

## **LOCAL GOVERNMENT AND HOUSING COMMITTEE**

### **MINUTES OF COMMITTEE MEETING**

**Date:** Wednesday 15 November 2000

**Time:** 9.30am to 11.50am

**Venue:** Committee Room 2, National Assembly Building

#### **Attendance:**

##### *Members:*

Gwenda Thomas	Neath
(Chair)	
Edwina Hart	Gower
(Minister)	
Peter Black	South Wales West
(Deputy Minister)	
Janet Davies	South Wales West
William Graham	South Wales East
Peter Law	Blaenau Gwent
Dai Lloyd	South Wales West
Tom Middlehurst	Alyn and Deeside
Janet Ryder	North Wales

*In attendance:*

Adam Peat	Director, Local Government Group
John Bader	Housing and Community Renewal Division (items 4 and 5)
Norma Barry	Housing Performance and Finance Division (item 4)
Stephen Phipps	Housing and Community Renewal Division (item 4)
Alan Thornton	Local Government Finance Division (item 5)
Kate Cassidy	Local Government Modernisation Division (items 5 and 6)
Richard Shearer	Local Government Modernisation Division (item 6)
Roger Bonehill	Office of the Counsel General

*Secretariat:*

Martin Stevenson	Committee Clerk
Phil Mulraney	Deputy Committee Clerk

## **Item 1: Apologies and substitutions**

1.1 There were no apologies for absence or substitutions.

1.2 The Chair welcomed Peter Law on his return to the Committee, as well as William Graham and Tom Middlehurst as new Members. She expressed her thanks to David Davies, Janice Gregory and Alison Halford for their contribution to the work of the Committee.

## **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;
- Janet Davies said that she was Chair of Llanhari Community 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-12-00 (p.1)**

3.1 Before inviting the Minister to introduce her report, the Chair said that she would deal with issues arising from the recent flooding at the end of the item.

3.2 Introducing the report, the Minister said that she planned to meet the police authorities in Wales on a regular basis in order to discuss policy and finance issues. She undertook to bring a paper to the Committee on the funding arrangements for police authorities. One Member suggested that the funding for police authorities should be shown on a separate page of council tax bills.

3.3 In response to a suggestion from the Chair, the Minister undertook to raise with the police authorities at a future meeting whether there would be benefits from having greater consistency in the Memoranda of Understanding which exist between each police authority and probation services, local authorities and health authorities in relation to sex offenders.

3.4 On councillors' allowances, it was reported that the Welsh Local Government Association had proposed that there should be an independent consultants' study, to be funded by the National Assembly. The Minister said that she supported this proposal and had decided to stand down the working group on members' allowances while the study was undertaken.

3.5 Members generally supported an independent study as the best way to take forward the issue of councillors' allowances. The Minister said that she would consult all party groups on the terms of reference for the study, and also make the timetable for the study available to the Committee. It was noted that it might be necessary to reconvene the working group once the study had been completed.

3.6 It was reported that the Scottish Parliament's Local Government Committee had undertaken a series of visits to local authorities, and it was suggested that the Committee should undertake a similar programme in Wales. The Minister and the Chair agreed to seek the Local Government Partnership Council's views on this suggestion.

3.7 The Committee noted that the Minister had announced an allocation to local authorities of over £6 million from the Local Regeneration Fund to match fund successful Objective 1 bids, and that a further 40 bids were being considered. The Minister said that she would ensure that information on successful bids under the Local Regeneration Fund was made available to

## Committee Members.

3.8 On the recent flooding in Wales, the Chair and the Minister paid tribute to local authority staff, the emergency services and others who had been working continuously during the severe conditions to prevent further problems. The Minister said that she had announced the activation of the Bellwin scheme, to provide financial assistance to local authorities to help with the additional cost of work to safeguard life or property or to prevent suffering or severe inconvenience. Eligible expenditure above the Bellwin thresholds (set at 0.2 per cent of revenue budgets) would be supported at a rate of 100 per cent. A technical note on the scheme was being prepared for Assembly Members.

3.9 Members supported the activation of the Bellwin scheme, and it was suggested that applications under the scheme should be treated flexibly. They felt that local authorities would also need significant assistance with capital expenditure, both to restore damaged infrastructure and to build in enhancements to minimise the risk of flood damage in future. In addition, there was a need for additional investment in flood defences. The Minister assured the Committee that this was a priority issue for the Cabinet, and reported that she planned to hold discussions with the Welsh Local Government Association on the impact of the flooding.

3.10 Members also felt that the decision-making structures involved in implementing flood defences were not understood by the public. It was noted that this was an issue which would be picked up in the Environment Minister's review of the effective working of flood defence bodies.

## **Item 4: National Housing Strategy - Draft consultation paper: LGH-12-00 (p.2)**

4.1 The Minister said that the draft consultation paper set out proposals for a national housing strategy. She paid tribute to Peter Law for the work which he had undertaken in developing the strategy, and thanked all those who had contributed to the process, particularly the Housing Strategy Task Groups.

4.2 Members welcomed the consultation document. It was felt that the development of the national housing strategy, which had involved tenant representatives, housing agencies and professionals, local government and others, represented an outstanding example of a new, inclusive and consensual approach to policy development.

4.3 In terms of specific policy proposals, the Committee particularly welcomed: the proposed Homelessness Commission; the additional funding for Supported Housing Revenue Grant to facilitate the extension of the priority categories of homeless people in need of accommodation; the measures to improve tenant participation; the increased coverage of the Home Energy

Efficiency Scheme; the extension in the coverage of Care and Repair services to the whole of Wales; and the development of a housing strategy for Black, Minority Ethnic groups.

4.4 The Minister reported that the Homelessness Commission would operate on a 'task and finish' basis, advising on the delivery of policies on homelessness and rough sleeping. The Commission would be due to complete its tasks by early summer 2001. It would be chaired by Peter Black, and the membership would include the Chairs of the Local Government and Housing Committee and the Health and Social Services Committee. Members were keen to ensure that homelessness was treated as an integral part of the national housing strategy.

4.5 The following detailed points on the consultation paper were raised in discussion:

- It was noted that the section on the Welsh language (page 29) was intended to bring out the importance of the language in developing effective housing strategies in many parts of rural Wales.
- It was suggested that there was scope to give greater emphasis in the section on health (page 30) to the role of good housing in tackling poor health.
- There was some concern that the draft paper (page 33) had taken the line that it would not be cost-effective to undertake a comprehensive housing needs assessment at the national level. It was suggested that it would be appropriate to take a more positive approach.
- There was also concern about the proposals on strategic area based renewal (page 37), which it was felt was rather a blunt instrument in terms of community regeneration. It was noted that many areas with poor housing had already received considerable investment.
- Members supported the proposals to introduce mandatory licensing arrangements for Houses in Multiple Occupation deemed to be high risk (page 42). It was suggested that pressure should be brought to bear on the UK Government to bring forward the necessary primary legislation as a matter of urgency and to maximise the discretion available to the National Assembly through the associated secondary legislation. There was some concern about the practicality of differentiating between Houses in Multiple Occupation at high and low risk.
- It was noted that the consultation paper would seek views on whether rent rebates should be removed from the Housing Revenue Account (page 45). There was concern about the impact of such a change for individual local authorities, given that there would be losers as well as winners.

- The Committee noted that the consultation paper contained a proposal to compare differences between the rent levels of local authorities and Registered Social Landlords, and to seek to address unjustifiable differences (page 52). The Minister agreed to bring forward a paper on the convergence of rents for social housing, together with the links to Social Housing Grant as well as the relationship to Housing Benefit.
  - Members supported the proposal to press the UK Government for an equalisation of the rates of Value Added Tax on housing repair, maintenance and renovation work with that on new buildings (page 60). It was noted that the Chancellor of the Exchequer had recently introduced a reduced rate of VAT for certain categories of repairs.
  - It was suggested that there should be a reference to the Care Standards Act in the material on the Royal Commission on Long Term Care (page 65).
  - The Committee welcomed the proposal for a fundamental review to simplify the administration of Housing Benefit (page 73). It was felt that the present system discouraged landlords in the private sector from taking on tenants on Housing Benefit.
  - The Committee also supported the proposal in the consultation paper (page 73) to make representations to the UK Government to bring Housing Benefit entitlement for under 25 year olds into line with that for the over 25s.
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- Members supported the proposal to promote 'Secured by Design', the Police Force's housing design crime prevention initiative, as best practice in all new housing developments (page 76). The Minister agreed to provide Members with a background note on the 'Secured by Design' initiative.

4.6 The Chair invited the Minister to take account of the Committee's views in taking forward the consultation document. The Minister said that she would provide a background note on the technical points which had been raised by Members. It was noted that a plenary debate on the consultation paper was scheduled for 28 November.

## **Item 5: Budgets - Consideration of draft budget: LGH-12-00 (p.3)**

5.1 The Minister said that the draft budget, which had been debated in plenary on 26 October, took account of the priorities set out by the Committee at the start of the planning round. She

invited comments on the draft budget as well as the proposed changes to *betterwales.com*, the National Assembly's strategic plan.

5.2 In response to a number of requests from Members, the Minister undertook to provide a detailed breakdown of the resources available to local authorities from all areas of the National Assembly's budget. She also agreed to make available an indication of the distribution mechanisms for specific grants.

5.3 The following points were raised in discussion:

- The Committee endorsed the draft budget and the steps which the Minister had taken to meet the Committee's priorities. In particular Members welcomed the substantial increase in revenue support grant for local authorities, together with the transitional funding which was being made available to smooth the transition to the new Standard Spending Assessment formula.
- Members also welcomed the Minister's decision to move away from the hypothecation of local authority funding, which it felt limited the scope for local authorities to spend their resources in the most effective way. The Committee supported strongly the development of policy agreements with local authorities which focused on policy outcomes, including the introduction of the Performance Incentivisation Grant.
- The Committee was keen for the Minister to reconsider the level of the capital resources available to local authorities over the budget period in the light of the recent flooding.
- Members were concerned about whether local authorities would have adequate resources available to use as match funding for Structural Funds. The Minister said that her view was that the draft budget would provide authorities with sufficient funds for this purpose.
- The Committee welcomed the overall increase in housing budgets, which reversed the recent downward trend in expenditure. However, it was suggested that even greater priority should be given to housing, given the strong links between improved housing and better health.
- The Committee noted the proposed revisions to the targets for 2003 in *betterwales.com*, including the extension of the Home Energy Efficiency Scheme. It also noted that it might be necessary to revisit the targets once the contents of the proposed 'Assembly Local Government Bill' had been determined.

5.4 The Chair said that she would write to the Minister to set out the Committee's views on the draft budget and the proposed revisions to *betterwales.com*.

## **Item 6: Best value - Review of performance indicators and results of audit of performance plans: LGH-12-00 (p.4)**

6.1 Introducing the paper, the Minister said that there was a commitment to review the Best Value Performance Indicators put in place for 2000-01. There were too many indicators, with insufficient focus on outputs. The draft consultation paper proposed a reduction from 172 to 96 performance indicators, and the Welsh Local Government Association had suggested that a further 20 performance indicators should be dropped. The Association had also proposed that there should be a single publication date of 30 June for Best Value Performance Plans.

6.2 The following points were raised in discussion:

- Members felt that it was important for the range of Best Value Performance Indicators to be robust, objective and meaningful. They supported the proposed reduction in the number of indicators, including those put forward by the Welsh Local Government Association.
- There was concern about the deletion of certain indicators, for example, BVPI 1 on the adoption of a Local Agenda 21 Plan, AC-C1 relating to the number of homeless households in temporary accommodation and BVPI 81 on the completion a review and assessment of air quality. It was felt that there was scope to develop more meaningful indicators in these areas.
- Members supported the Welsh Local Government Association's view that there should be a single Best Value Performance Plan produced by 30 June each year. It was noted that this year's arrangement, with the production of a draft Plan by 31 March and a final Plan by 30 June, had been over-burdensome.
- It was reported that the trade press had reported a dramatic fall in the number of local government tenders under the Best Value regime, and that the savings achieved under Compulsory Competitive Tendering were significantly higher than those secured under Best Value. Members felt that it was too early to make any comparisons between Compulsory Competitive Tendering and Best Value, but noted that voluntary competitive tendering was one of the tools available to local authorities in order to deliver Best Value.
- Some Members felt that it was appropriate to interpret Best Value as the creation of jobs in the local community through councils employing locally and purchasing locally. The



Minister said that her view was that local government's primary function was as a service provider rather than an employer.

6.3 The Chair invited the Minister to take account of the Committee's views on both Best Value Performance Indicators and the publication date for Best Value Performance Plans. She reminded Members that the Audit Commission and the District Audit Service would be presenting the results of their audit of Best Value Performance Plans to the Committee on 13 December.

**Item 7: Minutes of the 1 November meeting: LGH-11-00 (min)**

1. The minutes of the meeting held on 1 November were agreed.

7.2 Members noted the letter which the Chair had received from the Minister, which had confirmed that youth justice issues would remain within the portfolio of the Minister for Health and Social Services, in order to test the effectiveness of unifying the responsibilities of youth justice with those of social services. The Committee felt strongly that it was appropriate for responsibility for youth justice to remain alongside that for community safety and indeed local government generally in Edwina Hart's portfolio. It was agreed that the Chair should write to the First Minister on this issue.

**Committee Secretariat November 2000**

**Annex**

**SUMMARY OF ACTION POINTS FROM THE 15 NOVEMBER MEETING**

1. The Minister undertook to bring a report to the Committee on the funding arrangements for police authorities (paragraph 3.2).
2. The Minister undertook to raise with the police authorities at a future meeting whether there would be benefits from having greater consistency in the Memoranda of Understanding which exist between each police authority and probation services, local authorities and health authorities in relation to sex offenders (paragraph 3.3).
3. The Minister undertook to consult all party groups on the terms of reference for the independent study of councillors' allowances, and also make the timetable for the study available to the Committee (paragraph 3.5).

4. The Minister and the Chair agreed to seek the Local Government Partnership Council's views on the possibility of the Committee establishing a programme of visits to local authorities (paragraph 3.6).

5. The Minister said that she would ensure that information on successful bids under the Local Regeneration Fund was made available to Committee Members (paragraph 3.7).

6. The Minister agreed to bring forward a paper on the convergence of rents for social housing, together with the links to Social Housing Grant as well as the relationship to Housing Benefit (paragraph 4.5).

7. The Minister agreed to provide Members with a background note on the 'Secured by Design' initiative (paragraph 4.5).

8. The Chair invited the Minister to take account of the Committee's views in taking forward the consultation document on the national housing strategy, and the Minister agreed to provide a background note on the technical points which had been raised by Members (paragraph 4.6).

9. The Minister undertook to provide a detailed breakdown of the resources available to local authorities from all areas of the National Assembly's budget, as well as an indication of the distribution mechanisms for specific grants (paragraph 5.2).

10. The Chair undertook to write to the Minister to set out the Committee's views on the draft budget and the proposed revisions to *betterwales.com*

(paragraph 5.4).

11. The Chair invited the Minister to take account of the Committee's views on both Best Value Performance Indicators and the publication date for Best Value Performance Plans (paragraph 6.3).

12. It was agreed that the Chair should write to the First Minister to make it clear that the Committee's view was that responsibility for youth justice should remain alongside that for community safety in Edwina Hart's portfolio (paragraph 7.2).