

LOCAL GOVERNMENT AND HOUSING COMMITTEE

MINISTER'S REPORT

Best Value

1. I would like to take this opportunity to inform the Committee on the radical shift in how the National Assembly wishes to take forward best value.
2. It has long been accepted by all those involved in delivering best value that the process was stifling the key principle of delivering better quality, cost effective services to the people of Wales.
3. It was clear to me that best value had to move away an over-complicated, bureaucratic, process-driven regime, to a more dynamic model of service delivery that encourages innovation, focuses on the services where the biggest service gains can be made, supports improvement, but at the same time provides the objective reassurance that authorities follow the key principles of best value.
4. At the Partnership Council on 15 October the key principles of "The Wales Programme for Improvement" were agreed. I will circulate this to members of the Committee.
5. This provides a broad framework for the development of best value that:
 - places emphasis on assessing local authorities' capacity to deliver continually improving services;
 - requires local authorities to undertake a risk-based assessment of which services require the most attention;
 - will aim to integrate in a much more systematic way the regularity element of best value, while at the same time providing the objective assurance that best value is driving service improvements.
6. I believe this provides a workable framework for improving the way best value will work in Wales in the future.
7. The Best Value Project Group, which includes representatives of all those with an interest in the policy, will now use the framework to develop revised guidance that will give practical effect to the Wales Improvement Programme. Guidance will issue for consultation in December, and final guidance will be in place by March 2002.

Flooding

Bellwin

8. Fourteen unitary authorities and one police authority have submitted unaudited interim claims. Of these, seven were seeking only to register their Bellwin eligible expenditure against the possibility that any Foot and Mouth Bellwin costs may take them above the Bellwin threshold and thereby trigger payments from the Assembly.

9. Final audited claims to be sent to the Assembly by 31 October.

Severe Weather Capital Grant

10. I hope to be in a position to make an announcement to the Committee on this shortly.

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Foot and Mouth Disease – Financial Support for Business

11. Last term I agreed to report back to the Committee on how local authorities had used the £12 million special grant made available in April.

12. The table at Annex 2 shows that some £10.9 million had been used by the deadline of 31 July. Over two-thirds of this money went out in the form of grants made under the new economic well-being powers in Section 2 of the Local Government Act 2000. These grants were given for a variety of purposes including marketing and advertising, rents; trade refuse charges and utility bills. The remainder was taken up by rate relief for periods ranging from 3-12 months. A more detailed survey was conducted by the WLGA – a copy of the report is at Annex 3.

13. The fact that not all authorities were able to use their full allocation means that around £1.1 million is available for redistribution. In this respect, I recently announced my plans for reallocating this money to the 9 rural development areas – a copy of the press release is at Annex 4. The final allocations will be subject to the Assembly's approval of a further special grant report early next month.

Rural Rate Relief

14. In line with the commitment we gave in the Partnership Agreement to provide rate relief to more small businesses supplying vital services to our rural communities, I have decided to extend the mandatory rural rate relief scheme to all small businesses in qualifying rural settlements. We will shortly be consulting on a draft Order that will give effect to this change from 1 April 2002.

Housing Research Programme

15. I agreed to report to the Committee on access to the data produced by the Housing Research Programme.

16. All commissioned research projects are published in hard copy and on the Intranet and Internet – unless there are compelling reasons of confidentiality not to do so.

Supplementary Credit Approval 2002-2003

17. Local authorities have recently been invited to bid for SCA to support housing schemes in 2002-2003. Subject to the Assembly's final budget decision, SCA of around £52 million will be available. This will be in addition to authorities' General Capital Funding and will be available to support the capital costs of schemes in existing and new housing renewal areas and broader strategic housing schemes in the private and public sector.

18. Authorities have been asked to support their bids with an outline of their long term plans to improve their council housing stock and to demonstrate that their approach represents the best use of resources. We have also emphasised the importance of tackling problems with Houses in Multiple Occupation (HMOs) and targeting help to vulnerable people through Disabled Facilities Grants.

19. As the SCA will be available to support broadly based strategies rather

than individual schemes, the new arrangement will give local authorities more scope to determine the relative priority for the use of resources to support those strategies.

20. Bids must be submitted to the Assembly by 27 November 2001.

Selective Licensing of the Private Rented Sector

21. The Committee is aware of our commitment to introduce a licensing scheme for Houses in Multiple Occupation (HMOs) which will be the subject of a short debate in November. Our National Housing Strategy also gives a commitment to consider discretionary powers for other privately rented properties to be licensed in certain circumstances.

22. We have recently issued a consultation paper on the selective licensing of privately rented houses in Wales. We propose a more broadly based licensing arrangement than that proposed for England where licensing will largely concentrate on areas of low demand.

23. Our proposals will address the particular problems we face with the private rented sector in Wales and would give local authorities the discretion to licence all or part of their area providing criteria set by the Assembly are met. There would also be scope for authorities to seek the Assembly's approval to licence in circumstances where the criteria are not met but where they can make a compelling case.

24. The new measures will need primary legislation and, subject to the outcome of the consultation, will be included in a future Housing Bill along with the provisions for licensing Houses in Multiple Occupation (HMOs)

Supporting People –next steps

25. On the 21 September we issued "Supporting People in Wales: The next steps towards implementation," this paper sets out the decisions made following the earlier consultation paper, the responses to which were considered by the committee on the 6 June. The paper offers both information and guidance for relevant parties on the preparatory actions that they need to undertake. The key elements of the paper are:-

- The establishment of distinct funding streams for support for the elderly, services which also provide personal care, and for other forms of supported housing. The two former elements will be transferred to, and administered by, local authorities. The latter by the National Assembly as Supporting People Revenue Grant.
- The paper details a conditional transfer of the Supporting People Revenue Grant scheme to authorities subject to satisfactory negotiation of certain conditions. The target date of the transfer is 1 April 2006.
- The establishment of an accreditation scheme for support providers to allow the payment of Supporting People Revenue Grant directly to them

S180 and the Winter Programme

26. At our last meeting on 18 July, I announced new programmes under Section 180 of the Housing Act 1996 to fund voluntary sector schemes to tackle homelessness and rooflessness for 2001/04. The funding of these 23 schemes commenced 1 September 2001 and will run until 31 August 2004, by which time decisions would have been made on long term funding through S180 in relation to Supporting People.

27. I agreed to provide Members with a schedule of these schemes, which I believe you have now received.

28. In addition, on the 28 September I announced an additional funding programme of £265,000 for voluntary organisations working to provide assistance to rough sleepers over the cold winter months. The winter programme will be funded through Section 180. All Welsh local authorities have been invited to co-ordinate and submit bids.

29. Priority will be given to schemes that demonstrate valid contributions to the provision of services such as emergency shelters, day centres and drop-in centres, in addition to outreach and support. Each bid will also require the full support of a local authority committed to tackling the problems of rough sleeping.

30. The closing date for submission of bids is 2 November 2001. Successful bids will be announced by the middle of November.

Transfers of Resources Between Budget Expenditure Lines (BELs) within the Housing & Local Government Other Services Main Expenditure Group (MEG)

Transfer from Research/Surveys/Evaluation/ Publicity/Fees & Charges BEL to Housing Management Projects Education and Training BEL

31. The Committee is invited to note the transfer of resources between Budget Expenditure Lines (BELs), within the Housing and Local Government Other Services Main Expenditure Group (MEG). A detailed breakdown of the transfer is contained in Annex 5.

32. The transfer to the Social Housing Management Small Grant Scheme enables recommendations of the National Housing Strategy to be taken forward by:

- a. increasing the amount of money available for innovative allocations projects and common housing registers from £60,400 so that all eligible applications, may be approved;
- b. commissioning a modification to the DTLR Business Plan Model for local authorities to reflect the different arrangements applying to Wales, and the approval of pilot schemes by both Cardiff and Swansea City Councils;
- c. allowing favourable consideration of any new bids for innovative projects that might be submitted in the latter part of the financial year.

Transfer from Research/Surveys/Evaluation/ Publicity/Fees & Charges BEL to the Home Energy Efficiency Scheme (HEES) BEL

33. The Committee is invited to note a transfer of resources between Budget Expenditure Lines (BELs), within the Housing and Local Government Other Services Main Expenditure Group (MEG). A detailed breakdown of the transfer is contained in Annex 6.

34. High demand for the Home Energy Efficiency Scheme (HEES) in its first year has resulted in a need for additional funding to be found to accommodate its popularity.

35. Additional funding has become available from within Research /Surveys/ Evaluation / Publicity /Fees and Charges BEL due adjustment in the timing of the Welsh Housing Interview and Stock Survey.

Summary of transfer required

36. A transfer of £400k from the Research /Surveys /Evaluation /Publicity /Fees and Charges BEL to the Home Energy Efficiency Scheme BEL.

Local Government Act 2000 - introduction of further regulations

37. The provisions of the Local Government Act 2000, together with 17 pieces of Assembly subordinate legislation came into force on 28 July 2001. The legislation which requires councils to introduce new political structures also introduced a new well being power, a duty to prepare community strategies and a new ethical framework that will ensure members and officers follow the highest standards of conduct.

Principles of Modernisation

38. The principles of modernising agenda for local government are:

- Clarity of leadership and responsibility in local authorities
- Rigorous public scrutiny and accountability for the way in which responsibilities are exercised; and,
- An open policy process in which all councillors and all the community are actively engaged.

Further Provisions

39. I intend to introduce the following pieces of legislation to bring others into line with the provisions of the 2000 Act, to introduce minor amendments to existing regulations and to introduce one new set of regulations on the conduct of referendums.

The Local Authorities (Executive Arrangements) (Modification of Enactments and Further Provisions) (Wales) Order 2002 and The Local Authorities (Executive and Alternative Arrangements) (Modification of Enactments and Further Provisions) (Wales) Order 2002

40. These two pieces of tidying legislation are necessitated by the new legal concept of council executives so that, in certain relevant instances, legislation referring to local government functions is amended to refer to the executives and generally to bring them into line with the 2000 Act. They will also bring disqualification from standing for elections rules for elected mayors into line with that for other councillors.

The Local Authorities (Executive Arrangements) (Discharge of Functions) (Amendment) (Wales) Regulations 2002

41. These are required to amend a typographical error in The Local Authorities (Executive Arrangements) (Discharge of Functions) (Wales) Regulations 2001.

The Local Authorities (Alternative Arrangements) (Amendment) (Wales) Regulations 2002

42. These introduce new powers for local authorities operating alternative arrangements to ban the consumption of alcohol in prescribed areas, establish staff appeals committees and make arrangements for the Board of the Council to act as the social services committee.

The Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Amendment) (Wales) Regulations 2001 amendment

43. These introduce new powers for local authorities operating executive arrangements to ban the consumption of alcohol in prescribed areas.

The Local Authorities (Conduct of Referendums) Wales Regulations 2002

44. These are required to govern the conduct of a referendum for an elected mayor.

Timing

45. It is proposed that the above instruments are brought to plenary during April and June 2002.

Consultation on the appointment and dismissal of local government officers

46. I have recently written to local authorities and other interested parties, including Assembly Members, to seek views on the appointment and dismissal of local government officers.

47. With the creation of executives and boards in local government, local authorities will be considering appropriate officer support for the new structures and what effect they may have on existing procedures for the appointment, discipline and dismissal of staff and the role of councillors in that process.

48. Section 8 of the Local Government and Housing Act 1989 enables the Assembly to introduce regulations governing what local authorities must include in their standing orders. The Local Authorities (Standing Orders) Regulations 1993 introduced such provisions in relation to chief officers and the head of paid service.

Issues under Consideration

49. In anticipation of local authorities introducing new political management structures I am consulting on the following issues before deciding whether to introduce new regulations:

- a. The 2000 Act introduces the option of a model of elected mayor and council manager and provides for the full council to appoint the council manager:
 - Should this follow the same procedure as the appointment of the Head of Paid Service?
 - Should the council manager enjoy the same degree of protection from discipline or dismissal as a head of paid service? If not, and the council manager is to be appointed and dismissed by the full council, should that be by a simple or two-thirds majority?
- b) The 2000 Act places new responsibilities on the council's monitoring officer and chief

finance officer. These officers could be required to give advice that proposed decisions are not in accord with the authority's policy framework or budget. Monitoring officers will, in addition, have new responsibilities to investigate any complaints of breaches of the members' code of conduct referred to them by the Local Commissioner for Administration. Should they now be given the same protection with regard to discipline and dismissal as applies to the head of paid service?

c) At present, it is for each authority to decide how it appoints staff at all levels. The function of appointment of staff is not an executive function under the regulations introduced under the 2000 Act. The "Guidance for County and County Borough Councils in Wales on Executive Arrangements" states that councillors should not be involved in the appointment or dismissal of staff below deputy chief officer level. Would it, therefore, be appropriate to legislate for this in regulations, and to make the appointment of all other staff a responsibility of the head of paid service/council manager? In the case of a council manager, should that person be responsible for the appointment of all other staff, including chief officers?

d) For posts of deputy chief officer level and above, it may be considered appropriate that the executive have some input to appointments. Should this be achieved by insisting that the executive is represented in the recruitment process and that the appointment should not be ratified if there is a well-founded objection from the executive?

Timing

50. I have asked for comments to reach me by 19 November 2001.

Local Government Equalities Unit

51. I wrote to Sir Harry Jones earlier this month confirming that the Assembly would grant fund the Welsh Local Government Association to establish this unit for three years at a total cost of just under £800,000.

52. I confirmed that the terms of reference of the unit would include providing advice to the Assembly on the equal opportunities dimensions of Best Value and community strategies as well as those of service specific Assembly guidance to local government.

53. The other main focus of the Unit's work will be to advise local authorities on implementation of the Generic Equality Standard for local government. This will include practical assistance such as advice on access to training which reflects the best practice set

out in the standard, as well as advice on how to go about integrating equal opportunities into an authority's strategies and policies. It will also help authorities to access the expert advice available from different agencies.

54. The Unit will report on a day to day basis to the Director of the Welsh Local Government Association but will also provide annual reports to the Partnership Council, to this committee and to the Equal Opportunities Committee.

55. It will have a team leader; training officer; policy officer; and administrative support. The process of developing the job descriptions and person specifications is being overseen by an officer level advisory group including all three statutory equality bodies, the Welsh Language Board, the Welsh Local Government Association, Syniad and the Assembly. It is hoped to advertise the team leader post shortly.

56. Copies of the Generic Equality Standard will be sent to this committee once it has been printed.

Councillors' allowances

57. I undertook to report to the Committee the outcome of my discussions with Sir Harry Jones on the INLOGOV report on councillors' allowances.

58. The Welsh Local Government Association has welcomed the report and commended its conclusions to its members. In particular it has noted that the recommendations on the basic and special allowances should be treated as maxima and that the report recommended that no more than 50% of the membership of an authority should receive a special responsibility allowance.

59. I have agreed with the Association that there are a number of specific recommendations which need further work. These include the issues of dependants' allowances; travel and subsistence; tax, benefits and pensions; and the idea of a "severance" scheme for older councillors. I have asked officials to do further work with the Welsh Local Government Association and with others who have appropriate expertise in areas such as childcare payments and benefits, with a view to producing firm proposals as a basis for consultation by the end of November.

Llangollen Boundary Review

60. The Local Government Boundary Commission for Wales have published their draft proposals following a further review of the boundary between the County of Denbighshire and the County Borough of Wrexham. They are proposing that the existing boundary remains unchanged.

61. The Commission's first review was published in 1996 and recommended that part of Llangollen Rural Community be moved from Denbighshire to Wrexham.

62. After the Order was published demands were made for the Commission to conduct a further review. After much consultation the Assembly issued a direction to the Commission in July 2000 instructing them to conduct a review of the boundary between the counties of Denbighshire and Wrexham in the area of Llangollen.

63. Instructions in that direction required the Commission to report their findings to the Assembly by 31 October 2001. However, following a request from the Commission I have agreed to an extension of the original timetable. The Commission's work has been hampered due to obstacles beyond their control such as foot and mouth. They will now be required to submit their final report by the end of February 2002.

Preserved County Boundaries

64. The Chairman of the Local Government Boundary Commission wrote to me to highlight some anomalies to the preserved county boundaries in Wales following local boundary changes.

65. It is a requirement of the Parliamentary Constituency Act 1986 that parliamentary boundaries are contained within preserved county boundaries. The Parliamentary Boundary Commission is due to commence work on its fifth general review in 2002 and it would be fitting for a review of the preserved county boundaries to be completed before the work starts.

66. In accordance with Section 59 of the Local Government Act 1972 I am consulting the local government associations before any direction is issued to the Commission. I have written to the WLGA for their views to be made known to me by 31 October 2001.

Crime Reduction Funding

67. There is some very positive news to report on this front. All the decisions have now been made on the second round of the **CCTV** funding round and £6.1 million has been committed

for schemes throughout Wales. The projects will bring CCTV cover to town centres, car parks and social housing estates. Several approvals are for mobile CCTV systems which can be deployed to crime hotspots and in Newport an innovative scheme will see CCTV installed to protect numerous schools from vandalism. All parts of Wales will benefit: in Anglesey there will be a fully integrated system for all the main towns; Swansea will be installing a new control room and also extending CCTV cover in the town and Welshpool town centre will have its first CCTV system, to name just a few of the projects.

68. Welsh projects will also be receiving £2.7 million over 3 years under the Home Office's **Communities Against Drugs** initiative. Local crime and disorder reduction partnerships, which will be working with Drug and Alcohol Action Teams, have been notified of their allocations for the current financial year and invited to submit projects which will disrupt local drugs markets, tackle drug related crime and address associated anti-social behaviour.

The Crime Reduction Director for Wales is already supporting the development of crime reduction partnerships generally with his £1.2million **Partnership Development Fund**.

69. Additional Home Office funding committed to Wales includes £190,000 to help **small retailers in deprived areas** make their businesses more secure and it is anticipated that around £100,000 will be coming to Wales for **Reassurance** projects to address fear of crime.

70. Assembly financial support for crime reduction interventions has also increased following the recent budget round. In addition to the existing provision of £1.4 million for **CCTV in Communities First areas**, the Assembly has awarded £2million for an initiative to be called '**Making it a Safer Christmas**' which will invest in burglary target hardening and projects to tackle bogus callers and distraction burglary. In addition, the Assembly has committed over £1million to support two on-going projects called **ON TRACK** which aim to prevent criminality in children aged from 4 to 11; the projects are being run in Tylorstown, Rhondda Cynon Taff and Caerau, Bridgend.

I am sure the Committee will welcome news of this funding which has the potential to make a significant impact upon the safety of communities across Wales.

Planned Presentations by the Probation Service and British Transport Police

71. In line with the Committee's wishes I have arranged that a presentation by the Probation Service in Wales be built into our Spring 2002 programme. I would also like to suggest that a presentation by the British Transport Police on the very innovative crime reduction work they are engaged in would be of interest. If the Committee agrees I will arrange for this to be built into the Spring programme also.

Subordinate legislation

72. I will provide details of the forthcoming programme of local government and housing subordinate legislation in my next written report to the Committee.

LA visits

73. Since August, I have visited six local authorities to meet with the relevant Leaders and Chief Executives. The meetings all went well. They were: Flintshire County Council on 20 August; Denbighshire County Council on 21 August; Caerphilly County Borough Council on 4 September; Pembrokeshire County Council on 2 October, Merthyr Tydfil on 5 October and finally Conwy and Gwynedd councils on 12 October.

Edwina Hart October 2001