

LOCAL GOVERNMENT AND HOUSING COMMITTEE

MINUTES OF COMMITTEE MEETING

Date: Wednesday 24 October 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

In attendance:

John Bader Director of Housing

Geoff Marlow Housing Directorate

Norma Barry	Communities Directorate
Trevor Samuel	Communities Directorate
Alan Thornton	Local Government Finance Division
Graham Davies	Statistical Directorate
Gwilym Evans	Local Government Finance
Dylan Hughes	Office of the Counsel General
Kate Cassidy	Local Government Modernisation
Councillor Sir Harry Jones	Welsh Local Government Association
Councillor Russell Goodway	Welsh Local Government Association
Ian Miller	Welsh Local Government Association
<i>Secretariat:</i>	
Roger Chaffey	Committee Clerk
Liz Wilkinson	Deputy Committee Clerk

Item 1: Apologies and substitutions

1.1 Geraint Davies was substituting for Janet Ryder. On behalf of the Committee the Chair said she wanted to pass on its sympathies to Janet Ryder in the event of the sudden death of her father.

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 and Chair of the Homelessness Commission;
- Janet Davies said that she was a Member 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 and a general practitioner;
- Geraint Davies said he was a Member of Rhondda Cynon Taff County Borough Council and a pharmacist.

Item 3: Minister's report

3.1 In addition to her written report the Minister said that the Severe Weather Capital Grant had been introduced to assist local authorities repair the damage caused by flooding last autumn. Applications had been received for over 300 projects costing £21.8 million. She said that 268 projects had been approved, which would deliver £14.6 million to local authorities over the next 5 years.

3.2 The Minister said that 10 per cent of applications had been rejected on the grounds that they were aimed at future protection from severe weather rather than damage repair. She said that officials would be working with local authorities to identify alternative means for pursuing schemes aimed at improving flood protection. The Minister said that details of the announcement on Severe Weather Capital Grant would be placed on the internet.

3.3 The following points were raised in discussion:

- The Committee welcomed the announcement on the Severe Weather Capital Grant. Members felt it was vital for the Assembly to work with local government to find solutions to flooding. It would be important to assist local authorities in introducing preventative measures as soon as practicable. It was noted that the Minister had met with the Minister for the Environment to consider resources available within the existing budget which could be utilised to help combat the problem of severe weather and floods.
- There were concerns raised that the areas, which sustained flood damage last autumn, were under further threat of flooding. In particular, there was concern that Ruthin had again been adversely affected by floods due to recent severe weather. It was noted that Denbighshire County Council had brought in consultants to help address the issue. The Minister said that consideration would be given to subsequent proposals to tackle flooding which were brought forward.
- The Minister agreed to provide details on the proportion of Severe Weather Capital Grant distributed to areas suffering the effects of landslides as opposed to flooding.

- The Committee welcomed proposals to make available around £52 million for Supplementary Credit Approvals to support housing schemes in 2002-03. In particular, Members welcomed the new arrangement to make SCAs available to support broadly based strategies rather than individual schemes.
- The Minister agreed to provide details of bids received from local authorities for the SCAs to support housing schemes in 2002-03.
- There was some discussion on councillors' allowances. The Committee noted that the issue of abating allowances for councillors' who were also Assembly Members had been taken into account in drafting the regulations on councillors allowances.
- The Minister said that further consideration would be given to the introduction of a severance scheme to reward long-serving councillors. Members agreed that clear guidelines would be required on applying any subsequent qualifying criteria for severance. The Minister agreed to provide further details on the proposed severance scheme for councillors following her discussions with the Welsh Local Government Association (WLGA).
- The Committee welcomed the review of preserved county boundaries. Members noted that the current postal address system preserved old counties and that this was a potential cause of confusion. It was suggested that the Post Office were invited to make a presentation to the Committee. This would allow Members to make representations to the Post Office on this and other issues.
- The Committee strongly supported proposals to adopt a new approach in taking forward best value. Members agreed that it was vital to move away from a bureaucratic regime and to adopt a model which focused on service delivery. The Minister agreed to provide details of the agreed principles of 'The Wales Programme for Improvement' to the Committee.
- There was some discussion on new political management structures. It was felt that equal weight should be given to the four options available to local authorities when conducting the public consultation exercise on new political management structures.
- Members highlighted the important role of Scrutiny Committees. In ensuring Scrutiny Committees work effectively, it would be necessary for members to have access to adequate information and independent advice. The Minister agreed to report back to the Committee following her discussions with the WLGA on the support (for example training) available to local authorities in developing the role of Scrutiny Committee.
- The Committee welcomed further funding available for CCTV, in particular the mobile systems which have been deployed in Newport. The Minister agreed to provide further

details on the CCTV systems in operation including the monitoring of schemes.

- The Minister agreed to discuss the statutory provision of bilingual road signs at her next meeting with the WLGA.

Item 4: Homelessness Commission – Consideration of Final Report

(LGH-12-01 (p.2))

4.1 Peter Black, Chair of the Homelessness Commission, said that the Commission had been established to advise the Assembly on how it could deliver its objectives set out in Better Wales. He said that the Commission had met nine times between January and August and had visited organisations involved in homelessness and homeless people themselves.

4.2 Peter Black said that the recommendations outlined in the final report set a challenging agenda to tackle homelessness through joined-up government working in partnership with external statutory and voluntary organisations. The report had been placed on the internet and comments had been invited from a wide range of organisations. He said that thus far responses had been received from Wrexham County Borough Council, Caerphilly County Borough Council and Caer Las Cymru, and he summarised the main points which had been made.

4.3 The views of the Committee would go forward to the plenary debate on the 20 November when the report would be considered. The evaluation and responses to the recommendations would provide the basis for the Assembly's national strategy on homelessness and would form part of the national housing strategy.

4.4 Peter Black thanked the Commissioners and supporting officials for their work in setting up the Commission and in producing the report. The Minister placed on record her thanks to Peter Black as Chair of the Commission and extended this to all those involved in the Commission's work.

4.5 The following points were raised in discussion:

- The Committee welcomed the report of the Homelessness Commission and its recommendations. Members strongly supported the need for a multi-agency approach to tackling the causes and effects of homelessness. It was felt that both the health service and social services had a particularly important role to play in tackling homelessness and associated problems. It was noted that the report had been distributed to all Ministers whose responsibilities included those relating to homelessness issues.
- Members expressed some disappointment in the recommendation to amend the targets in Better Wales to reconsider the timescale for eliminating the need for rough sleeping. Most

Members felt that ambitious but realistic targets were required to take forward the agenda in tackling homelessness. Peter Black said that the targets were achievable in parts of Wales, but that practical difficulties in introducing infrastructures to tackle homelessness would undoubtedly hinder achievement in some areas.

- It was suggested that appropriate publicity campaigns would be required to raise public awareness in homelessness issues. This would help to address fears of local people in areas where hostels for the homeless had been proposed. It would be vital for local authority housing departments to involve all relevant departments, including planning, when drawing up their homelessness strategies.
- The Committee welcomed the responses received to the report thus far. It strongly supported the need for furniture schemes which were identified as being crucial in assisting with the resettlement of homeless people once suitable accommodation had been secured.
- Peter Black agreed to provide an update to the Committee on the responses to the Homelessness report. He said that further reports on the national homelessness strategy, including the actions being taken forward as a result of the Commission's recommendations would be presented to the Committee in March 2002.
- The Committee noted that the Minister would be asking the Deputy Minister to look at the role of Foyers.

4.6 The Chair thanked Peter Black and the Minister for the report and invited them to take account of the Committee's views when taking forward the national homelessness strategy. On behalf of the Committee she expressed thanks to frontline workers who made an invaluable contribution in working with homelessness people.

Item 5: Homelessness Bill – Consideration of the implications of the Homelessness Bill for Wales: LGH-12-01 (p.3)

5.1 The Minister said that the Homelessness Bill comprised almost exactly the same homelessness provisions which were contained in the previous Homes Bill considered by the Committee in January 2001. She said that the Homelessness Bill had passed its second reading and it that it was expected to receive Royal Assent by the end of January 2002.

5.2 The Minister said that the Bill contained provisions which would give greater protection to homeless people; give greater flexibility to local authorities in helping homeless people and would require local authorities to produce homelessness strategies. She said that the Assembly would be introducing guidance for local authorities to assist in the development of their homelessness strategies. It was proposed that the draft text submitted by the Homelessness Commission would be used as a basis for further consideration.

5.3 The Committee gave full support to the Homelessness Bill and felt that the provisions contained within the Bill would help address the problems of homelessness in Wales. It agreed that the Assembly bring forward a Commencement Order at the earliest opportunity. Members felt that the work of the Homelessness Commission would serve to accelerate the implementation of the provisions contained within the Bill, particularly those relating to local authority homelessness strategies.

5.4 There was further discussion on local authority homelessness strategies. Members felt it was imperative for local authorities to co-ordinate these strategies to taken into account cross boundary issues. When formulating homelessness strategies, it would be important for local authorities to ensure that suitable accommodation types were available to meet the individual needs of homeless people.

Item 6: Communities First – Consideration of final policy framework and guidance: LGH-12-01 (p.4)

6.1 The Minister said that the guidance for Communities First had been issued at the end of September. It contained details of the aims of the programme; how people can become involved; how to set up Partnerships to drive the programme forward; how the programme will work in practice and how progress will be evaluated.

6.2 Following the Minister's announcement in June on the areas to be included in the Communities First programme, it was decided that an opportunity should be given for further nominations at the sub-ward level. The Minister announced that thirty two additional nominations had been approved and these communities had been added to list of areas eligible for support under the programme.

6.3 The following points were raised in discussion:

- The Committee welcomed the Communities First guidance and the announcement on the additional communities to be included in the programme at the sub-ward level. Although there would be no increase in budget provision to take account of the additional communities, consideration would be given to this in next year's budget round.
- Members welcomed the importance placed on the role of Partnerships in taking forward the programme. They strongly supported the need for Partnerships to include members of the community, community organisations, as well as statutory and voluntary organisations. There was some disappointment expressed about the omission of the Fire Service as statutory partners, but it was agreed that this would be re-considered when the guidance was next up-dated. It was noted that the detailed composition of Partnerships would not require the Assembly's approval. It was envisaged that in some areas, it may be appropriate for well established community organisations to take the lead in initiating the

Communities First process.

- The Minister said that the Communities First guidance was a working document which would be reviewed over time in light of experience. She said that further guidance would be issued in due course to local authorities on their role in the Communities First process. This supplementary guidance would be drawn up in conjunction with the WLGA.

6.4 The Chair thanked the Minister for her report and invited her to take the Committee's views into account when taking forward the Communities First programme.

Item 7: Service and investment pressures facing local government – Presentation from the Welsh Local Government Association:

LGH-12-01 (p.5)

7.1 Cllr Sir Harry Jones said that local government would require extra revenue and capital funding to that outlined in the draft budget proposals. He said that the WLGA estimated that the revenue settlement for 2002-03 would assume a growth in general spending of about 6 per cent. The WLGA welcomed the proposed increase in transitional grant for 2002-03 which was intended to limit the maximum council tax increase to 5 per cent, as outlined in the partnership agreement. Cllr Sir Harry Jones said that despite this, some authorities may again be facing council tax increases of up to 9 per cent.

7.2 Cllr Sir Harry Jones said that the WLGA welcomed proposals in the draft budget for increased funding for local government, in particular the extra spending on information technology. This would allow local authorities to take advantage of the Assembly's investment in broadband infrastructure for Wales.

7.3 Cllr Sir Harry Jones raised the following concerns:

- The majority of extra funding for local government in the draft budget would take the form of specific grants despite the decision last year not to have hypothecation within the general revenue settlement.
- The draft budget provided some significant increases in funding for Assembly Sponsored Public Bodies (ASPBs), particularly for their running costs. Examples included an increase of £7 million (41 per cent) for ELWa and £1.8 million (13 per cent) for the Environment Agency. Furthermore, there was no reduction proposed over the coming 3 years in the Assembly's funding for bodies that inspect and audit local government. Contrary to the desire to alter the balance of investment in inspection and improvement, there was a proposed increase in funding for some of these bodies.

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- The budget lines for capital had been frozen at their present level for several years, with the exception of education and housing. The WLGA expressed disappointment that the Assembly had not directed any of the unallocated resources following the 2001 budget round towards additional capital investment by local government.
- Cllr Sir Harry Jones said that the WLGA welcomed the funding provided for local government from end year flexibility but that this funding was not built into baselines for 2003-04. He said that the WLGA supported the proposals for additional funding for the Valuation Office Agency in taking forward the council tax revaluation scheduled for April 2004.

7.4 Cllr Russell Goodway raised the following concerns:

Education

- There was a shortfall in funding for teachers' pay restructuring because new cohorts of teachers would qualify for threshold payments each year. It would be vital that increases in pay for existing and newly qualified teachers are reflected in budget proposals year on year. In addition, further increases in funding would be required to meet the costs of increases in employer contributions for teachers' pensions. Specific revenue funding for schools would need to continue to increase in 2002-03 if progress on reducing class sizes and other improvement were to be made.
- The additional funding for nursery education for three year olds was welcomed, however it would be insufficient for universal part-time nursery education from September 2002 for children the term after their third birthday.

Social services

- There are insufficient resources for social services. The provision of effective social services by local government should be recognised as bringing as playing an important role in achieving the wider aims of the health service.

Local government modernisation agenda

- There were no proposals in the draft budget to increase funding to assist in the implementation of the local government modernisation agenda. The delivery of the agenda would have serious cost implications in terms of additional training of staff, officials and members.

5. Cllr Russell Goodway raised concern that growth in capital funding in Wales was

significantly lower than in England.

6. The following points were highlighted:

- The WLGA were disappointed in the cut in previously announced plans for transport grant. In contrast, there would be an increase in funding for trunk roads and motorways.
- There were serious concerns about the lack of capital funding for housing. The WLGA said it was preferable for central government either to provide local government with more resources for investment in maintenance and refurbishment or to allow them the same freedom to borrow as housing associations. The planned increase in capital funding for housing (£10 million and £20 million in 2002-03 and 2003-04 respectively) was insufficient.
- There was disappointment that the Assembly were not intending to introduce a Major Repairs Allowance to the Housing Revenue Account subsidy for 2002-03. Although this introduction would increase hypothecation it would provide much needed additional resources for capital works or to support Private Finance Initiative (PFI) projects.
- There was concern that the Social Housing Grant would no longer be available for new schemes involving council housing stock. This would effectively reduce the potential resources available to invest in improving council houses.

7.7 In summarising, the WLGA felt that the budget proposals outlined above may place serious limitations on outcomes achieved by local government. It was vital for the Assembly to understand the potential impact of proposals and tailor its expectations accordingly.

7.8 The following points were raised in discussion:

- There was some discussion on the use of specific grants as hypothecated funding. The Committee agreed that specific grants should be viewed as a short term funding measure. It felt that it was necessary to include specific grants in the general revenue settlement as soon as practicable. This would allow local authorities further flexibility in the allocation of funding and increase local discretion.
- There was some discussion on the substantial increase in funding for ELWa, particularly in running costs. It was suggested that additional increases in expenditure attributed to running costs might be necessary in the short-term. Members felt it was important that this additional funding should, in part be invested in frontline services. It would be important for significant long-term savings to be made as a result of the restructuring in post-16 education.

- The Committee noted the costs that local government faced as a result of pay increases for teachers. Members felt it was important that these and other staff costs should not be met at the expense of service delivery. The Minister suggested that further work would be carried out by officials to identify possible solutions to the financial pressures brought about as a result of the restructuring of teachers pay.
- There was some discussion on capital funding for housing. It was noted that further work was being carried out on the 'community mutual model' as a means of housing stock transfer. It was important that the Assembly continue to bring pressure to bear on H M Treasury to replace central control over borrowing with the Prudential Borrowing System. The Committee noted that H M Treasury had agreed to fund overhanging debt arising after transfer of a local authority's housing stock.
- The Committee welcomed the investment in the broadband infrastructure in Wales. This would provide high-speed network and broadband internet access in every local authority and allow internet services throughout the education and learning sector. It was vital to ensure that plans were in place to enable service provision to reach rural areas throughout Wales.

7.9 The Chair thanked the WLGA representatives for their informative presentation and for contributing to the Committee's discussion.

Item 8: Budget – Consideration of draft budget: LGH-12-01 (p.6)

8.1 The Minister said that the draft budget, which had been debated in plenary on 18 October, was presented as part of the Budget Planning Round for 2002-03, and in accordance with Standing Order 19. She said that the draft budget took account of the Committee's views following its discussion of the issues paper presented at the 4 July meeting.

8.2 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. It welcomed the move away from hypothecation and felt that this would allow local authorities further scope to spend their resources in the most effective way.
- There was some discussion about the way in which Ministerial bids were cross-referenced to take account of over-lapping issues. The Committee felt it was particularly important that the Minister and the Minister for Health and Social Services co-ordinate their bids to assist in achieving common aims. It was suggested that the impact of the Care Standards Act and the need for capital investment in leisure facilities were significant financial pressures facing

local government. These issues had implications for the health service as well as local government and should be addressed accordingly.

- There was some discussion on local authorities' asset management plans. It was noted that no authority had yet prepared plans, however the majority intended to begin the process during 2001. It was suggested that consideration be given to providing additional funding to local government in order to speed up the process.

8.3 The Chair thanked the Minister for the paper and said she would write to her with Committee's views on the draft budget.

Item 9: Policy review – Progress report on the policy review of community regeneration: LGH-12-01 (p.7)

9.1 The Chair said that the consultation process for the policy review of community regeneration was now underway. She said that responses had been received from a wide variety of organisations and that oral sessions would be arranged so the Committee could hear further views. The Chair said that with Members' agreement approval would be sought from the Business Committee for an additional formal Committee meeting to be held on 15 November.

9.2 The Chair said that Professor David Adamson had been appointed as expert adviser to the Committee to assist in the policy review. Professor Adamson would be introduced to the Committee at the first available opportunity.

9.3 The Committee agreed that a formal Committee meeting would be held on 15 November, with the approval from the Business Committee.

Item 10: Minutes of the 18 July meeting: LGH-11-01 (min)

10.1 The minutes of the 18 July meeting were agreed.

SUMMARY OF ACTION POINTS:

1. The Minister agreed to provide details on the proportion of Severe Weather Capital Grant distributed to areas suffering the effects of landslides as opposed to flooding.
2. The Minister agreed to provide details of bids received from local authorities for the SCAs to support housing schemes in 2002-03.

3. The Minister agreed to provide further details on the proposed severance scheme for councillors following her discussions with the Welsh Local Government Association.
4. The Minister agreed to report back to the Committee following her discussions with the WLGA on the support (for example training) available to local authorities in developing the role of Scrutiny Committees.
5. The Minister agreed to provide further details on the CCTV systems in operation including the monitoring of schemes.
6. The Minister agreed to discuss the statutory provision of bilingual road signs at her next meeting with the WLGA.
7. The Deputy Minister agreed to provide an update to the Committee on the responses to the Homelessness Commission report.
8. The Minister agreed to arrange presentations from the Probation Service and British Transport Police for the Spring Term.
9. The Clerk agreed to arrange for the Committee to view 'It Could Be You – A Guide To Not Being Homeless For Young People'.
10. The Minister agreed to circulate to Members the agreed principles of the 'Wales Programme for Improvement'.