

Local Government & Public Services Committee

LGPS(2)-05-06(p.1)

Date: Wednesday 15 March 2006

Venue: Committee Rooms 3&4, National Assembly for Wales

Title: Report by the Minister for Finance, Local Government and Public Services

1. Purpose

The purpose of this paper is to provide the Committee with an overview of the key issues and priorities within the Local Government portfolio.

2. Background

In preparing this report I have attempted to identify the most important issues that are currently being taken forward within the local government arena. They are grouped by broad subject area and I have concentrated in particular on those that will require both policy development and legislation.

3. Recommendation

The Committee is invited to note the content of the report and to comment as appropriate.

Issues

4. Council Tax for 2006-2007

Local Authorities are in the process of setting budgets and associated council tax levels for 2006-07 and all authorities must have set budgets by 10 March. I will provide an oral update of the council tax position at the meeting. Police authorities in Wales have now set their precepts and none of the four authorities have increased the precepts above 5 per cent. I commend the authorities for the mature way they have managed the budget setting process on this occasion. It demonstrates a consistent approach across Wales that the public will recognise as fair.

5. Three Year Revenue and Capital Settlements

The Consultation on the approach to establishing three-year revenue and capital settlements ended on 27 January. The consultation exercise has generated a number of responses which we are in the process of

evaluating before putting together an action plan. This is on the agenda for discussion at Committee on 30 March.

6. Capital Finance Legislation

Good progress has been made with the technical amendments to the Capital Finance and Accounting Regulations. The consultation with stakeholders has been completed. I am hopeful that the amended regulations will come into force on 1 April 2006.

7. Emergency Financial assistance for Local Authorities

We are about to embark on a comprehensive review of the Bellwin scheme. This scheme has been in place for a several years and it is time to examine its effectiveness and strategic fit. We also intend to evaluate the effectiveness of the Severe Weather Capital Grant scheme which is currently drawing to a close.

8. Statutory Instrument The Standards Committees (Wales) Regulations 2006.

On 22 February 2006 a consultation document was issued on the draft Statutory Instrument The Standards Committees (Wales) (Amendment) Regulations 2006. This follows an initial consultation in August 2005 that outlined proposals to amend the Standards Committees (Wales) Regulations 2001. The consultation period ends on 22 March 2006. The regulations have been identified for consideration by the Committee in May.

9. Electoral Administration Bill Update

The Elections Planning Group are organising a seminar in July, to inform returning officers, electoral administrators, political party organisers and other interested parties as to the implications of the Bill, which by then would be expected to have received assent. This will be timely as it will be during the preparatory period for the autumn registration canvass and other preparations for the next Assembly elections.

10. Wales Programme for Improvement

Revised guidance on the Wales Programme for Improvement (WPI) went out before Christmas, following an extensive and radical review lasting over a year. The Office of the Deputy Prime Minister has also signalled that major changes to the Comprehensive Performance Assessment (CPA) are on the cards for local authorities in England. A White Paper will be published in the summer that will reveal the detail, but the direction of travel is likely to be towards fewer targets set by Whitehall and more community focused performance measures.

11. Spatial Plan

I chaired the first National Steering Group on 9th March which oversees both the area actions and the national issues.

12. Making the Connections - Summary of current developments:

The Beecham Review of Local Service Delivery

The written consultation period had ended and over a hundred responses have been received. The Team are now reviewing these and holding the last few meetings with interested parties. On March 17th the Review Team will be attending the Public Services Board where the meeting will be devoted to discussion of local service delivery.

Improvement Fund

There was a very positive response to the Fund with a significant number of enquiries resulting in 109 expressions of interest being made.

It was encouraging that all the various parts of the public service responded with joint working/ collaborative project proposals. The extent of collaboration varied with the majority relating to collaboration between bodies in a given sector, however there were also examples of projects between sectors. The scale of collaboration varied geographically – local, sub-regional and regional and with some projects having the potential of developing models that might have wider geographical application.

13. Public Services Management Wales (PSMW)

I chaired the Wales Public Services Workforce Forum, which met for the first time on 9th February. The Forum is established as a non-negotiating employee relations body for the Welsh Public Service with members from TUC and non-TUC affiliated Unions and other representative bodies. Its key purpose is to provide an arena for the many issues with implications for the workforce arising from the Making the Connections agenda. A programme of work is now in place and the next meeting is on 18th May. In other respects, PSMW's provision of development programmes for managers continues to mature and its engagement across sector on workforce and organisational development issues is redefining the support provided to organisations.

14. Local Authority Business Growth Incentive Scheme (LABGI)

Estimated payments for 2006-07 have now been issued to local authorities in Wales. Officials are currently discussing the final figures with authorities and the valuation office. In addition, officials are to make a presentation to local authorities on the scheme on 24th March, where authorities will get a chance to feed back their comments.

Payments of the 2006-07 grant are to be made in February 2007.

15. Widening Participation

I have agreed to officials working with the WLGA and Solace in a campaign to encourage candidacy for the 2008 local elections. It will aim at increasing the diversity in local government and will involve political parties as well as others, such as equality organisations. It is likely to be kick-started with a seminar during this summer, leading to more local campaigns.

16. Research into the role of elected members

I have agreed to commission research to look at the effect that political structures introduced under the Local Government Act 2000 have had on the efficiency and effectiveness of local councillors, particularly those outside of the cabinet or board. This will examine their role within the council, within scrutiny and as local community champions.

One of the reasons for doing this is to provide evidence prior to the electoral reviews due to be carried out from 2008 onwards by the Local Government Boundary Commission for Wales. These reviews will make proposals on the number of councillors there should be in each authority and the divisions they should represent. The Assembly can give directions to the Commission for their guidance.

The research will also review the effectiveness of the scrutiny function, building upon the work done by the committee two years ago, to see if there are any areas of concern which should be addressed by the Assembly. A research contract is likely to be awarded in the next few months, with a view to a report being produced before the end of the year.

17. Local Government Main Expenditure Group (MEG): Update

I previously advised you that the Local Government MEG would be increased by £10.683m to fully meet the requirements for the Council Tax Transitional Relief Scheme (£8.420m) and Civil Contingencies Funding (£2.263m). However, as a result of non expenditure, totalling £2.1m, identified on the Severe Weather Capital Grant (SWCG) BEL the LG MEG will now only be increased by £8.583m.

The non expenditure identified is mainly due to delays by authorities in starting projects or not spending to profile on projects that have already commenced.

The SWCG budget has been adjusted to reflect the revised forecasts in year.

18. Meetings/Visits

Consultative Forum on Finance

A meeting of the Consultative Forum on Finance (CFF), the finance sub group of the Partnership Council met on 8 February. The Group was asked to agree the remits of the Distribution Sub Group, the Expenditure Sub Group and some new arrangements for considering Capital issues, kick-starting the annual process leading up to the preparation of the 2007-08 Settlement.

Local Government Partnership Council

The next meeting of the Local Government Partnership Council was held on 2 March at the Assembly rooms Cardiff Bay. Future meetings for 2006 are scheduled for 22 June (North Wales Conference Centre) and 16 November (Vale of Glamorgan).

Excellence Awards

I attended the inaugural WLGA Excellence Wales dinner on 3 March. It was a very successful evening at which examples of good practice within local authorities in Wales were formally recognised and commended.

The themes for the Scheme in 2005-2006 were "Our Streets", "Our Future" and "Our Council" and Neath Port Talbot, Swansea, Ceredigion, Carmarthenshire, Newport, Caerphilly and Conwy Councils were either commended or highly commended by a panel of independent assessors for excellent practice in delivering services to local people within those categories.

The next phase is to ensure that the commended practice is disseminated throughout Wales, to allow all councils to learn from the best practice available

Participatory Budgeting

On Monday 27 February I led a delegation from Wales to the Metropolitan Borough of Salford to examine Salford's approach to participatory budgeting. The delegation comprised representatives from 6 Welsh local authorities, the voluntary sector and WLGA and Assembly Government officials. Participatory budgeting is a mechanism which would allow local communities a say in the decision making process relating to the setting of local authorities' and other public agencies' budgets. It is a mechanism that could apply equally at local area and county levels.

Presentations were arranged on Salford's neighbourhood management structures and arrangements, the operation of Salford's system of devolved budgets and the consultations associated with the authority's annual budgeting process. The presentations were given by the Executive member of Salford council responsible for neighbourhood services and council officers. Two lay members of two of Salford's 8 community committees outlined their experiences of sitting on the community committees. There were also presentations by Manchester Community Pride on the different approaches to participatory

budgeting, including on the pilots currently underway in Sunderland, Bradford and Harrow and the potential of the approach. I intend to consider whether participatory budgeting could play a role in Wales and would intend to discuss the different approaches with Assembly officials and WLGA shortly.

SD Seminar

Last Friday (3 March) I attended a seminar on SD and Community Leadership organised jointly by the Welsh Assembly Government and WLGA here in the Assembly building. The seminar was facilitated by Jonathan Porritt, Chair of Forum for the Future and the Chair of the Sustainable Development Commission. The seminar was targeted at Council leaders and Chief Executives of Welsh local authorities and intended to determine how the Assembly Government and local government could jointly deliver sustainable development in Wales.

The seminar considered the barriers to local authorities' promotion of sustainable development, how they could be overcome and how SD could be mainstreamed into authorities' strategies. The seminar also looked at the potential benefits of sustainable development approaches in a number of service areas—schools buildings, procurement and waste.

The seminar agreed a programme of joint work between the Assembly Government and WLGA that will be taken forward over the coming months. I will keep the Committee informed of developments.

WLGA Improvement and Performance/Procurement event

On 16 February, I attended a meeting of local government cabinet members with responsibility for performance and improvement, organised by the WLGA. This was the first event of its kind and provided a welcome opportunity to explain our overall policy on local government improvement and the need for this to continue to develop in partnership with others. It was gratifying to note a high degree of interest in, and commitment to, our agenda, from Members of all parties.

19. Action

The Committee is invited to note the contents of this report.

Sue Essex AM

Minister for Finance, Local Government and Public Services