	+74.2	+56.1	+36.0	n/a	n/a
	(+50.3)	(+35.3)	(+28.5)	(+17.4)	n/a	n/a
All other capital	+86.7	+82.5	+55.8	+57.3	n/a	n/a
expenditur	(+35.0)	(+28.7)	(+18.7)	(+21.5)	n/a	n/a
Total capital	**+77.2**	**+59.2**	**+41.9**	**+28.6**	**n/a**	**n/a**
expenditure	**(+103.4)**	**(+78.2)**	**(+56.8)**	**(+40.2)**	**n/a**	**n/a**

Sources: Spending figures from Local Government Information Unit, National Assembly for Wales; authors' calculations.

*Figures for years 2000–01 and 2001–02 are budgetary estimates. Capital expenditure estimates for England are not available for 2000–01 and 2001–02. Top-line figures are in percentages of English spending, the figures in brackets are actual variations of Welsh from English spending in £ per head.

Table A3.4 Central grants as a percentage of net revenue expenditure

	1996–97	1997–98	1998–99	1999–2000	2000–01	2001–02
Wales	68.6	64.2	63.5	62.6	62.9	62.3
England	47.6	49.2	48.2	46.3	43.3	44.6

Source: Local Government Information Unit, National Assembly for Wales; authors' calculations.

Table A3.5 Specific government grants as a percentage of gross revenue expenditure

	1996–97	1997–98	1998–99	1999–2000	2000–01	2001–02
Wales	14.4	13.3	13.1	11.3	10.4	10.9
England	16.3	16.2	15.9	15.3	15.7	17.1

Sources: National Assembly for Wales (2001d) for data on local government spending; authors' calculation of percentages.

Note: Figures for 2000–01 and 2001–02 are budgetary estimates.

Table A3.6 Specific grants by service, 2000–01

£ thousand	Total
Grants within aggregate external finance (AEF)	
Education	33,293
Personal social services	4,175
Home Office and protection	35,885
Housing/council tax benefit administration	7,864
All grants within AEF	**81,217**
Grants outside AEF	
Education	32,387
Personal social services	51,303
Home Office and protection	3,624
Housing	234,521
Council tax benefit	103,811
Other	8,192
All grants outside AEF	**433,838**
All specific grants	**515,055**

Source: National Assembly for Wales (2001d)

Table A3.7 Per capita standard spending assessment (SSA), central government support and credit ceilings by authority, 2000–01

	SSA	Central government support	Credit ceiling
Isle of Anglesey	1,144	919	990
Gwynedd	1,129	912	873
Conwy	1,045	823	737
Denbighshire	1,128	920	914
Flintshire	1,022	819	774
Wrexham	999	806	728
Powys	1,151	927	960
Ceredigion	1,120	907	850
Pembrokeshire	1,121	901	900
Carmarthenshire	1,111	910	812
Swansea	1,032	833	901
Neath Port Talbot	1,061	901	838
Bridgend	1,048	853	771
The Vale of Glamorgan	1,017	789	697
Cardiff	999	800	759
Rhondda Cynon Taff	1,070	927	776
Merthyr Tydfil	1,155	1,040	892
Caerphilly	1,079	900	654
Blaenau Gwent	1,079	991	882
Torfaen	1,111	921	923
Monmouthshire	972	733	587
Newport	1,049	858	834
All	1,064	871	809

Source: National Assembly for Wales (2001d).