

LOCAL GOVERNMENT AND HOUSING COMMITTEE

MINUTES OF COMMITTEE MEETING

Date: Wednesday 28 March 2001

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)

Janet Davies South Wales West

William Graham South Wales East

Peter Law Blaenau Gwent

Dai Lloyd South Wales West

Tom Middlehurst Alyn and Deeside (not item 10)

Janet Ryder North Wales

In attendance:

Adam Peat Director, Local Government and Housing Group (items 3 to 5)

John Bader	Director of Housing (items 3, 6, 7, 8, 9 and 10)
Kate Cassidy	Local Government Modernisation Division (items 4 and 5)
Ian Thomas	Local Government Modernisation Division (item 4)
Richard Shearer	Local Government Modernisation Division (item 5)
Peter Owen	Housing Directorate (item 6)
Lynne Edwards	Housing Directorate (items 7 and 8)
Judy Wayne	HACAS Chapman Hendy (item 8) / Expert adviser (item 9)
Professor	Chair, Building Regulations Advisory Committee (item 10)
Patrick O'Sullivan	
Professor	Building Regulations Advisory Committee (item 10)
Phillip Jones	
Phil Roberts	Building Regulations Advisory Committee (item 10)
Paul Overall	Head of Building Regulations Division, Department of the Environment, Transport and the Regions (item 10)
Francois Samuel	Housing Directorate (item 10)
Roger Bonehill	Office of the Counsel General

Secretariat:

Martin Stevenson	Committee Clerk
Liz Wilkinson	Deputy Committee Clerk

Item 1: Apologies and substitutions

1.1 There were no apologies or substitutions.

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;
- Edwina Hart said that her Trade Union membership was recorded on the Register of Members' Interests;
- William Graham said that he was a Member of Newport County Borough Council;
- Peter Law said that he was a Member of the GMB Union;
- Dai Lloyd said that he was a Member of Swansea City and County Council;
- Tom Middlehurst said that he was a Member of UNISON;
- Janet Ryder said that she was a Member of Ruthin Town Council;
- Gwenda Thomas said that she was a Member of the GMB Union.

Item 3: Minister's report: LGH-05-01 (p.1)

3.1 The Minister introduced her report to the Committee. She said that she would provide Members with a note setting out details of the recent announcements on crime reduction grants. On police funding, Mrs Hart reported that she had written to UK Government Ministers about the additional costs of policing the Worthington and FA Cup Finals at the Millennium Stadium, as well as the funding formula.

3.2 The Minister undertook to make available to the Committee the full text of her recent statement to police authorities on budget increases. She confirmed that she had decided to recommend that the National Assembly should take statutory action to establish the principles by which police authorities' budgets would be judged. Members supported this proposal. They felt that it was important that the police authorities were adequately funded, and also that they acted responsibly in setting their budgets. It was vital to strike the right balance between funding from the Home Office, the National Assembly and council tax precepts.

3.3 There was concern that in some areas police authorities had sold the local police station and then asked the local community to support the cost of a replacement. The Minister noted the Committee's views on this issue and said that she would pursue it in the context of her

discussions on the funding formula.

3.4 On last autumn's flooding, the Committee welcomed the extension of the deadline for local authorities to submit claims under the Bellwin scheme. It was noted that officials were currently analysing the schedules submitted by local authorities with details of the longer-term capital works which would be necessary as a result of the severe weather.

3.5 Members also welcomed the annual funding award for Care and Repair agencies, which would reinforce social care policies by allowing disabled people and the elderly to stay in their own homes. The Minister undertook to provide a note on the funding of Care and Repair services, including any funding from the National Health Service.

3.6 The Minister agreed to provide Members with a factual statement setting out her position in relation to the recent District Audit report on Flintshire County Council. She reiterated that it was for the Council to address the matters raised in the report.

3.7 The Minister also made the following announcements:

- The mandatory rural rate relief scheme would be extended to small village pubs, petrol stations and pharmacies. In addition, the Minister would be working with Chwarae Teg to reduce the rates burden on childcare providers and nurseries in rural areas. Legislation would be brought forward in the autumn with a view to implementing the changes in 2002-03.
- Some £310,000 would be made available to support the Black Association of Women Step Out (BAWSO) over the three years from 2001-02. Mrs Hart said that BAWSO helped women and children from Black and Minority Ethnic communities fleeing domestic violence.
- The Home Energy Efficiency Scheme would be extended to allow the replacement of existing coal-fired central heating with gas where available, or off-peak electric storage in areas not served by the gas network. This would be of particular benefit to vulnerable people who found it difficult to operate and maintain their solid fuel central heating systems. An amendment to the Home Energy Efficiency Scheme Determination would be made shortly.

The Committee welcomed these proposals. The Minister undertook to provide Members with further details of each announcement.

3.8 The Minister also announced the establishment of a Commission on Electoral Arrangements in local government, in line with the commitment in the Partnership Agreement. Professor Eric Sunderland would chair the Commission, with other members due to be appointed shortly. The Commission would start work in June, with a remit to report within 12 months. The Minister undertook to provide Members with a copy of the Commission's terms of reference.

3.9 Members expressed a range of views on the establishment of the Commission. It was suggested that the Commission should arrange seminars on the different systems of election, and the Minister said that she would pass this on to Professor Sunderland. The Chair said that she hoped that lay people would be represented on the Commission.

3.10 Finally, on the Committee's work programme, there was a suggestion that the results of the National Housing Strategy consultation should be considered over four sessions, involving each of the Task Groups which had helped to develop the draft Strategy. The Chair said that she would ensure that the Strategy was dealt with as fully as possible, taking into account the pressures on the Committee's time.

Item 4: Local authorities' general power to promote economic, social and environmental well-being: LGH-05-01 (p.2)

4.1 The Minister invited the Committee to note the proposed content of the draft guidance relating to the discretionary power in the Local Government Act 2000 allowing county and county borough councils to promote the economic, social and environmental well-being of their areas. This power would go some way to giving local authorities a power of general competence, which would enable them to undertake a wide range of initiatives of benefit to their areas.

4.2 The Minister said that the paper had flagged-up some specific issues for the Committee. She also sought views on whether the implementation of the new power should be brought forward from 28 July, as it could potentially help local authorities to respond to the foot and mouth outbreak.

4.3 The following points were raised in discussion:

- Members welcomed the new well-being power. They agreed that it should be brought into effect as soon as possible in order to assist local authorities in tackling the problems resulting from the foot and mouth outbreak.
- The Committee felt that it was appropriate to allow councils to provide indemnities for their officers and members in certain circumstances. This would enable local authorities to compensate officers and members who had incurred financial risk when acting in good faith as company directors on behalf of their authorities.
- There was some discussion on whether councils should be able to utilise voluntary contributions from individuals and organisations to enable them to meet their well-being objectives. It was noted that this approach would facilitate partnership working and would be consistent with the proposal currently under consideration to allow councils to charge for discretionary services. The Minister undertook to provide a note for Members on voluntary contributions.

- The Committee felt that it was important for the new well-being power to be used in pursuit of a local authority's community strategy. However, Members were keen to give local authorities maximum flexibility in the use of the power and to avoid being too prescriptive. It was important that authorities should have the flexibility to respond rapidly to unforeseen events.
- There was continuing concern that the Section 5 power to remove or amend any legislation obstructing local authorities from exercising the well-being power rested with the Secretary of State rather than the National Assembly. Members felt that it was appropriate for the National Assembly to take the lead in considering proposals for changes in legislation. It was suggested that a protocol should be established between the National Assembly and the Secretary of State on the use of the Section 5 power.

4.4 The Chair invited the Minister to take account of the Committee's views when taking forward the implementation of the well-being power.

Item 5: Proposed Order allowing local authorities to take account of non-commercial matters when considering tenders and awarding contracts:

LGH-05-01 (p.3)

5.1 Introducing the paper, the Minister said that the Department of the Environment, Transport and the Regions had put in place an Order which would allow local authorities in England to take account of 'non-commercial' matters when considering tenders and awarding contracts. This would enable authorities to consider issues like the terms and conditions of employment by potential contractors and the conduct of contractors and their workers in industrial disputes. It would not affect the legal requirements on local authorities to comply with European Union procurement rules, Best Value and the Transfer of Undertakings (Protection of Employment) regulations.

5.2 The Minister said that it was her intention to put in place a similar Order, to provide local authorities in Wales with at least the same scope as their English counterparts. The planned consultation would provide an opportunity to explore whether the Order could be enhanced to include a wider set of considerations, such as equal opportunities and sustainable development.

5.3 The Committee welcomed the proposed Order, which they felt would help to ensure that competition for council contracts was carried out on a level playing field. There was also support for the Minister's proposal to explore the scope to include detailed guidance on the National Assembly's aspirations in areas such as equal opportunities and sustainable development.

5.4 It was suggested that consideration should also be given to whether the proposed Order should allow local authorities to discriminate in favour of local contractors and locally sourced materials. The Minister said that local authorities would still have to comply with European Union procurement rules as part of their contracting processes. She undertook to provide a note setting

out the position on the procurement rules.

5.5 The Chair invited the Minister to bring forward a further paper to the Committee following the planned consultation exercise on the draft Order.

Item 6: Best Value and registered social landlords: LGH-05-01 (p.4)

6.1 The Minister said that the paper outlined proposals for the adoption of Best Value by registered social landlords. The commitment to apply Best Value to all social housing was reflected in *Better Homes for People in Wales*, with registered social landlords expected to put in place a robust framework for reviewing all of their activities. By April 2002, Best Value would be incorporated into the Regulatory Requirements for registered social landlords and it would be the main focus for a new approach to performance audit.

6.2 The regulatory regime to be introduced from April 2002 would measure the quality of the services provided by registered social landlords, as well as assessing their strategies for improving services. This would be underpinned by a set of published Best Value Performance Indicators that would facilitate direct comparisons of housing services between registered social landlords and local authorities. The proposals stressed the need to involve tenants and other stakeholders such as local authorities at all stages of the Best Value process.

6.3 The following points were raised in discussion:

- The Committee welcomed the extension of Best Value to registered social landlords. Based on the experience to date in local authorities, Members felt that it was important to adopt a focused approach and to concentrate on outcomes rather than processes.
- There was concern that the costs which would be incurred by registered social landlords in the implementation of Best Value would ultimately have to be met by tenants. It was noted that the National Assembly was providing additional funding in 2001-02, and that the expectation was that future costs would be met from efficiency savings. John Bader explained the regulatory mechanisms for controlling rents in the registered social landlord sector.
- The Committee felt that the National Assembly's approach to auditing Best Value should be consistent with that adopted by the Audit Commission. There was a suggestion that consideration should be given to the case for a greater separation of the normal regulatory regime for registered social landlords from the Best Value inspection and auditing regime, although some Members did not support this.

6.4 The Chair invited the Minister to take account of the Committee's views when considering the responses to the consultation exercise prior to issuing the final guidance to registered social landlords.

Item 7: Black and Minority Ethnic Housing Strategy: LGH-05-01 (p.5)

7.1 The Minister said that the consultation document outlined the National Assembly's strategic approach to identifying and meeting the housing needs of Black and Minority Ethnic people, as part of the wider National Housing Strategy. The Black and Minority Ethnic Housing Strategy would assist social landlords to build on existing services, develop new initiatives, ensure equality of opportunity and the empowerment of Black and Minority Ethnic individuals and communities.

7.2 The Black and Minority Ethnic Housing Strategy would be implemented through a partnership approach, involving key agencies such as the Commission for Racial Equality, the Welsh Local Government Association and the Welsh Tenants Federation. It would be issued for consultation on 5 April.

7.3 The Committee welcomed the draft Black and Minority Ethnic Housing Strategy and endorsed the key areas for action outlined in the Strategy. It supported the emphasis given to communication between registered social landlords and Black and Minority Ethnic tenants, in particular the requirement for social landlords to consult and engage with under-represented individuals and groups.

7.4 It was suggested that further guidance was required on the training of staff employed by social landlords. The Minister agreed to consider the issue of training more fully in the final consultation document.

7.5 The Chair invited the Minister to take account of the Committee's views on the draft consultation paper on the Black and Minority Ethnic Housing Strategy. She also invited the Minister to report the results of the consultation exercise in due course.

Item 8: Management review of the Welsh Tenants Federation: LGH-05-01 (p.6)

8.1 The Minister introduced the paper by welcoming the management review of the Welsh Tenants Federation. She said that the report provided positive and practical solutions for the resolution of recent problems. It would enable the Federation to move forward in an efficient and effective way. The report had concluded that there was much to commend in the way the Federation operated.

This included the Federation's contribution to the policy agenda, the support and training of tenants and the considerable voluntary effort given by the Management Committee.

8.2 The Minister said that the terms of reference for the review had been extended to provide advice on a dispute between an individual and the Federation and on an appropriate framework for dispute resolution, and to make recommendations on a code of conduct for the Federation. As a result, recommendations had been made about the establishment of a dispute resolution procedure within each tenant group; early resolution of disputes where necessary using a

mediator or arbitrator; improved tenant training in procedural matters; and clarification of the Federation's role in disputes.

8.3 Since the initial concerns had been raised, the Federation had taken much action to address its problems. The Management Committee had been asked to provide a formal response by 23 April, which would include details of how and by when the recommendations would be addressed. The Minister said that she was keen for the Federation to provide a strong and cohesive influence in the development of policies and procedures supporting tenants. She did not intend to reduce the Federation's grant funding on the basis of the report.

8.4 The following points were raised in discussion:

- The Committee welcomed the report on the management review of the Welsh Tenants Federation. One Member suggested that the National Assembly should go further than making recommendations and that a stronger approach was required. Other Members felt that the National Assembly should avoid being too prescriptive and should offer guidance as outlined in the report.
- Members felt that it was vital for tenant groups to establish dispute resolution procedures to ensure that tenants received fair treatment. It was suggested that a whistle-blowing policy should be included so that individuals could report wrongdoing without fear of repercussions. It was also suggested that further guidance was required on the use of an independent mediator, including how and when the service would be accessed.
- The Minister offered to discuss with Janet Ryder the case involving a dispute between an individual tenant and the Federation.

8.5 The Chair invited the Minister to take account of the Committee's views in taking forward the management review of the Welsh Tenants Federation. The Minister undertook to provide a note for Members setting out how she would meet this commitment.

Item 9: Policy review of housing stock transfer: LGH-05-01 (p.7)

9.1 The Chair said that the report of the policy review of housing stock transfer had been revised to reflect the Committee's consideration of the previous draft at the 28 February meeting, as well as the discussion on organisational structures at the last meeting. The main changes to the report were highlighted in the covering paper.

9.2 Judy Wayne summarised the main issues which had been identified in the review, including the need to involve staff and tenants at the options appraisal stage, the need for better information on stock condition and the different governance arrangements for stock transfer organisations. She felt that local authorities had the scope to develop arrangements suited to their own specific requirements which could secure the investment needed to modernise their housing stock.

9.3 The Minister welcomed the report and confirmed that she would be giving further consideration to the issues it raised.

9.4 The Committee confirmed that it was content with the revised report. The Chair said that it would be published in the summer term, with a plenary debate scheduled for 24 May. On behalf of the Committee, she thanked Judy Wayne for her invaluable contribution to the review.

Item 10: Presentation by the Building Regulations Advisory Committee

10.1 The Chair welcomed Professor Patrick O'Sullivan and his colleagues from the Building Regulations Advisory Committee. Professor O'Sullivan explained that the primary role of the Committee was to advise DETR Ministers on the most effective way to achieve health and safety standards within new buildings and the existing housing stock. He said that the Committee was currently considering a number of issues that had been of particular interest to the Local Government and Housing Committee.

10.2 On domestic energy efficiency, Professor O'Sullivan stated that a significant amount of work had been carried out on the conservation of energy in buildings and the reduction of carbon dioxide emissions. Following a consultation exercise, revised guidance on Part L would issue in the near future, with revised Regulations due to be published in the summer. This work was closely related to a review of Part E concerning sound insulation.

10.3 Professor O'Sullivan said that he would welcome further dialogue with the National Assembly on the progress of the working group on fire safety, which was considering hard wired smoke detectors in social housing as well as sprinklers in Houses in Multiple Occupation. On scalding, Professor O'Sullivan acknowledged the lack of provision in the Building Regulations to ensure that domestic water was stored at a safe temperature. The Advisory Committee recognised the need for further work to identify the most appropriate action required to reduce the risk of scalding.

10.4 The following points were raised in discussion:

- There was some discussion about Lifetime Homes and how best to encourage the private sector house building industry to adopt the standards issued by the National Assembly for all new social housing in Wales. It was noted that the Building Regulations were minimum standards which could be exceeded. Paul Overall said that Part M, which had only recently applied to all housing, dealt with accessibility. There was however some opposition to certain aspects of the Regulations; for example, it would be very expensive for every home to have provision for a downstairs shower. The intention was to monitor Part M for the next two or three years and then assess whether there was scope for improvement.
- It was noted that the Advisory Committee was considering how home security could be improved through the Building Regulations. A consultation exercise was likely in 2002.

- Professor O'Sullivan was keen to be kept informed of the results of the work which was being undertaken in Wales, particularly specific examples where it could be shown that better standards had produced better results.
- Members were interested in the extent to which the Advisory Committee had taken account of experience in other European countries. It was noted that the new Part L Regulations would set standards for home energy efficiency which were comparable with other countries in Europe. Phil Roberts felt that the Advisory Committee could learn from the experience of Denmark on insulation.
- There was some discussion about how Building Regulations could minimise the impact of flooding. Professor O'Sullivan said that the Building Regulations could not be expected to make up for deficiencies in the land use planning system. It was noted that Part A of the Regulations on structural issues applied uniformly across England and Wales, and that a working party had been established to consider whether there should be special requirements in areas prone to flooding. A consultation paper was due to be published in the summer. It was noted that some measures which might be desirable in areas at risk of flooding could have an adverse impact on other aspects of the Regulations; for example, raised floors could affect accessibility.
- Paul Overall explained that the Building Regulations applied only to new buildings. This included extensions, where although there was no requirement on the builder to improve the existing property, equally it couldn't be made worse. It was noted that at the current rate of renewal, it would take between 400 and 700 years to completely change the housing stock. Phil Roberts said that the Advisory Committee was considering what steps might be appropriate in relation to the existing housing stock.
- There was some discussion about the composition of the Building Regulations Advisory Committee. Professor O'Sullivan said that the membership was now balanced with representation from the house-building industry and users. This contrasted with the position in the past when the Advisory Committee had been dominated by supply side representation.

10.5 The Chair thanked the Advisory Committee representatives for their presentation and for answering Members' questions.

Item 11: Minutes of the 14 March meeting: LGH-04-01 (min)

11.1 On the penultimate bullet point of paragraph 5.3 concerning the ethical framework for local government, it was noted that the suggestion had been that the President and Deputy President of the Adjudication Panel for Wales should be lay people. Otherwise the minutes of the meeting were agreed.

Annex

SUMMARY OF ACTION POINTS ARISING FROM THE 28 MARCH MEETING

1. The Minister undertook to provide a note setting out details of the recent announcements on crime reduction grants (paragraph 3.1).
2. The Minister undertook to make available to the Committee the full text of her recent statement to police authorities on budget increases (paragraph 3.2).
3. The Minister undertook to provide a note on the funding of Care and Repair services, including any funding from the National Health Service (paragraph 3.5).
4. The Minister agreed to provide a factual statement setting out her position in relation to the recent District Audit report on Flintshire County Council
(paragraph 3.6).
5. The Minister undertook to provide further details of her announcements on the extension of the rural rate relief scheme, the funding for the Black Association of Women Step Out and the extension of the Home Energy Efficiency Scheme (paragraph 3.7).

6. The Minister undertook to provide Members with a copy of the terms of reference for the Commission on Electoral Arrangements in local government (paragraph 3.8).
7. The Minister undertook to provide a note on voluntary contributions from individuals and organisations to enable local authorities to meet their well-being objectives (paragraph 4.3).
8. The Minister undertook to provide a note setting out the position on the European Union procurement rules with which local authorities have to comply as part of their contracting processes (paragraph 5.4).
9. The Minister undertook to bring forward a further paper following the consultation exercise on the draft Order allowing local authorities to take account of non-commercial matters when considering tenders and awarding contracts (paragraph 5.5).
10. The Minister undertook to provide a note setting out how she would take account of the Committee's views in taking forward the management review of the Welsh Tenants Federation (paragraph 8.5).