

LOCAL GOVERNMENT AND HOUSING COMMITTEE

MINUTES OF COMMITTEE MEETING

Date: Wednesday 29 November 2000

Time: 9.30am to 12.15pm

Venue: Committee Room 2, National Assembly Building

Attendance:

Members:

Gwenda Thomas Neath

(Chair)

Edwina Hart Gower

(Minister)

Peter Black South Wales West

(Deputy Minister)

William Graham South Wales East

Brian Hancock Islwyn (items 3 to 5)

Peter Law Blaenau Gwent

Dai Lloyd South Wales West

Tom Middlehurst Alyn and Deeside

Janet Ryder North Wales

In attendance:

John Bader	Housing and Community Renewal Division (items 1 to 5)
Chris Hobday	Housing and Community Renewal Division (item 4)
Peter Harding	Housing and Community Renewal Division (item 5)
Kate Cassidy	Local Government Modernisation Division (items 6 to 8)
Mary Fraser	Local Government Modernisation Division (item 6)
Frank Cuthbert	Local Government Modernisation Division (item 7)
Professor Eric Sunderland	Chairman, Local Government Boundary Commission (item 8)
Lloyd FitzHugh	Deputy Chairman, Local Government Boundary Commission (item 8)
Susan Smith	Member, Local Government Boundary Commission (item 8)
Helen Lentle	Office of the Counsel General
<i>Secretariat:</i>	
Martin Stevenson	Committee Clerk
Phil Mulraney	Deputy Committee Clerk

Introductory remarks

0.1 The Chair welcomed Members to the meeting. Following the sad death of Janet Davies' husband, the Committee wished to extend its sincerest sympathy to Janet on her sad loss. The Chair said that she would write to Janet to pass on her condolences on behalf of the Committee.

Item 1: Apologies and substitutions

1.1 There were no apologies for absence. Brian Hancock was substituting for Janet Davies.

Item 2: Declaration of interests

2.1 The following declarations were made:

- Peter Black said that he was a Member of Swansea City and County Council;
- William Graham said that he was a Member of Newport County Borough 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 Minister: LGH-14-00 (p.1)

3.1 Edwina Hart introduced her report to the Committee. The following points were raised in discussion:

- The Committee noted that the Homelessness Commission would be chaired by Peter Black and that it was scheduled to complete its work by early summer 2001. Edwina Hart said that work was in hand on the motion passed in plenary extending the definition of homelessness, but she was keen that the Commission should take a wider look at this issue. The Minister planned to appoint housing practitioners to the Commission, and she undertook to inform the Committee once the membership had been agreed.
- The Committee felt that the distinction between police precepts and the local authority's own council tax charges should be made clear to local taxpayers. The Minister said that she would be raising this issue with the Chief Constables. She also made it clear that it would be unacceptable if the level of police authority precepts led to overall council tax increases of 10 per cent or more in 2001-02.
- The Minister reported that she had decided to extend the scope of the planned study into councillor's allowances, to consider the obstacles which prevented people becoming councillors and how they might be overcome. The report would also consider the ways in which a more diverse cross-section of the population might be encouraged to become councillors. The Committee welcomed this proposal and made a number of suggestions for issues which should be covered by the review, including release from full-time employment and issues surrounding benefit entitlement for carers and disabled people. The Minister said that the draft terms of reference for the study would be sent to party groups early in the New Year, with the Committee to be informed at the 24 January meeting.
- The Minister said that she planned to issue the consultation paper on best value performance indicators shortly. She thanked the Committee for supporting the principle of reducing the number of indicators.
- With the agreement of the Committee, the Minister said that she would bring forward a progress report on the Supporting People programme for the 13 December meeting.

Item 4: Social Housing Grant: LGH-14-00 (p.2)

4.1 The Minister introduced the paper, which set out progress on the streamlining of the administration of the Social Housing Grant programme. She said that the programme provided a potential investment of some £96 million in 2000-01, £56 million of which was provided by subsidy with the remainder from private finance raised by registered social landlords. The draft budget maintained this level of subsidy over the next three years.

4.2 The changes to the allocation processes for the grant scheme would decentralise decision making and allow local authorities to develop local solutions to local problems. Edwina Hart said that she was satisfied with the introduction of a formula-based approach to the distribution of Social Housing Grant, although she acknowledged the need to improve understanding of housing needs so that in future years the formula could be based on the best available evidence.

4.3 The following points were raised in discussion:

- The Committee welcomed the progress towards simplifying the processes for allocating Social Housing Grant and for streamlining the grant approval process.
- There was concern that the provision for Social Housing Grant had been underspent in recent years, leading to reductions in the budget. The Minister undertook to write to the Welsh Local Government Association and the Welsh Federation of Housing Associations to encourage local authorities and housing associations to take up their full allocations of grant. She also agreed to provide Members with historical financial data on Social Housing Grant.
- It was noted that for 2001-02 the intention was to allocate 80 per cent of the available funding by formula, with local authorities bidding for the remaining 20 per cent. The bidding element was intended to target resources on schemes which promoted community regeneration. John Bader said that it was hoped to base the distribution formula on housing needs in due course, with the National Assembly currently providing support to local authorities in order to obtain consistent information at the local level.
- The Minister reported that she hoped to inform the Welsh Federation of Housing Associations before Christmas of her decisions on the benchmarking of rent levels and on the Social Housing Grant rate for 2001-02.
- Edwina Hart said that she was considering ways of making the Homebuy scheme more flexible to increase opportunities for people on low incomes to purchase their own homes, which she felt would be particularly important in the context of helping to meet housing needs in rural areas. She was also considering a range of other issues which were relevant to rural housing. It was suggested that it was important for this work to feed into the Agriculture and Rural Development Committee's policy review of rural diversification, possibly through a joint meeting of the two Committees.

4.4 The Chair invited the Minister to take account of the Committee's views on the Social Housing Grant programme.

Item 5: Sustainable Communities programme: LGH-14-00 (p.3)

5.1 Edwina Hart said that the paper provided an update on the first year of operation of the Sustainable Communities programme, which aimed to provide a flexible approach to community sustainability. The funding for 1999-2000 had been £250,000, against which 42 nominations had been received with a value of some £1.1 million. 15 projects had been funded, including the provision of childcare facilities, mother and toddler groups and a healthy living centre.

5.2 The funding provision for the scheme in 2000-01 had been increased to £600,000, plus a one-off addition of £400,000 under end-year flexibility. Some 180 nominations had been received and the Minister hoped to announce the second round programme in the near future.

5.3 The following points were raised in discussion:

- The Committee endorsed the Sustainable Communities programme, which it felt had provided cost-effective support for high quality schemes which had the potential to make a real impact in the communities involved.
- Members were concerned about the number of different funding streams for community regeneration projects, the amount of effort required to complete the application forms and the length of time before there was a decision on an application. They supported the Minister's plans to merge the budget for the Sustainable Communities programme with that for the People in Communities programme and Communities First.
- There was some discussion about the importance of the National Assembly working with local authorities to fund community regeneration initiatives, and whether local authorities should be encouraged to set aside part of their budgets for community groups. The Minister felt that it was important to maximise the involvement of local authorities, but that communities should not be entirely dependent on having the support of their local council in order to access funds. This was in keeping with the 'bottom up' approach required to address the real needs of deprived communities.
- One Member suggested that the creation of Community Health Action Zones would assist in the co-ordination at the local level of the various policies aimed at creating sustainable communities.
- It was suggested that the Committee might undertake a policy review of the role of community groups in community regeneration, which would aim to establish best practice in this area. It was felt that the regional committees could make a contribution to this review by feeding in experience from their regions. The Chair suggested that this issue should be considered in the context of the Committee's strategic forward work programme at the 24 January meeting.

5.4 The Committee noted the paper on the Sustainable Communities programme. The Chair invited the Minister to take account of the Committee's views in taking forward the programme.

Item 6: Community strategies: LGH-14-00 (p.4)

6.1 Introducing the paper, the Minister said that community strategies would have an extremely important role in presenting a single, clear strategy for the whole local authority area. They would set out the objectives and actions which had been agreed with local communities and all the key players, presenting the needs and priorities of the area in the round. Local authorities would have a key leadership role in making this happen.

6.2 The guidance on community strategies would have statutory authority and careful

consideration would be needed to strike the right balance between being too vague and too specific. The advent of community strategies presented an opportunity to streamline the number of separate plans produced by local authorities and to ensure that the remaining plans related clearly to each other. The draft guidance would issue for consultation early in December, and the Minister said that she was particularly keen to hear the views of the business community.

6.3 The following points were raised in discussion:

- The Committee supported strongly the preparation of community strategies, as a means of co-ordinating the provision of services and addressing cross-cutting issues in a coherent manner. It felt that the development of community strategies, with their bottom-up community-based approach to planning, had the potential to transform the way in which local government operated.
- Members welcomed the proposal to reduce the number of separate plans produced by local authorities. The Minister said that she was currently consulting her Cabinet colleagues on the scope for rationalisation. This process involved the identification of key plans together with those areas which were best left to local democratic structures.
- There was some concern about the National Assembly's lack of powers to abolish certain statutory plans. Members urged the Minister to continue to press the Secretary of State for additional powers in this area.
- It was noted that most local authorities in Wales now had a voluntary sector compact in place. It was suggested that the community strategy could act as a policy framework for the local authority's dealings with the voluntary sector.
- Members felt that the key to the successful implementation of community strategies was skills development and capacity building in local communities. It was noted that capacity building was expensive, in that it required ongoing support, and also that it could represent a challenge to established power structures.
- It would be important for the community strategy to involve all of the organisations providing services within an area. The Minister said that she was particularly keen to involve health authorities and Assembly Sponsored Public Bodies.
- Members felt that the consultation on community strategies should be distributed widely, particularly to organisations representing the business community.

6.4 The Chair invited the Minister to take account of the Committee's views on the draft guidance on community strategies, including the organisations to be consulted.

Item 7: Local Government Act 2000: LGH-14-00 (p.5)

7.1 Introducing the paper, the Minister said that the Local Government Act 2000 was due to come into force in Wales on 28 July 2001, one year after the Act received Royal Assent, unless the National Assembly decided on an earlier date. A consultation exercise on draft guidance on executive structures was being extended in order to allow consideration of new proposals which would allow local authorities to operate non-executive structures, that is the so-called 'fourth option'. This involved the adoption of a modernised committee structure with enhanced scrutiny

powers in place of the cabinet system, reflecting a commitment in the Partnership Agreement. Edwina Hart emphasised that the 'fourth option' was not a case of sticking to old practices, as it would have to include scrutiny committees as well as decision-making arrangements which were efficient, transparent and accountable.

7.2 The Minister said that the Partnership Agreement had also made it clear that new council executives would have to meet and make decisions in public, in accordance with the Local Government (Access to Information) Act. In addition, the Partnership Government would be encouraging the formation and development of area committees, in both executive and non-executive models, with delegated powers and budgets.

7.3 The following points were raised in discussion:

- Most Members welcomed the availability of a modernised committee structure as an additional option for local authorities, so that they could choose the structure which was best suited to local needs. There was however a feeling that few authorities would be attracted to the 'fourth option', which was not so very different from the executive cabinet model. There was also concern about undermining the work which many councils had already undertaken to move towards some form of executive model.
- It was suggested that the proposals on the 'fourth option' were over-prescriptive, and that the National Assembly should allow local authorities as much freedom as possible to develop political management structures which were appropriate to their needs. The Minister undertook to provide a note setting out the constraints imposed by Section 32 ('alternative arrangements') of the Local Government Act 2000.
- In terms of the main features of the proposed 'fourth option', the Committee noted that the full Council would be responsible for the overall policy and financial framework, with a Board undertaking most of the remaining functions. Unlike an executive cabinet, the Board would be politically balanced, with a maximum of ten members or 20 per cent of the council (whichever was greater). There would be up to six subject committees, which would have a dual role in that they would both contribute to policy development and scrutinise decisions taken by the Council. There would also be a Principal Scrutiny Committee, of which no member of the Board could be a member.
- There were mixed views on the proposal that councils should be required to meet in public. Some Members welcomed the proposal, while others felt that the real decision-making would continue to take place in private. One Member suggested that it was contradictory for the National Assembly to be prescribing that council executives should meet in public when the Assembly's Cabinet met in private.
- There was some concern about the potential for conflict between the proposal to encourage the development of area committees and the commitment in the Partnership Agreement to strengthen the role of town and community councils. It was noted that both the Local Government Partnership Council and the Committee would shortly be considering the role of town and community councils.

7.4 The Chair invited the Minister to take account of the Committee's views on the new proposals

on the implementation of the Local Government Act 2000. The Chair said that the Committee would consider political management structures again at the 28 February meeting in the light of the responses to the consultation exercise.

Item 8: Local Government Boundary Commission for Wales - Annual Report

8.1 Professor Sunderland gave an overview of the work of the Local Government Boundary Commission in 1999-2000, based on the Commission's Annual Report. He said that the Commission was close to completing its programme of reviews of electoral arrangements in each unitary authority area, which had been under way since 1995. The only outstanding task was a further review of The Vale of Glamorgan, in line with a direction received in March 2000.

8.2 The Commission had also taken forward a programme of Principal Area Reviews, examining a number of boundary anomalies. Professor Sunderland explained that the aim of these reviews was to facilitate the effective and efficient delivery of local authority services. He highlighted the use of a postal ballot in the boundary review between The Vale of Glamorgan and Bridgend in the vicinity of Wick, Eweny and St Brides Major, and also in the review between the County Boroughs of Bridgend and Rhonda Cynon Taff in the vicinity of Evanstown.

8.3 For the current financial year, Professor Sunderland said that work was now in hand on the review of the boundary between the County of Denbighshire and the County Borough of Wrexham in the vicinity of Llangollen. However, Denbighshire County Council had applied for a judicial review of the National Assembly's decision to issue this direction, and were refusing to provide information to the Commission. The Chair reminded Members that it was not appropriate to discuss the judicial review application by Denbighshire County Council while the matter was still before the Court.

8.4 In discussion, Members felt that it was important for the Commission to engage with local communities when undertaking boundary reviews, and they supported the use of postal ballots. Professor Sunderland said that the Commission was not required to undertake ballots, but they would consider them as and when the occasion merited. He also said that the Commission received a large volume of correspondence, which showed that people in local communities took a real interest in the outcome of the reviews.

8.5 The Minister placed on record her appreciation of the work of the Local Government Boundary Commission. She said that she did not intend to use the powers which were expected to become available under the current Political Parties, Elections and Referendums Bill to transfer the Commission's powers to the proposed Electoral Commission. The Minister also reported that she hoped that the current Financial Management and Policy Review of the Commission would be completed before Christmas.

8.6 The Chair thanked Professor Sunderland and his fellow Commissioners for their presentation to the Committee and for responding to Members' questions.

Item 9: Nominations for Public Appointments Panel

9.1 The Committee confirmed that it was content with the proposal to nominate Gwenda Thomas and Janet Ryder to the Minister's Public Appointments Panel.

Item 10: Minutes of the 15 November meeting: LGH-12-00 (min)

10.1 The minutes of the meeting held on 15 November were agreed.

10.2 Following a discussion of the impact of the recent flooding on both residential and commercial properties, the Minister undertook to write to Janet Ryder, copied to other Committee Members, to set out the position on council tax and local business rates for properties which had become uninhabitable or unusable.

10.3 The Minister said that she hoped to be able to report to the next meeting on the position on claims under the Bellwin scheme. She also said that she was keen to ensure that any infrastructure damaged in the flooding was restored properly.

Committee Secretariat December 2000

Annex

SUMMARY OF ACTION POINTS FROM THE 29 NOVEMBER MEETING

1. The Minister undertook to inform the Committee of the membership of the Homelessness Commission as soon as it had been agreed (paragraph 3.1).
2. The Minister undertook to inform the Committee of the terms of reference for the study of councillors' allowances at the 24 January meeting (paragraph 3.1).
3. The Minister undertook to bring forward a progress report on the Supporting People programme for the 13 December meeting (paragraph 3.1).
4. The Minister undertook to write to the Welsh Local Government Association and the Welsh Federation of Housing Associations to encourage local authorities and housing associations to take up their full allocations of Social Housing Grant (paragraph 4.3).

5. The Minister agreed to provide the Committee with historical financial data on Social Housing Grant (paragraph 4.3).
6. Consideration of the Committee's strategic forward work programme at the 24 January meeting to cover the suggestion that the Committee might undertake a policy review of the role of community groups in community regeneration (paragraph 5.3).
7. The Chair invited the Minister to take account of the Committee's views in taking forward the Sustainable Communities programme (paragraph 5.4).
8. The Chair invited the Minister to take account of the Committee's views on the draft guidance on community strategies, including the organisations to be consulted (paragraph 6.4).
9. The Minister undertook to provide a note setting out the constraints imposed by Section 32 ('alternative arrangements') of the Local Government Act 2000 (paragraph 7.3).
10. The Chair invited the Minister to take account of the Committee's views on the new proposals on the implementation of the Local Government Act 2000 (paragraph 7.4).
11. The Minister undertook to write to Janet Ryder, copied to other Committee Members, to set out the position on council tax and local business rates for properties which had become uninhabitable or unusable (paragraph 10.2).