

MINISTER'S REPORT

Launch of Freedom and Responsibility in Local Government

1. Committee will remember that the proposed content of the local government policy statement was discussed on January 30. The statement 'Freedom and Responsibility in Local Government' was launched in Swansea on March 1st and was warmly welcomed by the Welsh Local Government Association.
2. I believe that the publication of this document is an important milestone in our relationship with local government as it clearly sets out our vision for local government and the roles which the Assembly and local authorities will play in improving the quality of life for the people of Wales.
3. You will remember that the statement, in the main, sets out our policy intentions and I will ensure that these are implemented as soon as possible. However, some parts of the statement are consultative, for example the options set out for business rates, and the consultation period ends on 17 May. I look forward to considering the responses and reporting them to Committee in due course.

Proposals for new political structures

4. I informed the committee at its meeting on 13 February that I had received proposals for new political structures from all Principal Councils. This issue is scheduled for a full committee paper and discussion on 20 March. I wrote to the committee Chair on 15 February in order to keep the committee aware of developments.
5. I was pleased to report that the following authorities had been informed that their proposals had fully met statutory requirements. These were:

Bridgend

Carmarthenshire

Gwynedd

Merthyr Tydfil

Monmouthshire

Neath Port Talbot

Newport

Pembrokeshire

Powys

Swansea

Torfaen

Wrexham.

6. In the case of the other 10 authorities, weaknesses were identified in their proposals which required them to provide more information before they could be accepted. All these authorities were written to and their responses are currently being considered. I hope to be able to report fully on this matter on 20 March.

7. As each authority's decision is in the public domain, I can tell you that three authorities – Gwynedd, Merthyr Tydfil and Powys – have opted for the Fourth Option. All others have opted for a leader and cabinet form of executive.

Boundary reviews

8. Following a considerable delay, I am pleased to say that I expect to make three orders this month to introduce boundary changes. These orders are currently posted on the Internet prior to being made under Standing Order 26 (subordinate legislation of a local nature).

9. The three changes are to the boundaries between:

1. Swansea and Neath Port Talbot in the area of Pontardawe Road
2. Caerphilly and Blaenau Gwent in the area of Tafarnaubach

3. Vale of Glamorgan and Rhondda Cynon Taff in the area of Two Hoots.

10. In the case of the Pontardawe Road review, which is within my own constituency, the First Minister has agreed that, once the Order is made, compensation may be paid to the residents involved. This is because they had good reason to assume that the change would be implemented prior to the start of the current financial year. Had such a change been made before April 2001, there would have been a significant reduction in council tax for these householders. There is no similar situation in the Two Hoots or Tafarnaubach cases.

Councillors' allowances

11. Members will be aware that a consultation is currently taking place on draft statutory guidance on local authority members' allowances. The proposals in the draft guidance have considerable implications for people who serve – or may wish to serve – in local government.

12. Changes to maximum recommended rates of basic and special responsibility allowances will mean that the Assembly is recognising the worth of councillors to their communities and also proposing rates which will help to attract in to local government people who could not consider it in the past for financial reasons.

13. This is reinforced by the proposed introduction of dependants' allowances. This will mean that councillors with children or adult dependants who require supervision will be able to claim recompense for this. The guidance also suggests that local authorities consider introducing a severance scheme for 2004. Councillors over the age of 60, who have served at least one complete term who announce their intention to retire and not stand for re-election in 2004 will be eligible for a severance payment of £750 per year for each year of service, up to a maximum of 20 years, on the basis of these proposals.

14. I am also awaiting information from the Secretary of State for Transport, Local Government and the Regions, concerning reform of the Local Government Pensions Scheme. It is my hope that all councillors will be able to join this pension scheme. I should know more on this later this month.

15. Regulations to support the guidance are due for discussion in the Assembly in June. They will include regulations designed to bring travel and subsistence allowances into line with those of Assembly members and brings a degree of uniformity to the practice in local government in Wales.

Communities First

Funding Allocations

16. Since my last written report (30 January 2002), I have now approved further preparatory funding for 2001-02, which is detailed in the table below.

Local Authority	Funding Allocated
Flintshire CC	£9,500
Gwynedd Council	£17,375
Newport CBC	£48,906
Torfaen CBC	£152,862
Total	£228,643

Involvement of the Private Sector

17. It is vital that the private sector is closely involved in Communities First. To ensure this happens, I have awarded £63,600 in the current financial year to Business in the Community (BiTC). The organisation will create long-term, sustainable links between community initiatives in the Communities First areas and the private sector.

Council Tax - carer's disregard

18. At our meeting on 21 November, I agreed to discuss with the WLGA the action being taken by councils to inform carers about the carer's disregard in the calculation of council tax.

19. It is the responsibility of individual authorities to publicise the availability of disregards, discounts and exemptions in respect of the council tax in Wales. I have been informed by the WLGA that while practices vary between billing authorities, the disregard for carers is widely publicised. Current methods include information dispatched with council tax bills, details held at enquiry offices and information posted on the local authority website. Some authorities also issue information directly to carers via their social services departments.

Valuation Tribunal Service

20. The Valuation Tribunal Service in Wales is an Assembly Sponsored Public Body sponsored by Local Government Finance Division. They hear and determine appeals in respect of council tax and Non-Domestic Rating valuations. All Valuation Tribunal members are lay people; they receive no financial reward for their services but are reimbursed for expenses contracted during the course of their duties.

21. In July 2001, following an audit of travel and subsistence costs, financial loss allowances, National Insurance Contributions (NICs) and taxes liable on profits from essential car user allowances, for the period 1 April 1995 to 31 March 2000, the Inland Revenue identified unpaid tax and NICs amounting to £27,311 (including interest).

22. In 2001/02 the Valuation Tribunals in Wales received a budget of £895,000. These monies are already fully committed and there are insufficient funds within the budget to meet this bill.

23. Consequently, Local Government Finance Division has identified resources within the Housing and Local Government Other Services Main Expenditure Group which could be used to meet this bill and, in accordance with Standing Order 19.6, the committee is invited to note the transfer of £27,000 as detailed in Annex 3.

Edwina Hart