



TOWN AND COMMUNITY COUNCIL REVIEW IN WALES



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1. The Association

- 1.1 The North & Mid Wales Association of Local Councils has been in existence for over 45 years representing the interests of its members in the North and Mid Wales region of Wales.
- 1.2 Currently there are approx. 30 town and community councils which are members of the Association. They are mainly the larger councils along the north coast area.
- 1.3 The Association has a constitution and holds an annual meeting in the normal way. The officer positions (except the secretary) are elected councillors from the member councils.
- 1.4 The Association has a website at www.northwalesassociation.org.uk

2. Consultation

- 2.1 The consultation carried out was completed within the membership as follows:

- i) A meeting of all the members to set the scene and gain their views before the Local Government and Housing Committee (evidence) met in December 2025.
- ii) A meeting in January of the Executive of the Association to agree a consultation paper.
- iii) A meeting in January of all the members to seek their views on the issues related to reducing the number of local councils and to gain any suggestions.
- iv) The secretary prepared a summary paper based upon the above information and circulated it for comment to all the membership. This consultation was completed by the end of February.
- v) A draft final paper presented to the Executive of the Association for consideration before being put the whole membership.
- vi) A final paper for presentation agreed by the whole membership in April.
- vii) The final paper submitted to the Local Government and Housing Committee as further evidence to inform the Town & Community Council Review.



3. Introduction

3.1 The Association was pleased to be able to attend the Local Government and Housing Committee to give evidence regarding the Town & Community Council review. During that meeting between Welsh Government representatives, One Voice Wales and the Association a reduction in community councils was suggested reducing the current 737 down to just 150.

3.2 The Association contacted the committee following the meeting and it was confirmed that 'the committee would be receptive to receiving further evidence from the Association. This paper looks at what might be a way forward to achieving this.

3.3 Changes to town and community councils and reduction in the number of councils has been on the 'cards' for some years. The momentum to progress more quickly is now beginning to build.

3.4 The Welsh Government was looking to reduce the county councils in number which did not happen. Now there are now 5 regions (CJC's) in place over Wales whilst the county councils all appear to be in financial crisis.

3.5 The county councils are passing over (where agreement can be reached) more and more responsibility for local services. This putting a strain on local councils and in many cases the community councils are not large enough to carry out delivery of more services with the resources that they have at their disposal.

3.6 To achieve a situation where the local council do more there will need to be larger community councils, however this does not sit well with many existing community councils.

3.7 The paper now goes on to look at the issues with enlarging community council and also looks at how a reduction might be achieved. The paper sets out a suggested way forward without complicating the issues which often 'bog down' any progress. If the ideas were to be taken forward, there is much more work needed to achieve any of the options.



4. Town and Community Council review

4.1 The programme for completion by the Association of the paper for presentation to Welsh Government was:

January 2025	Identify the views and issues from the members. (issues and ideas) – Completed on 24 th January.
February 2025	Consult member councils – completed during February 2025
March 2025	To complete a draft document with consultation. For initial consideration by the Association Executive.
April 2025	To agree at the main meeting the document for presentation to Welsh Government. (Final document).

5. Basic statistical information

The basic statistical information used in the report is set out below:

Statistics

Information taken into account when preparing the paper includes some statistics as follows:

Existing local councils in Wales

With budgets of over £200,000	83
With budgets of over £100,000	67
With budgets of over £50,000	81
With budgets of over £20,000	155
With budgets of over £10,000	142
With budgets of under £10,000	209
Areas not covered by local councils (estimated)	40
Total notional existing councils	777



Populations

Table of existing town, community and parish councils in the UK.

Uk region	Total population	Number of local councils	Average population of local councils
England	57,110,000	10,480	5,449
Scotland	5,614,000	1,930	2,908
Wales	3,200,000	777	4,118

On the basis of 150 councils that is a population on average of population of 20,333 in each community or area. It is noted that England is looking to reduce the number of local councils.

6. Base information

6.1 From the Audit Wales information

At present town and community councils vary from Barry (pop 50,000) to small rural councils (pop 500). The breakdown is as follows in three groupings:

Precept under £10k	209	
Precept 10-20k	142	Total very small councils 351 (48%)
Precept 20-50k	155	
Precept 50-100k	81	Total mid-size councils 236 (32%)
Precept 100-200k	67	
Precept over 200k	83	Total larger councils 150 (20%)

Wales has a population of 3.2m and has 737 local councils, average population 4,300. If there were 150 town and community councils, the average rises to approx. 20,000 population.



6.2 Base issues

The basic issues upon which this report is based are:

Governance

The level of compliance with many local councils is poor and needs to be improved.

Town Clerks

With many councils only employing a Town Clerk this person has a need be able to manage a host of disciplines. This leads to poor governance due to time available and lack of staff support.

Financial

The financial basis of local councils is not right, local councils are asked to comply with more and more legislation with no financial help. The election area a prime example with the cost of an election being around £2,500. This out of a budget of less than £20,000 is unsustainable.

Localism

Many local councils cannot get their head around what enlarging or clustering councils. Most it is all about local issues in their area when looking at this subject.

Over-government issues

The over-government of Wales is recognised. A Welsh Government, 22 county councils, 8 area health authorities and 737 local councils for just 3.2m people is not sustainable.

Local delivery of services

The need for larger local councils is recognised to enable the delivery of local services. The list of duties will need to be clear when the local councils are revised.

Timescales

The discussions, consultations and reviews around town and community councils have taken years and to date there does not appear to be any real action. The message is that 'whatever is planned' we need to get on with it.

Legislation

The need for legislation to enable any proposals to be put in place is essential.



See the Audit Wales information at appendix A.

7. The issues

7.1 The issues when considering the reduction of Town and Community Councils from around 737 down to around 150 have been identified as follows (there may be more in particular areas):

Basis

Members recognised that 'one size does not fit all' with towns (urban) being very different from villages (rural). Any plan for the future needs to reflect this. The very rural areas (if based purely on population) would cover an unmanageable land mass.

Identity

Towns and communities being joined together into a new unit raises the concern around 'loss of identity'.

Smaller councils may feel overrun by larger councils and feeling they may lose control of their communities.

Representation

Representation levels within communities were considered important and should be protected. Wards should not be so big as to lose this.

Seats

If councils were to be combined the allocation of seats (of which there will be less) will be an issue depending upon how they are calculated. The make-up of wards will be very important in any new local council format.

Local residents' viewpoint

Many local residents were not terribly interested in the 'size of their council'. but were only looking for results. i.e. potholes filled, rubbish collected, bins emptied, roads swept, libraries open etc.



Level of council tax

Both local councillors and residents were concerned about any substantial increase in council tax.

Legislation

It was clear that the only way combining councils or clustering councils would work was via legislation. It was recognised that many would not comply if not.

Culture

Many communities have diverse cultures to others and this becomes an issue if councils were combined as opposed to clustered. This included history, language and the environment.

Service delivery

The delivery of more services (handed down from County Councils) will give rise to issues of what each community wants. All vastly different in their views.

It was accepted that service delivery of the level envisaged will require a larger unit to enable it to happen.

The county councils have already intimated that they are looking to only do those things which they have a duty to in the very near future.

This will leave many services on the ground to be delivered by others (Town or Community Councils and the community).

A list of services which could be delivered at local level is set out at appendix B to this paper.

Services and council tax

Councils may have two parts to their council tax. One part for their own ward and part for services delivered jointly. Some may not wish to pay for a service on a collective basis if they do not receive it.



Financial

Each council has various levels of reserves and some may not be happy to combine with a council with less funds.

It is recognised that local council tax will rise whatever the outcome.

With councils combining or clustering some local councils will see their level of council tax fall a little whilst others will see a significant increase.

For example (based upon a band D property):

Town A – 2,550 properties and has a council tax of approx. £400pa.

Town B – 805 properties and has a council tax of approx. £60pa.

If these two councils were combined (as an example only) the council tax would level out at around £318pa.

VAT

The VAT status of councils could change with partial exemption not being an option with growth in income and outgoings.

Councillors and payments

With larger councils formed and with the workload increased it is likely that councillors would need to be paid. This has a cost implication to the local community.

Town Clerk and staff

The cost of making staff redundant (less Town Clerk's required and other staff maybe affected) – where is the finance to meet this coming from?

There is also a concern that staff will be 'TUPEed' over from the principal authorities on terms and conditions that a local council cannot afford.



8. Local councils

8.1 It is suggested that the local councils would be split into the following sections created by a full review by County Councils of their areas:

Larger council - example

Councils with a budget of over £200,000pa and with a population of over 25,000. There are 63 town and community councils in this section (Audit Wales Chart)

Medium council - example

Councils with a budget of over £100,000pa would be combined to create new councils (or extensions of) to hold a budget of over £200,000.

There are 67 town and community councils in this section (Audit Wales Chart)

Clustered council - example

The remaining councils would be 'clustered' to create a new group of councils with a lead council in each area or with elected councillors from each cluster council forming a services committee to deliver services. They would host budgets of £200,000 or more.

9 What would a new council look like?

9.1 Any new local councils would need to be looked at in more than one model due to the diverse nature of Wales. Below we set out three models which could cover all of the new councils when created.

9.2 Service delivery

The services that a local council would deliver would be as per the list at appendix A.

9.2 Larger council – see appendix C1 for full details.

9.3 Medium council – see appendix C2 for full details.

9.4 Clustered council – see appendix C3 for full details



10 Suggested way forward

The county councils should host a review to put into place the local councils in accordance with the criteria set out above. The boundary commission would also need to be involved. This should take no longer than 12 months.

Whilst this work is taking place to set the framework for new local councils so that any legislation is ready within 18 months.

11 Recommendations

The Association feels that completing the combining of town and community councils could be made very complicated. This in the view of the Association need not be the case and things can be made simple. It should be recognised that one size does not fit all.

The recommendations below set out how the Association would see things moving forward to a good result.

11.1 Framework

The framework for any new local council arrangement should be clear and taking into account the Town and Community Council reviews completed by Welsh Government.

There should not be a set number of local councils at this stage. The Association does not think 150 is achievable or deliverable. When you add in the areas of Cardiff/Swansea and Newport with new local councils this will put pressure on being able to achieve 150 units. It should be left open until the review of boundaries is completed. In the view of the Association 200 to 220 is a more realistic goal.

11.2 Funding

Funding is a major issue. It is important that any new local councils are funded properly and not just from the council tax.

There should be a grant aided funding formula from Welsh Government to Town and Community Councils.

11.3 Finance

Local councils at present have very different levels of reserves. These reserves should be passed over to the new local council wards or in the case of clustered councils the local council. This is only fair. There is more work to do on how finances would work and a separate paper should be prepared on this subject.

**11.4 Boundary review**

The boundary review should be completed asap so that everyone knows where Welsh Government is heading. This should be overseen by the Boundary Commission and administered by the principal authority. The Association would be willing to help in any way it can with this process.

11.5 Timeframe

The Welsh Government has been considering the combining of county councils and a review of town and community councils for many years with nothing moving forward. The CJC's are now in place. County Councils are in financial difficulties.

The timeframe for taking forward the town and community council review to enable them to do more needs to be much quicker than it is now. It is suggested that within 18 months things 'should be ready to go'.

11.6 Local councils

The suggested basis for local councils (comprising 3 options) is set out in this report and the Association feels this is the best way forward.

11.7 Wards

Wards (or local councils in the case of clusters) are more important than ever and need to be treated as such.

11.8 Asset transfer

Any asset transfer to local councils should include the buildings, land or equipment to be in good order. If it is not then a financial payment should come with it, not just pass on a liability. Too often been the case in the past causing difficulties to the local councils. (old town halls are a classic example).

Professional advice via the County Councils would be welcomed so that the town and community councils are not involved in high costs involved in asset transfers.

Under any new arrangement no town or community council should be required to take assets over if they do not wish to.



11.9 Staffing

The staff terms and conditions at principal authority level may not be affordable by local councils. This needs to be taken into account when considering TUPE. The cost of the local government pension scheme is a matter in point.

11.10 Other matters

The importance of clear progress to a set programme with everyone 'kept in the picture' is essential if this is all going to work.

We do not need a ream of paperwork; we now need to see real progress. Without the re-organisation suggested happening very soon a lot of local services will be lost forever.

11.11 Shadowing

As in past local government re-organisation needs a shadowing period will be required for handover of services etc. Some pilot schemes maybe beneficial.

11.12 Way forward

The Welsh Government should set up a working group to take the review forward. It is suggested that this group is led by Welsh Government with the input from the SLCC, OVW and the Association together.

11.13 Legislation

Whatever the proposals that come forward they will need to be put in place with legislation – otherwise it will not happen.



APPENDIX A

LOCAL COUNCIL SERVICE DELIVERY

A flavour of the duties of a local council for service delivery could be:

- Burial grounds
- Car parks
- Community libraries
- Events
- Parking regulation and controls
- Local plans relating to their own council area (with strategic guidance)
- Planning and development (smaller planning applications)
- Playgrounds
- Recreation grounds and open spaces
- Signage, benches, street scene
- Street cleaning and litter bins
- Toilets
- War memorials and memorial gardens

The powers of a local council for service delivery might include:

- Tourist information
- Youth provision

The principal authority would retain:

- Day care
- Education
- Finance – grants, council tax, business rates etc.
- Food ratings and hygiene
- Health and social care
- Highway maintenance, signage, strategic)
- Housing
 - Planning (larger planning applications, local development plans and strategic)
- Rating and valuation



Continued

Regulation and Registrations (births, deaths, marriages etc)

Social care

Strategic plans

Wast management and bin collections including re-cycling.



APPENDIX B

Exhibit 2: Qualified audit opinions 2022-23

Income/expenditure	Number of councils	Audits completed	Qualified Opinions	Qualified opinions % of completed audits	Full audits completed	Qualified Opinions Full audits	Qualified Opinions % of full audits
Less than £10,000	209	191	104	54%	62	37	60%
£10,001 - £20,000	142	125	72	58%	37	23	62%
£20,001 - £50,000	155	146	58	40%	48	21	44%
£50,001 - £100,000	81	77	35	45%	26	16	62%
£100,001 - £200,000	67	63	36	57%	19	15	79%
More than £200,000	83	79	32	41%	24	13	54%
Total	737	681	337	49%	216	125	58%

Source: Audit Wales analysis of 2022-23 audit outcomes. These include councils where the audit work has been completed but are to be reviewed prior to certification. The proposed draft opinions are subject to review before issue to councils.

**APPENDIXC1****LARGER LOCAL COUNCILS****Size and boundaries**

Following the review the boundaries would be set clearly for each new council. A larger council is one with a budget of over £200,000pa and with a population of over 25,000.

Handover of services and assets

A handover programme with full details to be agreed between the principal authority and the local council.

The issue of assets being handed over with liabilities or poor maintenance would need to be addressed with a financial payment to support retention.

Service delivery

Service delivery would be set by statute, the suggested list is set out at appendix A.

Electoral

The number of councillors per ward should be 3. Each councillor (on average to service an electorate of 1,000). Councils would then have between 20-30 members.

Wards

The wards will become more important. Each ward should have its own localised plan and funding ringfenced for that ward. This would include any money from the previous local council to which this ward belonged.

Finance

The financing of the local council would be via the following:

- i) Council tax
- ii) Income from services
- iii) Welsh Government grant aid



Staffing

The staffing levels of the council to be decided by the new Local Council members. There should be no TUPE over of staff, but all should be made redundant and employed by the new local council on terms and conditions that they set.

Councillors

Due to the larger responsibility and workload consideration should be given to a remuneration package (IRPW).

Governance

Each larger council should employ a compliance officer to oversee governance. This will help improve the level of governance at local council level.

Authority

The council decision making shall be by:

- The Full Council

- A committee with delegated powers

- The Clerk with a delegated authority agreement

Documents

A full set of documents to be put in place for all local councils and these should be published on the council website.

Working with the principal authority

There should be a charter with the principal authority and a good working relationship put in place.

**APPENDIX C2****MEDIUM LOCAL COUNCILS****Size and boundaries**

Following the review the boundaries would be set clearly for each new council. A medium council is one with a budget of over £100,000pa and would combine with other local councils to create new councils (or extensions of) to hold a budget of over £200,000.

Combining of local councils

There will need to be discussions between the combining councils at an early stage with a chair for those discussions put in place by the principal authority. When basis agreement is reached the local councillors take over. This should not be a great difficulty as the councils would have been involved in the combining process.

Handover of services and assets

A handover programme with full details to be agreed between the principal authority and the local council.

The issue of assets being handed over with liabilities or poor maintenance would need to be addressed with a financial payment to support retention.

Service delivery

Service delivery would be set by statute, the suggested list is set out at appendix A.

Electoral

The number of councillors per ward should be 3. Each councillor (on average to service an electorate of 1,000). Councils would then have between 20-30 members.

Wards

The wards will become more important. Each ward should have its own localised plan and funding ringfenced for that ward. This would include any money from the previous local council to which this ward belonged.



Finance

The financing of the local council would be via the following:

- i) Council tax
- ii) Income from services
- iii) Welsh Government grant aid

Staffing

The staffing levels of the council to be decided by the new Local Council members. There should be no TUPE over of staff, but all should be made redundant and employed by the new local council on terms and conditions that they set.

Councillors

Due to the larger responsibility and workload consideration should be given to a remuneration package (IRPW).

Governance

Each larger council should employ a compliance officer to oversee governance. This will help improve the level of governance at local council level.

Authority

The council decision making shall be by:

- The Full Council
- A committee with delegated powers
- The Clerk with a delegated authority agreement

Documents

A full set of documents to be put in place for all local councils and these should be published on the council website.

Working with the principal authority

There should be a charter with the principal authority and a good working relationship put in place.



APPENDIX C3

CLUSTERED LOCAL COUNCILS

Size and boundaries

Following the review the boundaries would be set clearly for each new council. The remaining councils would be 'clustered' to create a new group of councils with a lead council in each area or with elected councillors from each cluster council forming a services committee to deliver services. They would host budgets of £200,000 or more. The cluster arrangement applies in rural areas and where the communities are a fair distance apart from each other. Also, where there are cultural differences which need to be retained as part of the local area's heritage.

Basis

The council would be made up of a number of local councils (max 7). Each council would operate in its own right. However, there would also be an overarching committee with members from each local council in the cluster. This committee is to prepare overall plans and deliver services to the local councils within the cluster.

The overarching committee would operate as a local council would.

Handover of services and assets

The assets would be transferred to the individual council or the overarching committee as appropriate.

A handover programme with full details to be agreed between the principal authority and the local council.

The issue of assets being handed over with liabilities or poor maintenance would need to be addressed with a financial payment to support retention.

Service delivery

Service delivery would be set by statute, the suggested list is set out at appendix A. The services would be delivered by the overarching committee.

Electoral

The number of councillors per local council should be 10. Each councillor (on average to service an electorate of 500-750). The overarching committee would take 2 councillors from each local council making up approx. 14 councillors on that group.



Wards

The local council areas will become more important. Each local council should have its own localised plan and funding ringfenced for that ward. This would include any money from the previous local council to which this ward belonged.

Finance

The financing of the local council would be via the following:

- i) Council tax
- ii) Income from services
- iii) Welsh Government grant aid

The financing of the overarching committee would be via:

- i) Charges to local councils for the services provided.
- ii) Council tax levy for core costs.
- iii) Welsh Government grant aid.

Staffing

The staffing levels of the council to be decided by the new Local Council members. There should be no TUPE over of staff, but all should be made redundant and employed by the new local council on terms and conditions that they set.

Governance

Each larger council should employ a compliance officer to oversee governance. This will help improve the level of governance at local council level.

Authority

The council decision making shall be by:

- The Full Council
- A committee with delegated powers
- The Clerk with a delegated authority agreement

Documents

A full set of documents to be put in place for all local councils and these should be published on the council website.



Working with the principal authority

There should be a charter with the principal authority and a good working relationship put in place.

Legislation

There would need to be a legislative framework set out for the operation of the overarching committees.