

LOCAL GOVERNMENT AND HOUSING COMMITTEE

MINUTES OF COMMITTEE MEETING

Date: Wednesday 18 October 2000

Time: 9.30am to 12.40pm

Venue: Committee Room 2, National Assembly Building

Attendance:

Members:

Gwenda Thomas Neath

(Chair)

Edwina Hart Gower (items 1, 2, 3, 6 and 7)

(Minister)

Peter Black South Wales West

(Deputy Minister)

David Davies Monmouth (not items 5, 8 and 9)

Janet Davies South Wales West

Janice Gregory Ogmore (not item 9)

Alison Halford Delyn

Peter Law Blaenau Gwent (up to item 1)

Dai Lloyd South Wales West

Janet Ryder North Wales

In attendance:

Adam Peat	Director, Local Government Group (items 1, 2, 3, 6 and 7)
Alan Thornton	Local Government Finance Division (items 6 and 7)
Graham Davies	Statistical Directorate (items 6 and 7)
David A'Herne	Crime Reduction Director for Wales (item 4)
John Bader	Housing and Community Renewal Division (item 5)
Elizabeth Lockwood	Housing and Community Renewal Division (item 5)
Judy Wayne	Expert adviser (item 6)
Roger Bonehill	Office of the Counsel General

Secretariat:

Martin Stevenson	Committee Clerk
Phil Mulraney	Deputy Committee Clerk

Introductory remarks

1. The Chair welcomed Edwina Hart to the meeting, following her recent appointment as Minister for Finance and Communities. She paid tribute to Peter Law for the constructive way in which he had worked with the Committee in discharging his executive responsibilities as Assembly Secretary for Housing and Local Government. Members endorsed these sentiments. Peter Law thanked Members and said that he was grateful for the courtesy which had been shown to him.

2. The Chair also welcomed Dai Lloyd, who had replaced Owen John Thomas as a Member of the Committee. She expressed her thanks to both Owen John Thomas and Brian Hancock (who had been replaced by Janet Davies in September) for their contribution to the work of the Committee.

Implications of the Cabinet changes for the Committee

3. Members noted the legal advice that the status of the Committee was unchanged following the Cabinet reshuffle, reflecting the fact that for the purposes of Section 57(4) of the Government of Wales Act the changes to the Assembly Secretary's (and therefore the Committee's) portfolio were *de minimis*. It was noted that Edwina Hart's responsibility for finance was not considered to be a field of accountability under Section 57(4) and hence did not affect the Committee's portfolio.

4. The Committee also noted the legal advice that under Section 57(4) Edwina Hart had replaced Peter Law as a Member of the Committee by virtue of the allocation of the portfolio to her under Section 56(4) of the Act. Peter Law felt that his constituents had been disenfranchised by this change, and he considered it unacceptable that he had not been elected to a subject committee immediately following the Cabinet changes. He said that he was not prepared to attend the meeting as an observer. Other Members were concerned about continuing with the meeting when the membership of the Committee was under review within some party groups.

5. Members queried the possible conflict of interest between Edwina Hart's role as Finance Minister and her role as Minister responsible for local government and housing. The Minister agreed to clarify at the next meeting her position with regard to these different responsibilities in the context of financial matters including the budget round. She also confirmed that she had given an assurance to the Local Government Partnership Council that her responsibility for local government would be reflected in her full Ministerial title. Members also expressed concern about the absence of guidance on the role of Deputy Ministers.

6. In the light of the discussion, all Members except Janice Gregory confirmed that they were content to proceed with the rest of the meeting. It was also agreed to change the order of the agenda as the Minister would be able to attend only the first half of the meeting, although reservations were expressed about dealing with substantive policy issues in the Minister's absence.

Item 1: Apologies and substitutions

7. There were no apologies or substitutions.

Item 2: Declaration of interests

8. The following declarations were made:

- Peter Black said that he was a Member of Swansea City and County Council;
- Janet Davies said that she was Chair of Llanhari Community Council;
- Dai Lloyd said that he was a Member of Swansea City and County Council;
- Janet Ryder said that she was a Member of Ruthin Town Council.

Item 3: Report from the Assembly Secretary: LGH-10-00 (p.1)

9. The Committee noted the report which had been prepared by Peter Law as Assembly Secretary. The Minister then reported the main points which had been agreed at the Local Government Partnership Council meeting on 16 October:

- The Welsh Local Government Association had agreed in principle to adopt the revised Standard Spending Assessment formula, and the Minister had agreed to consider the transitional arrangements;
- Officials would consider all the 'new burdens' on local government;
- It had been agreed that the timetable for the implementation of new political management structures would be extended by three months, so that local authorities would now have to send their proposals to the National Assembly by the end of September 2001. There would be further consultation on the so-called 'fourth option' of a modernised committee structure;
- The Minister had agreed to write a joint letter with Sir Harry Jones to the Home Secretary to express concern about the position faced by local government over asylum seekers;
- A working group would be established to consider how to improve fire safety, including regulations on smoke alarms and sprinkler systems in new buildings. The Minister would report to the Committee in due course;
- Equal opportunities would be reconsidered when the Partnership Council had seen the results of the equality audits carried out by local authorities.

10. The Minister agreed to bring to the Committee on a regular basis a report on developments in the Partnership Council. She also undertook to take up with her colleagues in the Cabinet and Committee Chairs any relevant issues arising from Partnership Council meetings.

11. The following points were raised in discussion:

- Members noted the commitment by the Partnership Government to establish an independent review of the options for possible voting systems in local government elections. There was some concern about the cost of the review and the risk of moving to a voting system which severed the link between councillors and local communities. The Deputy Minister explained that the review would consider what was most appropriate for Wales. If the report of the review was accepted by the Partnership Government, then there was a commitment to press the UK Government to bring forward the necessary legislative changes.
- The Committee was keen to consider how the role of town and community councils might be developed, including the delegation of powers to them from unitary authorities. The Minister agreed to bring forward a paper on this issue.

- The Minister reported that she had asked the Deputy Minister to review the National Assembly's policies on homelessness and to report back to her.

Item 6: Review of the Standard Spending Assessment formula:

LGH-10-00 (p.3)

12. The Minister said that the paper was intended to provide the Committee with the opportunity to comment on the Distribution Sub Group's final report on the development of a new Standard Spending Assessment formula. She reported that the Welsh Local Government Association had now agreed in principle to adopt the new formula, subject to the overall financial settlement package. There were however continuing concerns about some of the statistical information on which the formula was based, and the Distribution Sub Group report had identified a programme of further work on the formula.

13. The following points were raised in discussion:

- Although Members were concerned about the absence of local area data at or below the ward level, the general view was that the new formula should be implemented in 2001-02. Equally it was felt that it would be appropriate to seek to strengthen the formula as soon as new data or methodological refinements could be introduced. However, one Member felt that the implementation should be delayed for a year until some of the further work identified in the report had been undertaken.
- There was support for the Welsh Local Government Association's view that the transitional arrangements for moving to the new formula should be funded separately to the overall local government budget settlement. One Member felt that the transition to the new formula should not last for more than two years, but the Minister said that she was keen to work with local government to determine the most appropriate timescale for implementation.
- The Minister said that she would be considering the Distribution Sub Group's recommendation that research should be undertaken into the effect of removing the exemption from council tax for 'student only' households.
- One Member suggested that the formula was deficient in that it did not take into account the relative efficiency of local authorities. It was also suggested that average incomes would be a better measure of deprivation than the number of benefit claimants.
- There was concern about the fall in the proportion of indicators based on settlement patterns or population dispersion. One Member queried the use of straight line distances between settlements rather than actual road distances as an indicator. Graham Davies said that this indicator had originally been proposed by Pion Economics, and the straight line distances were subject to modification for significant geographical barriers.
- More generally, Members felt that it was important to recognise that for many services (for example, social services) travel times would be a better indicator than distance in the individual service assessments, in that the former would take into account the traffic

congestion experienced in urban areas.

- On consumer protection, it was suggested that authorities with heavy industries located within their boundaries did not receive adequate compensation for the enforcement activity which they were obliged to undertake.

14. The Minister said that the Statistical Directorate would provide an informal briefing for Members on the statistical methodology underlying the new Standard Spending Assessment formula.

15. The Chair invited the Minister to take account of the Committee's views on the Distribution Sub Group's final report on the development of a new Standard Spending Assessment formula. It was noted that a plenary debate on the new formula was scheduled for 31 October.

Item 7: Local government revenue settlement for 2001-02: LGH-10-00 (p.4)

16. Introducing the paper, the Minister said that the draft budget would be announced on 19 October. She said that Peter Law, in his role as Assembly Secretary, had made a strong case for additional resources for local government and housing. The budget would place emphasis on the delivery of services to people.

17. Members noted the commitment in the Partnership Agreement that council tax increases would be held to an average of 3 per cent in 2001-02. In terms of the position of individual local authorities, the Minister said that she would take account of the Welsh Local Government Association's views that no council tax increases should be in double figures.

18. The Committee noted the paper.

Item 4: Presentation from the Crime Reduction Director for Wales

19. David A'Herne said that he had been appointed by the Home Office in July as the Crime Reduction Director for Wales. His aim was to reduce crime and disorder by improving the effectiveness of the crime reduction partnerships and by working with other agencies. This meant working with colleagues in the National Assembly in order to ensure that crime and disorder was an integral part of all of the Assembly's strategies.

20. The Crime Reduction Director was taking his work forward by helping to develop the crime reduction partnerships, for example by spreading best practice and encouraging involvement by local communities. In addition, co-active service delivery was encouraged, with the police, agencies and the local community identifying what needed to be addressed to improve community safety and then working together to define the response.

21. The Crime Reduction Director's immediate task was to help the crime reduction

partnerships to identify stretching targets which were defined in terms of outputs rather than inputs. The partnerships were encouraged to adopt evidence based programmes and to ensure that they were subject to evaluation. David A'Herne was currently visiting each partnership as well as the police and fire services.

22. The following points were raised in discussion:

- Although responsibility for the police had not been devolved to the National Assembly, the Crime Reduction Director felt that he was in a strong position to secure a reduction in crime and disorder in Wales. This reflected the multi-functional nature of the National Assembly's responsibilities and the scope to build crime and disorder into all strategic policies.
- Members expressed concern about the quality of the available data on crime and disorder, particularly that produced by the police. David A'Herne acknowledged that there were problems, but Her Majesty's Inspectorate of Constabulary were working with police forces to rectify the deficiencies. He felt that the best data source was the British Crime Survey, which was based on a sample of the population rather than police records. Work was in hand to improve the British Crime Survey, for example, by moving the frequency to an annual basis, increasing the sample size and producing the results for police authority areas.
- It was noted that local authorities and police forces would be undertaking a further crime audit in April 2001, following the audit which had been carried out before the Crime and Disorder Act came into force. The results of the audits would be made available to the Crime Reduction Director.
- Members endorsed the good work undertaken by neighbourhood watch schemes, but there was concern that some of the schemes had become almost vigilante groups. The Crime Reduction Director explained that both the police and local authorities did make a considerable input into neighbourhood watch schemes when they were established, in order to explain what could and could not be done. He said that the police would not tolerate the establishment of vigilante groups.
- The Committee supported the partnership approach to developing better communities and reducing crime, but it felt that there was a need to rationalise the number of different partnerships operating at the local level.
- There was concern about the reduction in spending by local authorities on youth services. It was suggested that the Crime Reduction Director should devote some of the available resources to providing young people with an opportunity to engage with the community. It was also vital to focus on tackling drug and alcohol abuse. The Crime Reduction Director said that he worked closely with colleagues responsible for the policy on drug and alcohol abuse.
- It was noted that the resources available from the Home Office for crime reduction initiatives such as CCTV were not available for schemes in smaller communities. David A'Herne acknowledged this point. He said that much of the funding which had been made available to date had been of an experimental nature to try to identify the sort of

schemes which would be successful in reducing crime.

- The Committee was concerned that the Minister was responsible for community safety but that youth justice issues now appeared to be the responsibility of the Minister for Health and Social Services. It was felt that Edwina Hart should be responsible for youth justice as well as community safety.

23. The Chair thanked David A'Herne for his presentation. She also said that she would write to the Minister to record formally the Committee's views that youth justice should feature alongside community safety in the Minister's portfolio.

Item 5: Communities First: LGH-10-00 (p.2)

24. Some Members expressed reservations about discussing this item in the absence of the Minister. It was however agreed to consider the paper, on the basis that the Chair would take up questions raised with the Minister where appropriate and invite the Minister to respond in her regular report to the Committee.

25. Introducing the paper, John Bader said that there had been some 160 responses to the first phase of consultation on *Communities First*. These had identified a number of key issues affecting community development in deprived communities, including poor service provision, diet and health, inadequate transport links and high levels of criminal activity and anti-social behaviour. It was proposed that the new consultation paper would recommend that around 100 of the most deprived communities should be identified, using both the Index of Multiple Deprivation and local knowledge, with up to 5 deprived communities selected in every local authority area. There would then be a long-term commitment to funding and otherwise supporting these communities.

26. Capacity building would be an integral part of the programme, in order to ensure that the changes were sustainable. Each community's vision would be developed through a community partnership, and it was proposed that Assembly Members should join the partnerships in their constituencies. Progress would be measured by means of a system of benchmarking, which would be subject to external validation.

27. The following points were raised in discussion:

- There was concern about the proposal that the programme should include up to 5 deprived communities in each local authority area, given the wide variations in the overall scale of deprivation between local authorities. It was however recognised that there are deprived communities in rural as well as urban areas. John Bader said that the intention was that all communities identified for the programme would have to meet certain broad criteria in terms of deprivation. The imposition of a maximum number of deprived communities in each local authority area was a recognition of the capacity

required in local authorities to implement the programme.

- In the absence of local area data, Members endorsed the proposal to identify deprived communities by the Index of Multiple Deprivation supplemented by local knowledge. Cohesive communities rarely coincided with administrative areas, and this approach would make it possible to pick up significant levels of deprivation in relatively affluent areas. For the longer-term, it was noted that work on small area data was in hand by the Office for National Statistics.
- The Committee was keen to ensure that funding from the National Assembly's mainstream programmes could be channelled into the deprived communities in the *Communities First* programme. It was suggested that there was a need to consider the resources devoted to tackling drug and alcohol abuse and crime prevention, given that these were key aspects of community regeneration. Similarly it was felt that it was important to maximise the use of European Structural Funds for community regeneration.
- Members felt that there was a need to rationalise the number of partnerships involved in community regeneration. It was also suggested that consideration should be given to the development of links between the local partnerships involved in delivering services at the local level and the more strategic partnerships which existed at higher levels.

28. It was agreed that the Chair would write to the Minister to ask her to provide a 'map' of all the partnerships involved in community regeneration, as well as a list of all the grant schemes available for community regeneration. There were no other questions for the Chair to take up with the Minister directly. However, she invited John Bader and Elizabeth Lockwood to ensure that the Minister was aware of the Committee's views on the way forward for *Communities First*.

Item 8: Policy review of housing stock transfer: LGH-10-00 (p.5)

29. The Committee Clerk said that the paper set out proposals for the remaining stages of the policy review of housing stock transfer. Work was in hand on summarising the responses to the consultation exercise, and visits to stock transfer organisations were being arranged for 30 October and 10 November. The paper identified a number of specific questions on the remainder of the review. In addition, the Council of Mortgage Lenders had offered to provide Members with a presentation on the process of stock transfer.

30. Members were keen to visit a representative selection of stock transfer organisations, covering rural and urban areas as well as organisations which were subject to negative equity on their stock. Two possible additions to the programme were Birmingham and Liverpool. It was agreed to reconsider this after the forthcoming visits.

31. Members felt that it would be helpful to take up the Council of Mortgage Lenders' offer of a briefing session on the process of stock transfer. The Chair said that the Committee Clerk would make the necessary arrangements. It was also agreed that there was a need for more financial information in relation to stock transfer. The Chair said that she had recently put a request for information to Peter Law and that she would make a copy of her letter available to

the Committee.

32. The Committee confirmed that it was content to use the timetable slot on the afternoon of Thursday 23 November for an oral consultation session. It was agreed that the Chair would put a request to the Business Committee.

Item 9: Minutes of the 13 September meeting: LGH-09-00 (min)

33. On the declaration of interests (paragraph 2.1), it was noted that Janet Ryder was a Member of Ruthin Town Council (and no longer Mayor). Otherwise the minutes of the meeting held on 13 September were agreed.

Committee Secretariat October 2000

ANNEX

SUMMARY OF ACTION POINTS FROM THE 18 OCTOBER MEETING

1. The Minister agreed to clarify at the next meeting her role as Finance Minister and her role as Minister responsible for local government and housing in the context of financial matters (paragraph 5).
2. The Minister would report to the Committee in due course on the outcome of the work to improve fire safety in new buildings (paragraph 9).
3. The Minister agreed to bring to the Committee on a regular basis a report on developments in the Partnership Council (paragraph 10).
4. The Minister agreed to bring forward a paper on the role of town and community councils, including the delegation of powers from unitary authorities (paragraph 11).
5. The Statistical Directorate would provide an informal briefing for Members on the statistical methodology underlying the new Standard Spending Assessment formula (paragraph 14).

6. The Minister was invited to take account of the Committee's views on the Distribution Sub Group's final report on the development of a new Standard Spending Assessment formula (paragraph 15).
7. The Chair would write to the Minister to record formally the Committee's views that youth justice should feature alongside community safety in the Minister's portfolio (paragraph 23).
8. The Chair would write to the Minister to ask her to provide a 'map' of all the partnerships involved in community regeneration, as well as a list of all the grant schemes available for community regeneration (paragraph 27).
9. The Committee Clerk to arrange a briefing by the Council of Mortgage Lenders on the process of stock transfer (paragraph 30).
10. The Chair to circulate to the Committee a copy of her letter to Peter Law seeking financial information in relation to stock transfer (paragraph 30).
11. The Chair to put a request to the Business Committee to use the timetable slot on the afternoon of Thursday 23 November (paragraph 31).