

# Local Government and Public Services Committee

**LGPS(2)-08-06(p12)**

**Date: Wednesday 17 May 2006**

**Venue: Committee Room 2, Senedd, National Assembly for Wales**

**Title: Local Government and Public Services Committee's Visit to Sweden**

## **Purpose**

1. This paper gives an account of the visit undertaken by the Local Government and Public Services Committee to Sweden between the 25<sup>th</sup> and 28<sup>th</sup> April 2006. The aim of the visit was to look at local service delivery in Sweden and the way in which local government is funded there with a view to informing its responses to the Reports of the Beecham Commission and the Lyons Inquiry.

## **Local Government in Sweden**

2. The Committee decided to visit Sweden because it was particularly interested in the delivery of services at a very local level. Local Government in Sweden is made up of 290 municipalities (kommun). The size of municipalities can range from the very small (2,500) to large conurbations (Stockholm municipality is 760,000). They are responsible for providing a major part of all public services. The specially regulated tasks of that municipalities are required to provide include:

- education,
- social services,
- care of the elderly,
- care of people with physical or intellectual disabilities,
- physical planning and building,
- certain environmental tasks and rescue services

3. There are also 21 counties (Landsting) whose main task is health care. Except for a small number of privately owned hospitals, the county councils operate all the hospitals in Sweden. The county councils are responsible for medical care services at hospitals and for outpatient care provided at district health centres. The outpatient care system also includes maternity and child health centres. In addition, the county councils are responsible for public dental services and psychiatric care.

4. Municipalities and county councils levy local income tax and determine the tax rate. The average,

overall local tax rate is 30%. Approximately 20% goes to the municipalities and 10% to the county councils. Tax revenue is the largest source of income for the local authorities and constitute approximately two-thirds of their total income. Taxes are collected centrally by the Swedish Tax Agency and an equalisation system operates to address disparities between local authorities' tax capacities. A funding principle also exists that requires the State, it decides to impose new tasks on the local authorities and county councils/regions, then it must also provide the funds required to carry out these tasks.

5. Sweden also has a system of County Administrative Boards, each headed by a County Governor. Although co-terminous with the counties they are effectively a branch of central government and as such are accountable to Government Ministers. They have a supervisory and regulatory role with regard to local government, as well as being responsible for functions such as running elections and issuing driving licenses.

6. The structure of Swedish local government could be subject to change in the near future. The 21 counties could be replaced by between 6-10 regions which would have enhanced powers, for example with regard to strategic planning and transport. A pilot is currently underway in the Malmö area.

## **The Committee Visit**

6. Four Members of the Committee took part in the visit: the Chair, Ann Jones AM, Sue Essex AM, Mike German AM and Dai Lloyd AM. They were accompanied by the Committee Clerk, Virginia Hawkins and the MRS Researcher, Alys Thomas.

7. The Committee began its visit at the urban municipality of Västerås which is located about an hour's drive from Stockholm. It has population of around 130,000 and is the 6<sup>th</sup> largest municipality in Sweden and is currently controlled by a Social Democrat/Left coalition. The Committee met with and received presentations from the Acting Director, an Elected Member from the Moderate (conservative party) and an official who gave a presentation on finance. Also in attendance was the International Co-ordinator.

8. The discussion covered the structure of the council which reflects a 'purchaser/provider' split and the breakdown of expenditure on services. 28% of the municipality's budget goes on compulsory (up to 16) schooling and 18% on care and social services. In response to committee members' questions about local delivery and co-operation with other municipalities, the Swedish contingent said that there had been a move away from very localised delivery within the last decade on the grounds of efficiency. Co-operation with other local authorities is strictly regulated by the Local Government Act and requires a legal organisation to be established. However, co-operation does take place, for example, in the provision of fire and emergency services. It is also possible for authorities to purchase services from others.

9. The Committee then visited an open door drug rehabilitation centre and received a presentation about its structure and its work. While the centre is run by the municipality, some staff (for example, the

doctor) are funded by the county because of its responsibilities for health.

10. The Committee then travelled to the municipality of Nykvarn which has a population of 8,238. While it has a rural setting, in fact it is a dormitory settlement for nearby towns and for Stockholm. It is currently controlled by a coalition of the local Nykvarn Party, the Moderate Party and the Centre Party. The Committee met with elected members and officials and received a presentation.

11. The municipality has 3 schools, 7 pre-school/day care centres and 1 nursing home. It buys 270 post-16 education places from two nearby urban municipalities. 59% of the municipality's budget is spent on compulsory and post-16 schooling. The Committee visited one of the schools which caters for around 400 pupils between the ages of 6 and 16 and were given a tour by the headmistress.

12. The Committee then visited a Folk School. These are small, often residential, adult schools which are found across Scandinavia. There are currently 148 in Sweden. They tend to be run by voluntary organisations although they receive grants from the counties and from central government. The school visited by the Committee was run by the National Temperance Society. The Committee met and held discussions with the headmistress.

13. On the second day the Committee visited SALAR, the Swedish Local Government Association and received a presentation of local government finance in Sweden. The official who delivered the presentation had been involved in designing the equalisation system.

14. The Committee then met with the Principal Secretary to the Committee of Public Sector Responsibilities. This is a parliamentary committee set up by the Government and is made up of officials, politicians and experts. Its remit is to examine the ability of public administration in Sweden to meet welfare commitments and to propose changes in structure. Any proposals would adhere to the Swedish Social Model which includes many tasks being delivered at a local level and a tradition of local self-government. The final report of the Committee is not expected until early 2007.

15. The Committee met with the staff of the Stockholm Country Administrative Board who explained their role in supervising and regulating the municipalities.

16. On the final morning the Committee met with staff from the Institute of Democracy and Electoral Assistance (IDEA) which is an NGO aimed at promoting democracy and which publishes widely on issues such as electoral turnout across states and electoral processes. The Committee discussed levels of voting among young people with IDEA staff as this is part of the remit of its scrutiny project on electoral arrangements.

17. The Committee was accompanied to its meetings by Anna Komheden from the British Embassy in Stockholm and on the second night attended a dinner hosted by the Ambassador.

**Action:**

For the Committee to Note