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Welsh Government and Welsh Local Government – “Is this town big enough for the both of us?”

I want to start today by creating a warm nostalgic glow. On March 1st, 1979, as a 19-year-old I voted for the first time in the Welsh devolution referendum. In it 80% of the electorate voted against an elected Welsh Assembly. I was one of the 20% or 243,000 who voted “Yes”. Coming from Ebbw Vale only 6.7% of fellow citizens in Gwent voted this way. I felt sorry about the outcome, others felt trauma. The historian Gwyn Alf Williams despaired that “Welsh politics had ceased to exist, Wales had finally disappeared into Britain”

Part of the reason I voted “yes” was a form of teenage rebellion against those voices who spoke darkly of the break-up of Britain and who said we cannot govern ourselves. In 1988 I began work in Islwyn DC in the pre-devolution days of the Welsh office. Being polite the dealings we had with Cathays Park at the time were often bizarre and surreal. The irony that John Redwood subsequently described William Hague “as an unredeemable trainspotting vacuity overlaid by the gloss of management theory” was not lost on anyone. My organisation the WLGA shared the concerns about the governance of pre-devolution Wales and from 1996 fully supported the devolution impulse. The closeness of the 1997 referendum is the stuff of legend but 56% of my fellow citizens in the newly christened Blaenau Gwent subsequently agreed it was a good thing. A new Welsh political system was born, and optimism reigned supreme.

What did it mean for central-local relations in Wales? It’s rare these days that the relationship between Welsh Government and local government is described as a “golden thread of devolution”. But in the enthusiasm of the early devolution settlement, this was orthodoxy. The 1998 Government of Wales Act set up three statutory partnership councils across local government, business and the voluntary sector. The then First Minister, Alun Michael intended for them to forge cooperation between devolved government and its major partners.

Professor Martin Laffin has argued that this rested on “The assumption that the combination of a reinvigorated, directly elected devolved level of government and powerful local government units would neither inhibit the Assembly’s ability to make policy for Wales nor compromise local discretion”. Both would live in a state of happy peaceful co-existence. The Assembly would produce the strategic direction for public policy and go about “nation-building”. Local government would fulfil its core mission of delivering services to communities through 22 unitary authorities.

The WLGA endorsed this view as an attempt to codify a weak form of separation of powers and to provide a balance to the inevitable centralising dynamic of a new tier of government. But it was underpinned by a false premise. In 1999 the 22 newly constituted councils were only three years old. In those days the “local government big beasts” viewed the Assembly as “the new kid on the block” and a “talking shop”. The action was still in the council chamber. This was a significant error. It underestimated the dynamic of devolution,

missed the importance of the advent of Welsh block grant funding controlled in Cardiff bay and the formation of a "central government" institution within Wales.

The emergence of a new Welsh political system after the despair of 1979 and the euphoria of 1997 led to strong cultural support for the new institution. Indeed, even those paid to offer a considered view have tended to whisper rather than roar. Dan Evans has observed from the outset "many academics in Wales adopted a nakedly 'celebratory', uncritical view of devolution as a radical change to the British state, taking at face value the claim that it was designed to rejuvenate Welsh democracy". Consequently, it is the uneasy relationship with Westminster that is the problem. Power relations within the system are barely discussed with a resulting dearth of analysis. Ironically, across other parts of the UK, this has been a growth industry.

The classic study is found in Professor Jim Bulpitt's book, *Territory and Power in the United Kingdom* (1983). In his "dual polity" model, central governments prior to 1945 saw their purpose as keeping a full distance from local matters. They would concern themselves with "high politics" like foreign and defence policy, dabble in the economy and international relations. In turn, when it came to "low politics" such as roads, schools and services the expectation was that local government would get on with it, but not challenge the centre.

But as Bulpitt showed this model had broken down with the rise of the post-war welfare settlement. Services previously in local government were swept up into the British state. The rise of the NHS in 1948 properly dispensed with the hodgepodge of pre-war provision where local government-run hospitals were placed into a great state-run conglomerate. Aneurin Bevan's national vision triumphed over Herbert Morrison's localism. But by 1974 through reforms led by Sir Keith Joseph, the raft of community services in local government rightly left outside of this structure, including public health and child welfare clinics were crudely shoehorned into the NHS. Local accountability/democratic control was a minor consideration. Managerial efficiency was the mantra and the technocrats were on the march.

Jump to 1979 and the UK is the most centralised state in Western Europe. We witness local government's last-ditch attempt to assert "low politics". The GLC, Liverpool, and Lambeth were at the forefront of challenging central government. The Thatcher government concluded that more politicised and high-spending local councils were threatening their autonomy and conduct of "high" politics. The outcome was that the GLC building opposite Parliament is today a Premier Inn and local government suffered its "Battle of the Little Bighorn" moment, with a pyrrhic victory but badly losing the rate-capping rebellion.

In devolved Wales the genuine attempt to create a form of dual polity model in a country with no tradition of "high politics" was doomed to failure. It is an understatement to say that the public policy field in Wales is teeming and congested. Realistically it was only a matter of time before the attention of Cardiff Bay turned to areas like transport, education and regeneration which had been the preserve of councils. It was not just a case of them "parking their tanks on the lawn" but the small size of the lawn in the first place.

This was combined with the constraints and frustrations of the original devolution settlement, which curtailed the Assembly's ability to translate its ambitions into legislation. But with the Government of Wales Act 2006, and the legislative framework around law-making powers following the 2011 referendum, the early accommodation between local and devolved government was dramatically shifting. Welsh Government emerged from the split of legislature and executive, determined that its role was to govern and not be a "strategy factory". Demarcation lines between an assertive Welsh Government and councils in retreat because of austerity were eroded. This result has been a set of central-local relations which often resembles not so much peaceful coexistence as a reverberating state of hostilities.

Of course, this skip across the landscape is neat and needs to be qualified. The language/frameworks of the partnership agenda in Wales remains prevalent. Some of the greatest achievements of the devolution era - the UK leading approach to recycling waste, tackling homelessness, council tax reduction scheme and the largest piece of devolved legislation, the Social Services and Wellbeing Act, point to exceptionally effective working between devolved and local government. Successful events like hosting the European Champions League final, the Ryder Cup and the NATO summit show a coordination framework which demonstrates that "Team Wales" can be fleet of foot. Sadly, it is a lesson which we all consistently forget.

Bulpitt also noted the prevalence of 'court politics', focusing on the importance of a small number of decision-making individuals. The golden age of this in terms of the WG-local government relationship came with Ministers like Rhodri Morgan who wisely resisted every attempt to reorganise councils and concentrated on making the system work. On Sue Essex's "watch" for example Wales was the only nation in the UK for 50 years who executed a successful council tax revaluation. Jane Hutt bravely tried to join up local government and health and to apply a public health and preventative focus to the NHS as well as a degree of local democratic oversight. The type of honest decision which Alun Davies recently took on allowing the setting of a plus 5% council tax level as a matter of local democratic choice points the way forward.

However, these positive factors have been derailed by three issues which have led to a set of central-local relations which seriously needs re-evaluation and reform. These are local government reorganisation, austerity and political culture.

LGR has evidently been an article of faith for the current First Minister, initially through the recommendations of the vast Williams Report which disappeared into the ether. It was then followed by various Ministers sent lightly armed into battle with a glut of green and white papers, populated with a bewildering range of maps and options. The problem is that the Assembly itself has been historically split on this and councils, through the WLGA, implacably opposed to reinventing variants of what was abolished in 1996. Whatever the rights or wrongs of the LGR debate it has soured central-local relations in Wales for over a decade. A large part of the reason for this stems from what Professor James Downe observes as "Cardiff ministers' approach to local authority reform that continues to be 'top-down', confused and inconsistent".

The irony is that local government and the Welsh Government have a shared 'diagnosis' of the ailments, the challenges and increasing pressures faced by Wales' local public services. But there is difference and disagreement over the causes, the prognosis, and what medicine should be prescribed. To overextend the metaphor and paraphrase the words of Tom Paine, Welsh Government has pitied the "plumage" of structures but forgot "the dying bird" of diminishing resources.

Everyone agrees that there is a need for a massive debate on the future of a revitalised local government and its relationship to communities. But that crucially must also include the role of the centre. No council structure is immutable. Despite coming up to its 25th anniversary in 2021 some of the councils created in 1996 are struggling with semi-permanent austerity. So why hasn't this debate occurred?

- 1. The wounded are still on the battlefield.** The sharp polarisation of views over the past years is unhealthy. The debate has often been acrimonious and heated, and real opportunities lost. Remember six authorities did come forward seeking voluntary mergers. WLGA has offered a variety of solutions. If there is one, emphatic lesson it is that "top-down map based" exercises, half-baked in the Cathays Park policy oven, will not work. If change is to occur, it must be negotiated, incentivised and most of all must address the issues of financial sustainability. Derek Vaughan's working group is welcome in this regard.
- 2. Local authorities have no enshrined constitutional protection.** Their roles, areas and even existence can be changed at will by a government with a majority in the National Assembly. The precarious constitutional status, when viewed through the lens of the town hall, is exacerbated by the direction of Welsh Devolution. Frankly, it is beginning to look like a variant of regional rugby with one big national team and a desire to create four feeder regions. For all its faults the passionate localism of the club game and the fierce rivalries between them engaged and enthused people. The regions have failed to capture the public imagination, are financially insecure, crowds are small, and players continue to look elsewhere for more stimulating rugby. Read across to public policy and the principle of subsidiarity is vital, and perhaps a warning to those who think schools can be controlled and run by regional consortia.
- 3. Sound empirical evidence is in short supply** – despite the inconclusive nature of the literature, Civil Servants hold to the firm belief that larger units are and must be inherently better, more efficient and effective, and cheaper and better performing than smaller units. This is intriguing since much of the available evidence points in the opposite direction, that reorganisation to larger bodies leads to higher expenditures and lower performance. Two words - Betsi Cadwaladr.
- 4. The one incentive available namely the offer of more powers to councils is at best conditional and at worse illusory** – the "jam tomorrow" narrative of "reform and we will think about empowering you" does not stand up to detailed scrutiny. The most absurd example of this is a situation so devoid of trust, that local elected politicians must go to an unelected quango to seek permission to raise or reduce the salary of a senior officer. When it comes to functions, local government has pushed for additional functional areas like public health, elements of primary care, health scrutiny etc but all have been effectively ruled out without a debate. Indeed, there is clear evidence of councils losing functions to non-elected bodies. Transport is the worst example, but others may well be in the frame, such as schools or adult social care? The evidence in key areas such as post-16 provision and

the burgeoning education consortia suggests this is the case. Meanwhile, the local accountability and democratic oversight arrangements in the existing system of centrally appointed Local Health Boards is almost non-existent.

There is a wider question why this debate hasn't occurred which I will outline shortly; but sticking to the theme of accountability, the above begs the question whether the embers of the "bonfire of the quangos" are being stoked again and if so whether the reality of the WG offer to local government is basically fewer resources and functional disintegration. If so, there are huge dangers in this approach.

What if devolution becomes a culture in which more services and decisions are removed from local government? A top-down way of working will not produce the economic, social or environmental transformation that Wales needs, or tackle the local challenges that people face. All around the warning signs accumulate. Antonio Gramsci's famous quote is the most astute observation on our current predicament namely "that the crisis consists in the fact that the old is dying and the new cannot be born – in the interregnum a great variety of morbid symptoms appear".

Welsh devolution is not immune from the tremors which are symptomatic of the wider predicament across other democratic systems. A crisis of Welsh voter disinterest and engagement, social media and the internet becoming a poisoned well, the upsurge of the populist right, and the emphatic Welsh vote for Brexit should be ringing alarm bells for policymakers and politicians. People are grasping for control, not seeking to give more of it away to unaccountable bureaucracies.

Within Wales, there appears to be a strong current of opinion that thinks centralism is the only way to improve public services. It is not only a misjudgement - it is old-fashioned paternalism dressed in new devolved clothes. At a macro-level, it is the same mistake made by those elites who basked in the triumph of neoliberalism, the alchemy of the City of London and of globalism. This occurred as our most deprived UK communities watched their public services collapse, the gig economy take hold, and the arrival of that tragic term "the left behind" into the political lexicon.

For most people in Wales, the reality of politics is located 100 metres outside their front door with that pothole the size of a crater, the broken bulb in the street light, the weeds growing out of the pavement and the carer who comes around to help the family. Austerity burdened local government services that once solved these problems are now sub-optimal or have gone. When it comes to the closure of libraries who can disagree with the author Phillip Pullman's striking observation that cuts are 'killing off every humane, life-enhancing, generous, imaginative and decent corner of our public life'.

Why then are we shocked about the loss of trust and confidence in local and parliamentary democracy? Fewer and fewer are choosing to vote. The great political books of our time - Francis Fukuyama's "The Origins of Political Order and Political Decay" and David Runciman's "How Democracies End" – major on the consequences of out of touch elites and distant sets of political institutions.

The Assembly ought to be generating a ferocious debate on the conditions driving popular discontent with democratic norms, not focussed on structural or technocratic minutiae. It should be shaping national discourse and the strategic responses to massive societal and climate changes, the disruptive impact of social media and digital technology, the changing nature of work, the threat of rising inequality, the reconfiguring of gender relations and whether we like it or not the consequences of immigration. The humanitarian decision of 22 councils to all take on board Syrian refugees in their areas shows what can be done when we produce rational responses. Devolution should be at the apex of this. Yet it appears that the answer to every problem is to create new structures or agencies, produce a target that will never be achieved, claim that everything single thing Wales does is “world-leading”, or call for all issues to be devolved as if that is the magic potion for each complex policy dilemma.

There will shortly be a major debate in Wales on the governance of UK Shared Prosperity fund. Welsh councils wish to work as closely as possible with both the devolved administration and the UK government. But our city and growth deals will also want to make profound links into Manchester, Birmingham, and a toll-free Bristol where the fund will be controlled by local government based Local Economic Partnerships. In governance terms the indication in Wales is that WG wants a minor adjustment of the status quo delivered through a “son or daughter of WEFO”. This hardly sets the pulses racing in our councils. The idea that local and devolved interests will always coincide is simply wishful thinking.

When it comes to the broader parameters of austerity, I will not tire the audience today with the scale of cuts faced by Welsh councils. It is not as bad as England, but it is the difference between a tsunami and a tidal wave; both are life-threatening. If you think that is overstated, please reflect that recently the Institute of Health Equity in London has shown that since 2010, the rate of increase in life expectancy across the UK has about halved. Professor Michael Marmot has argued that while it’s hard to attribute precise cause and effect, the fact we are seeing this occur when our care services are under such acute strain is surely more than a coincidence? Travel just five miles down the Heads of the Valley road between Brynmawr in Blaenau Gwent and Gilwern in Monmouthshire and the number of children and young people in living in severe poverty doubles to over 20%. And what about the other less visible services? The most tragic outcome of this was the horror of Grenfell Tower and a building regulations system in England that had been rendered completely ineffective by years of de-regulatory activity and cuts.

All these examples scream out the importance of preventative services. But in Wales, we are locked into a zero-sum game. The Future Generations Commissioner’s has observed that “the reality that the NHS is sucking up an increasing share of the budget every year to treat illness is at the cost of services which have a focus on keeping people well in the first place such as libraries and community centres, social care and leisure services”. Local government has consistently made this point. Absurdly it has led some to claim that we are becoming anti-NHS. Nothing could be further from the truth.

The WLGA and councils work more closely with our NHS colleagues today than ever before. Local government has supported the large uplifts in Welsh health spending. The

most important debate in Wales is not local government reform, it is the integration of health and social care. Councils recognise that Health spending as a proportion of GDP needs to increase to keep up with the best in the world.

However, after nine years of austerity and a diminishing fixed block of Welsh funding putting all financial largess into one sector is slowly crushing the other. Swathes of local services are now clinging onto the wreckage of the "sinking ship austerity". But rather than think in new ways how to deal with the lower quantum of funding the Welsh Government finds itself locked in the equivalent of a "spending arms race" with England on the NHS. No one is prepared to blink and sadly it means in practice Westminster dictating devolved public spending priorities in Wales.

Core NHS spending now accounts for 50.3% on the Welsh Government fiscal resource budget, compared with 39.1% in 2009-10. With Welsh Government spending on the NHS heading ever upward you are reminded of the old historical adage that if "Prussia was an army with a state attached" in Wales we are in danger of becoming "a health service with a devolved government attached". There are different ways to cut this cake and a laser-like focus on the prevention of ill-health should be at its core.

Now is an opportune time to openly reflect on all these issues. As Carwyn Jones's era as First Minister concludes, it is good to see the emergence of an open debate about what comes next. Welsh devolution has had a dominant one-party system and leadership elections within that party and others offer the chance to unlock issues which have become frozen over time.

For local authorities, it is around the question of whether a "respect" agenda can develop and shift from the idea that local government is a second-order form of politics. The worst example of this is the argument that more AMs can be paid for by getting rid of councillors. It's as if the people's representatives are a lower form of democratic pawns to be shuffled off the board by the Kings and Queens of Welsh politics.

Within WLGA led by Councillor Debbie Wilcox, a new and key figure in Welsh politics has emerged. Alongside her are the most talented local government leadership cadre on a cross party basis in a generation. The dominant question for them is whether the next stage of politics in Wales can be culturally and creatively different, more transparent and far less controlling. They also want to counter the "second order" narrative and dispute the following assumptions-

1. The view that a national mandate should always prevail over a local mandate.
2. The perception of something called a "postcode lottery" always as a negative rather than the expression of local choice and managed difference.
3. The infallibility of inspectors and inspections, when compared with the views of those inspected.
4. The alleged low calibre of councillors and local authority officers compared with AMs and the civil service.
5. The inefficiency of local authorities compared with central government or other public services.

6. The proposition that the local state and the council tax have an inexhaustible capacity to take all the strain in deficit reduction.
7. The idea that local government is resistant to reform and is a “problem” that needs to be solved.

What should be the LG counter-narrative?

1. That the basic powers and duties of local authorities should be protected by statute.
2. That councils fully own their reform and improvement agenda and pool investment into peer reviews and self-scrutiny.
3. That in terms of diversity, political parties need to actively commit to exponentially increase the number of female and BME candidates. Councillors Wilcox recently called for 50:50 ratio and for the controversial nettle of quotas to be grasped.
4. That the transformative potential of digital should receive as much focus as structures. We should massively accelerate the quality and pace of digital agenda in Welsh public services.
5. That the City Deals and Growth Bids should be viewed as the foundational geography for Welsh regeneration. These are some of the most transformative renewal initiatives in decades, all led from the bottom-up by ambitious and visionary local leadership.
6. That any proposal for the reform of wider public services or agencies should be subject to an agreed cross government approach of democratic audit and testing, ensuring local as well as national accountability. No more ELWA’s or NRWs.
7. That local democratic accountability and the principle of subsidiarity should be at the heart of the devolution debate. The devolution train really needs to leave Cardiff station.

To return to my starting point. After 30 years that 19-year-old in 1979 is now nearly 58. He remains hugely supportive and committed to devolution, but this is tinged with a sense of disappointment and concern. Over the years, competent managerialism and the corollary of corporatism has prevailed. A former Permanent Secretary once defined the early success of devolution as the absence of a “big financial scandal or some big administrative failing”. Proficient due-diligence was the foremost virtue. The result of the determined pursuit of “not dropping the ball” means that the “message is king” and the medium of the message - namely the press release - is all important.

For a nation schooled in nonconformity, it appears that overbearing discipline is now the core value. No government likes opposition, criticism or dissent. The WLGA knows this only too well and has found itself many times caught in the crosshairs of angry Ministers with whom it did not agree. It can be an incredibly uncomfortable, malevolent and toxic place to occupy and can lead to a reluctance to speak out. WLGA shares a belief in devolution, huge ambition for public service excellence and commitment to Wales’ diverse communities, yet it sometimes feels that offering a different view or challenge is seen as anti-Welsh Government or even anti-devolution.

Some will say this is the rough and tumble of modern politics and that is partly true. But is it healthy in Wales, where a large part of civil society is effectively colonised by grant funding from the centre? Where Welsh newspapers are weak and in decline. Frankly, no one in

Cardiff Bay can complain about a hostile media. With some notable exceptions speaking truth to power is a minority sport. There is often more rigorous scrutiny across Wales through local newspapers hovering over the local councils like proverbial hawks. At a national level too, many of the institutions that make up the fabric of Welsh life—the third sector, trade unions, the Church, universities etc – are quiet. It's as if they have all decided to take their vows and join the Convent of St Mary of the Meek. Aside from the Bevan Foundation and a few others, there is a famine of critical independent commentary, think tanks, blogs and analysis.

Prof David Runciman's observation that American democracy will survive Donald Trump is predicated on the fact that American institutions like its press, district court judiciary and federal governments are proving relatively resistant to capture. Not for a moment am I suggesting that the situation in Wales is that critical but where are the checks and balances if it was? Surely a strong, vibrant and forthright local government, properly funded and locked into the Welsh constitutional settlement is one of the guardrails of Welsh democracy?

Local government has much to do make itself reflective of the population of Wales. The gender balance in terms of leaders and senior officers remains a source of embarrassment. Sadly, localism can descend in outright parochialism and service standards in some authorities are not good enough. But at the same time, it has weathered years of brutal cuts, built 21st-century schools to be proud of, set in place city deals and growth bids rooted in local accountability.

Daily, social care workers, teachers, and the DLO workers who cleaned up after recent floods play a role of equal value to that of the nurse or doctor. LG is also full of those local councillors who despite vilification give their heart and soul to their communities. Local government may be unloved, but it remains indispensable to the health of Welsh democratic politics. Valerie Jarrett a former advisor to Barack Obama is right to state "When you are in local government, you are on the ground, and you are looking into the eyes and hearts of the people you are there to serve. It teaches you to listen; it teaches you to be expansive in the people with whom you talk to, and I think that engagement gives you political judgment".

Consequently, a new phase of devolution led by a range of new party leaders in Wales is upon us. It presents the opportunity for Wales to show that politics can be vibrant and inclusive. The words of Professor Kevin Morgan resonate here for "we cannot expect politics to flourish if devolution is dominated by a political culture which extols control over competence, if free and frank debate is frowned upon and all roads lead to the First Minister, in other words, a culture that parodies the very ethos of devolution".

Devolution has made enormous strides since 1997. Its progress confirms the judgement of our greatest historian Gwyn Alf Williams that "Wales is an artefact that the Welsh produce". But he sounded a warning that it must not be underpinned by a Welsh obsession with "A celebration of a heroic past which rarely seems to be brought to bear on vulgar contemporary problems except in terms of a merely rhetorical style which absolves its fortunate possessors from the necessity of thought". I think we could do a lot better

because if we really aspire to meet the rhetorical claim to be an exemplar of smart small country governance there is a long voyage ahead.

One of the joys of being WLGA chief executive, an incredible organisation for the past 15 years, has been the privilege of working with unbelievably committed and clever politicians and people across local and devolved government. I thank them deeply for their support and friendship. During that time, I have also grown to really know Wales. I have travelled the highways and bi-ways of this country from Aberbargoed to Aberystwyth, Llanelli to Llangefni and nearly drowning once on Machynlleth bridge. It is a truly remarkable, beautiful and striking place, sardine-packed with some of the finest people on the planet. It deserves nothing but the best.