

LOCAL GOVERNMENT AND HOUSING COMMITTEE

REPORT FROM THE ASSEMBLY SECRETARY

Announcement of new Section 180 programme to combat homelessness and rooflessness and allocation £3.6 million for 2000-01 to deal with problems related to homelessness and houses in multiple occupation

1. I have agreed funding proposals under these programmes. They are:

- 30 projects, including nightshelters, day centres, advice and resettlement services, accommodation for heavy drinkers and winter provision will receive revenue funding for three years from 2000-01. These schemes total £848,000 in the first year.
- 16 capital projects have also been successful in securing funding for 2000-01 and include direct access hostels, day centres and provision of accommodation for young drug misusers. £2,397,000 has been made available for these projects.
- A total of £282,533 has also been awarded to eight local authorities to develop sustainable strategic solutions to tackle rough sleeping.
- Additionally, I have been able to support in full all eight local authorities who submitted proposals to improve conditions in the private rented sector. £0.547 million was made available and will go towards the payment of improvement grants for houses in multiple occupation as well as increased levels of inspection and enforcement linked to the development of registration schemes.

Supporting People

2. My decision on the long term funding arrangements for 'Supporting People' in Wales was set out in a letter to the statutory and voluntary agencies on 3 August.

3. The Committee will recall that 'Supporting People' (which comes into operation on 1 April 2003) is an integrated approach to support services, which joins up budgets and distributes them at a local level on the basis of need. It is also intended to create incentives for local housing, social services and probation services to work together with other partners to deliver cost-effective and high quality services to vulnerable people.

4. The voluntary sector has expressed grave concerns for the future of services to client groups which have been termed 'non-statutory', the single homeless and women fleeing

domestic violence for instance. The Assembly has consistently indicated that these vulnerable people are a priority and wishes to ensure that services for them will continue and are protected. But it is also committed to the principle that local government should have freedom and flexibility in determining local priorities, and wants to ensure that local authorities are able to discharge their responsibilities in relation to community care.

5. In England DETR will pay 'Supporting People' monies as specific grant to local authorities, and will retain central control of a 'cross authority' pot for the 'non-statutory' client groups. It has been decided that this is not appropriate in Wales, so some key elements of the budget will pass to local authorities as part of the local government revenue settlement.

6. To protect services to vulnerable tenants Supported Housing Revenue Grant will be retained.

7. Funding arrangements for 'Supporting People' will be:

- That Supporting People funding for the elderly is transferred into the local government revenue settlement on 1 April 2003.
- That Supporting People funding to the private sector is transferred into the local government settlement on 1 April 2003.
- That Supported Housing Revenue Grant (SHRG) continues to be administered by the Assembly.
- That Probation Accommodation Grants are incorporated into the SHRG system from 1 April 2003.
- That any Housing Benefit payments in respect of SHRG schemes be incorporated into the SHRG system from 1 April 2003.
- That, as appropriate, elements of SHRG relating to community care be transferred to local authorities subject to further consultation with the WLGA and the voluntary sector.

National Housing Strategy – Consultation Paper

8. Following the outcome of the Comprehensive Spending Review, I have decided that it is sensible to defer issuing this consultation paper until after the National Assembly's draft Budget announcement scheduled for next month. This will enable us to take account of the Assembly's Budget proposals in the paper.

9. With the Committee's agreement, and subject to the timing of the Budget announcement, I now propose to bring forward the draft consultation paper to Committee on 1 November. We should then be in a position to issue the paper by around the end of November.

Reform of the Home Buying and Selling Process – Secondary Legislation

10. Following wide-ranging consultation, the UK Government announced, in October 1999,

proposals to introduce legislation to improve the speed and efficiency of the home buying and selling process in England and Wales. (The reforms will not affect Scotland, which has a separate system, although control of it has not been devolved to the Scottish Parliament).

11. The key to the reforms will be the imposition of new legal duties to compile and make available a 'seller's information pack'. The pack will provide prospective purchasers with essential information (eg evidence of title, local searches and a home condition report) at the start of the home buying process. It is expected that this will shorten the time taken to reach exchange of contracts during which problems such as gazumping can occur. The duties to provide the pack will be enforceable via a fixed penalty scheme imposed by Trading Standards Officers.

12. The contents of the seller's information pack will be prescribed by statutory instrument. Other aspects of the reforms (eg changes to local searches, and the establishment of an accreditation body to oversee the training of inspectors to undertake home condition reports) will also be prescribed in secondary legislation.

13. The main policy thrust of the legislation is consumer protection rather than housing. While the Assembly has wide-ranging powers as regards housing, it has none as regards consumer protection: the existing functions of Trading Standards Officers in Wales are overseen ultimately by the Department of Trade and Industry.

14. A number of Orders will be required to implement the legislation. As the workings of the home buying market in England and Wales have been the same for many years, and because there are many cross-border transactions, it is highly desirable that secondary legislation is consistent and comes into effect at the same time in England and Wales. Otherwise confusion could result in the market.

15. Because of this the UK Government proposes to make secondary legislation on an England and Wales basis. However, the Committee is invited to consider whether there should be a duty for prior consultation with the National Assembly.

Consultation Document on Changes to the Cost Floor Rule under the Preserved Right to Buy

16. I am about to issue a consultation document inviting views on proposals to change the 'cost floor rule' which limits the amount of discount a tenant can receive under the Preserved Right to Buy. This follows earlier consultation by the then Welsh Office on changes to the cost floor under the Right to Buy, which came into effect on 11 March 1999.

17. The reason for the proposed changes is that under the current rules, the discounted sale price of a property could be less than the transfer landlord had borrowed to spend on the dwelling. Funders might therefore refuse to lend money on certain schemes because of the impact of potential sales on the business plan. As a result, stock transfer might no longer be an option for a number of areas, particularly those in most need of investment. The proposed changes will, however, allow landlords to take more of their costs into account, thereby reducing the risk of incurring a financial loss.

18. I will circulate copies of the consultation document to Committee members as soon as it is published and will bring a paper to the Committee following receipt of responses.

Political management structures

19. Since we last met, the Local Government Act 2000 has received Royal Assent, bringing new political structures for local government and a new ethical framework. We will be discussing this later in the agenda when we discuss the legislative process for the Assembly on this matter and I suggest we leave discussion until then.

Standard Spending Assessment (SSA) Formula Review

20. The consultation period on the SSA formula proposals ended last Friday (8 September). This has generated lively discussions and unfortunately, in some areas, a misinterpretation of the purpose of the exemplifications contained in the report and the basis on which they were produced. Analysis of the responses is under way.

Appointment of Crime Reduction Director for Wales

21. Mr David A'Herne took up his appointment as the Crime Reduction Director for Wales on 7 August. This is a Home Office appointment but there is dual reporting to the Assembly as well as the Home Office. In addition to the crime reduction portfolio in Wales this post will manage the youth justice issues on behalf of the Assembly. The appointment recognises the important role that the Assembly plays in crime reduction in Wales

Urban II Community Initiative 2000-2006

22. The Urban II Programme is directed at the economic and social regeneration of designated cities and neighbourhoods in crisis in order to promote sustainable urban development. Four applications were received in Wales for Urban II assistance from Wrexham County Borough Council, Vale of Glamorgan County Borough Council (in respect of Barry), Blaenau Gwent County Borough Council (in respect of the Ebbw Fawr valley) and the City and County of

Cardiff (in respect of Ely and Caerau). It is anticipated that the European funding available under Urban II will be 10 million euros (£6 million), and therefore the total programme will be worth around £12 million.

23. The applications were considered by a partnership group on 3 August which comprised representatives of organisations with expertise in urban regeneration. Following their deliberations the group's findings were put forward to the Finance Secretary for a decision to be made on behalf of the Cabinet. The announcement that Wrexham has been successful was made on the 25 August. The Wrexham partnership will now have until November to draft the Single Programming Document, in collaboration with the Assembly. The draft document will be considered by the Local Government and Housing committee on 1 November, then go to Plenary, before being submitted to the European Commission by 19 November. Following the 5 month negotiation period with the Commission the programme is likely to get approval by the end of March 2001.

Commonhold and Leasehold Reform: Draft Bill and Consultation Paper

24. A draft Bill and consultation paper was issued in Wales on 31 August inviting comments by 20 October. Individual Assembly Members were sent a copy of the covering letter by e-mail and were advised that the document was available on the intranet but a hard copy would be provided if they so wished.

25. The draft Bill follows a Manifesto commitment to introduce 'commonhold' and to make further radical reforms to residential leasehold, in particular to make it easier for leaseholders to purchase the freehold of their properties and to give leaseholders effective redress against abuses by landlords or managing agents.

26. The commonhold aspects of the Bill are sponsored by the Lord Chancellor's Department and the leasehold aspects by the Department of the Environment, Transport and the Regions.

Peter Law September 2000