

## Local Government & Public Services Committee

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**Date: Thursday 12 January 2006**

**Venue: Committee Room, National Assembly for Wales**

**Title: Report by the Minister for Finance, Local Government and Public Services**

### 1. Purpose

The purpose of this paper is to provide the Committee with an overview of the key issues and priorities within the Local Government portfolio.

### 2. Background

In preparing this report I have attempted to identify the most important issues that are currently being taken forward within the local government arena. They are grouped by broad subject area and I have concentrated in particular on those that will require both policy development and legislation.

### 3. Recommendation

The Committee is invited to note the content of the report and to comment as appropriate.

### Issues

### 4. Spatial Plan

The second round of Ministerial Area Group meetings was completed in each of the six spatial areas in December. Each meeting has agreed a set of initial project proposals which will now be taken forward. LGPS committee will be updated on 25 January with a substantive paper on this item.

### 5. Making the Connections

I was pleased to announce on the 12 December the new Public Service **Improvement Fund**. A total of £3 million is available in each of the next three financial years to support joint working in public service projects across Wales. The Fund will assist projects that improve public services and stimulate significant change from better ways of working and innovation.

We will be looking for proposals that encourage collaborative working between public service organisations and the development of citizen focused services. Projects will need to produce benefits that can be replicated and applied more widely across the public service in Wales and show how they will disseminate lessons learnt and best practice.

Bids for funding are being invited now for preparatory research and feasibility work on projects.

A Making the Connections Improvement Fund - Question & Answer Sheet can be found at Annex 1 for information.

## **6. Beecham Review**

The Review Of Local Service Delivery Team is continuing to meet with representatives from across the public services in Wales and will be continuing to do so until broadly the end of February. These meetings have taken service, finance, performance management, workforce planning and cross cutting perspectives.

The written consultation will end shortly and in the coming weeks the Team will begin to consider the responses and may invite some parties to oral sessions to further explore the written evidence submitted.

Sir Jeremy will be attending Committee on 9 February.

## **7. Partnership Council for Wales**

On 10 November, I Chaired a meeting of the Partnership Council in Newport. The agenda included items on the Local Government Finance Settlement, progress with the gypsy travellers research study, an update on the Fire and Rescue Service, as well as reports on how "Designed for Life" and the Strategy for Older People. I was very pleased that Brian Gibbons and John Griffiths were able to attend to present the last two of these items.

## **8. Subordinate Legislation**

### **Amendment of the Standards Committees (Wales) Regulations 2001**

The consultation on the proposed amendments, relating to the membership and operation of local authority standards committees, came to an end in October. The results of the consultation showed an overwhelming majority of respondents in favour of the proposals, subject to a few points of detail. The draft Statutory Instrument is soon to be drafted and will be the subject of a further consultation early in 2006. The legislation has been selected for scrutiny by the Committee and will come forward in due course.

## **9. Settlement**

Details of the provisional settlement for police authorities in Wales were published on 5 December in conjunction with the Home Office. There is now a period of consultation which ends on 11 January and the final settlement will be announced some weeks after that. The provisional settlement provides an increase of 3.3% for police authorities in Wales in 2006-07 including Police

Grant and floor funding. The announcement also included figures for 2007-08 where authorities in Wales will receive an increase of 3.7%.

The final settlement for councils in Wales was published on 8 December. The overall increase in the settlement after adjusting for transfers is 5.1%. Between provisional and final there were some distributional changes as a result of actual taxbase data replacing estimates and other data changes. The overall amount of the settlement has increased by £47 million as a result of net transfers into the settlement. Motions to approve the settlement for councils and the amending reports for 2004-05 and 2005-06 will go before the Assembly on 17 January.

## **10. Council Tax Revaluation**

### **Transitional relief and payments to local authorities**

All interim claims have been received and paid.

### **Progress on valuation appeals**

Once an appeal is registered with the VOA, they will acknowledge receipt and put the appeal into a "programme" of other appeals within that community. Taxpayers will be informed of when the VOA is able to discuss and resolve their appeal with a "start" date and "target" date. Most appeals are resolved during the discussion stage.

Up to the end of November 2005, 12,055 formal appeals had been received by the VOA. Of these 4,338 (36%) had been cleared.

The VOA had also received 19,213 informal enquiries up to the end of November 2005. Of these, 17,837 (93%) had been cleared.

All appeals received prior to 30 September 2005 are now in programmes to be dealt with by the VOA before the end of March 2006. Everyone who made an appeal prior to 30th September has received notice of when their appeal will be dealt with. Obviously anyone can appeal up to the end of September 2006.

Where an appeal cannot be resolved by the Valuation Office Agency it will go forward for hearing by the Valuation Tribunal. The Valuations Tribunals are currently to hear all formal appeals lodged by 30<sup>th</sup> September 2005, by the end of June 2006.

### **Pensioner Reduction Scheme 2006-07**

To ease the tax burden on pensioners who have suffered a two band increase following revaluation, I have announced that a grant of £100 will be payable in 2006-07. In order to qualify pensioners must meet the following criteria:

- i) liable to pay council tax in respect of a chargeable dwelling as at 1st April 2006; and
- ii) the liable person is 65 or over as at 1st April 2006; and
- iii) the liable person being 65 or over would incur a second band valuation increase from 1st April 2006 (as compared with their valuation band as at 31st March 2005). They would have to have also been the liable person for that chargeable dwelling on 31 March 2005.

The precise methodology for administering this arrangement is still being worked up with local government. Local authorities will be fully reimbursed by the Assembly Government.

## **11. Consultation on Non-Domestic Rate Relief**

On 8<sup>th</sup> December, a consultation was launched on Non Domestic Rate Relief in Wales. The consultation will run until 3<sup>rd</sup> March 2006. Details on how to respond are available on the National Assembly for Wales website on [www.wales.gov.uk/businessraterelief](http://www.wales.gov.uk/businessraterelief)

In order to make the consultation as comprehensive as possible, a number of regional workshops will be held in late January and early February and are open for all to attend. These are open to all and details of how to do so are available on the website.

## **12. Lyons Inquiry**

You will no doubt have read that Sir Michael Lyons has published a further consultation paper linked to an interim report on some of the key issues that have emerged from his work so far. The report is not formally published in hard copy but is available on the Lyons Inquiry web site.

We now have an opportunity to respond in detail to a series of new questions posed in this latest consultation. As I have promised before, I will let the committee have a copy of the Assembly Government's response when it issues.

## **13. Performance Measurement Framework**

The consultation on the second phase of the performance measurement framework for local authorities in Wales ended on 16 December. The consultation asked for views on:

- the principles of the framework;
- a gatekeeping protocol for the introduction of indicators in the future;
- the set of core indicators that were introduced in 2005 and the new set of core

indicators proposed for introduction in 2006; and standardised survey questions that local authorities may use as a more qualitative measure of service user satisfaction

At the time of writing sixty-one responses have been received. These include twenty-one corporate responses from local authorities and the remainder from other stakeholders. The responses received have clearly been thoroughly considered and I am grateful for the time and effort that has been put in to them.

All the responses received are broadly supportive of the principles of the framework. There are, of course, differences of opinion on the merits of some of the indicators. This reflects that fact that not all the indicators contained in the consultation were at the same level of development. Some were only included to seek views on whether local authorities and other stakeholders would welcome their further development in the future.

The reference groups that developed the indicators will all meet in the second and third week of January to consider the responses received. Those indicators that are considered fit for purpose will be published in the new performance measurement framework during February and local authorities will start to collect the data from April 2006.

## **14. Meetings / Visits**

### **Speech at Canada Colloquium conference**

I opened the Canada-Uk Colloquium conference at the Hilton Hotel, Cardiff on 25<sup>th</sup> November. The theme of the conference was "Cities and National Success".

### **Public Services Board**

I chaired the MtC Public Services Board on the 13 December. The Board has been established as a stakeholder reference group to:

- advise Ministers on the development of the Action Plan to deliver the Welsh Assembly Government's vision for public services in Wales set out initially in *Making the Connections*;
- review progress in implementing the Action Plan across the Welsh public service and advise Ministers of any implications; and
- provide a forum for discussion of best practice and new ideas about public services and their delivery.

The board membership includes Welsh Assembly Government Ministers and nominees of national bodies in local government, NHS and voluntary sector

**Opening of Sirhowy Enterprise Way**

I attended the opening and naming ceremony of the Chartist Bridge and Sirhowy Enterprise Way in Caerphilly on 21<sup>st</sup> December, which is a PFI project supported by the Assembly.

The bridge links Blackwood to Oakdale and its Business Park, Pontllanfraith and surrounding areas.

**Sue Essex**

**Minister for Finance, Local Government & Public Services**

## Annex 1

**Making the Connections Improvement Fund - Q & A Sheet*****Who can apply for funding?***

Welsh Assembly funded public service bodies, including local authorities; NHS bodies, post-16 education institutions, voluntary bodies (receiving 3-year funding) and umbrella groups.

***What projects will be supported under the fund?***

Those that deliver improved public services, are collaborative in nature and (in this first round) offer greater efficiency in public services. We are encouraging projects that promote: shared services; joint commissioning; transactional processing; capital/asset management; improved delivery arrangements; measures to increase productive time.

***What scale of collaboration are you looking for?***

We are looking for strategic partnerships that involve a minimum of two public bodies. Projects that involve Applications from single organisations are most unlikely to be supported.

***My organisation is involved in more than one collaborative project that seeks funding. Does the one application per organisation rule exclude us from being involved in more than one project?***

No not necessarily. If you are the lead partner you will be able to submit one application for project support in each of the annual funding rounds. There are no restrictions on you being a partner in a different collaborative project, but as a lead partner you can only apply for funding once in any one year.

***Is the fund intended to support only innovative projects?***

No. Projects could involve rolling out best practice that has been developed and applied successfully elsewhere. Such projects have possibly the greatest scope for success as they use tried and tested solutions. Innovation in such cases might be around the scale of collaboration or tweaking proposals to meet requirements in Wales.

***What level of funding is available?***

A £9 million budget has been established – this is being made available over the next 3 years. Contributions of up to 70% of eligible project costs are available up to a maximum grant of £200,000.

Annex 1

***What costs will be supported?***

Revenue costs associated with developing projects - research, feasibility and scoping studies, business case proposals and other professional support.

***Will the fund support capital investment?***

No. Funding is only available towards revenue expenditure.

***Will the fund support costs associated with implementing proposals as well as the preparatory work?***

No. Funding will help develop a business case for taking forward a proposal. Where the proposal is positive, the business case should help investment decisions, but funding would be through existing arrangements.

***When can I apply for funding?***

Expressions of interest are being accepted now and need to be submitted by 31<sup>st</sup> January. If you have a proposed project you are strongly advised to discuss it first with the Making the Connections Team ASAP.

***How long will it take before a decision on an application is made?***

We aim to notify applicants of the outcome of their expressions of interest by the end of February 2006. Formal bids will then be invited and a final decision on projects to be funded will be announced in May.

***Where can I find out more information?***

See the Making the Connections page on the Assembly Government's web site: <http://www.wales.gov.uk/themesmakingconnection/index.htm>

Or e-mail [improvementfund@wales.gsi.gov.uk](mailto:improvementfund@wales.gsi.gov.uk)