

## LOCAL GOVERNMENT AND HOUSING COMMITTEE

### MINUTES OF COMMITTEE MEETING

**Date:** Wednesday 7 November 2001

**Time:** 9.30am to 12.30 pm

**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

Janet Ryder                North Wales

*In attendance:*

John Bader                 Director of Housing

Stephen Phipps	Housing Directorate
Francois Samuel	Housing Directorate
Howard James	Local Government Finance
Alan Thornton	Local Government Finance Division
Dylan Hughes	Office of the Counsel General
Councillor Richard Edwards	Wales Local Councils Forum
Councillor Mair Stephens	Wales Local Councils Forum
Gwilym Euros Roberts	Cymuned
Wyn Hobson	Cymuned
Dylan Foster Evans	Cymuned
<i>Secretariat:</i>	
Roger Chaffey	Committee Clerk
Liz Wilkinson	Deputy Committee Clerk

## **Item 1: Apologies and substitutions**

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 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;
- Peter Law said that he was the Presiding Officer for the Wales Local Councils Forum;
- Dai Lloyd said that he was a Member of Swansea City and County Council;
- Janet Ryder said that she was a Member of Ruthin Town Council;

- Gwenda Thomas declared an interest in item 7 on the Community Fire Safety Working Group Report.

### **Item 3: Minister's report**

3.1 The Minister said that following the consultation on evaluation of local authorities' performance against the policy agreement targets, half of the policy agreements were ready to proceed. They would be sent to local authorities shortly to be signed.

3.2 The Minister stated that amendments to Part II of the Local Government Act 1988, to allow local authorities to take account of commercial matters when tendering and awarding contracts would not directly affect town and community councils. She said that guidance on procurement in town and community councils would be considered following the proposed scoping study.

3.3 The Minister informed the Committee that she had recently attended the annual Wales Home Energy Conservation Act (HECA) Forum Conference, which aimed to raise awareness of the requirement of the Act. Local authorities were required by the Act to develop and implement strategies aimed at improving the energy efficiency of domestic properties over a 10 year period. The Minister said she has sought the views of the Welsh Local Government Association on the measures required to support local authorities in taking forward HECA activities.

3.4 The Minister said that £2 million had been approved thus far to support the Communities First programme. She said that £900,000 had been allocated under the Communities Support Fund to Community Development Cymru, the Royal Institute for the Blind and the Communities First Support Network. In addition, £94,475 had been allocated to the Wales Council for Voluntary Action in order to assist in extending effective community partnership across Wales. The Minister said that £966,640 had been made available to local authorities and partner organisations to assist them to prepare for the implementation of Communities First.

3.5 The Minister outlined the new arrangements which had been made for distributing Local Regeneration Fund (LRF) match funding resources to local authorities, through indicative allocations. These would replace bidding rounds and allow local authorities in Objective 1, Objective 2 and URBAN II Initiative areas to match fund known LRF resources against local priorities for European support. She said that these funding arrangements did not apply for local authority non match funding and voluntary sector projects. However, application arrangements for these type of projects would be announced shortly. Consideration would be given to resubmitted bids for non match funding bids which were not approved in the last bidding round in 2001-02.

3.6 The following points were raised in discussion:

- The Committee welcomed the new arrangements for distributing LRF match funding resources to local authorities. However, it would also be important to address the needs of those areas which were not eligible for European funding. It was noted that Flintshire was the only local authority without indicative allocations for LRF match funding resources.

- The Minister undertook to provide further details on policy agreements which had been finalised with local authorities.
- Members welcomed the move to further support HECA activities in local authorities. It was necessary to promote HECA activities throughout the construction industry to ensure that new build homes had regard for energy efficiency. The Minister said that a review of Home Energy Efficiency Scheme would be undertaken early next year.
- The Minister agreed to provide the Committee with an update of funding allocations for the Communities First programme in her next written report.

#### **Item 4: Review of the local housing strategy process – Consideration of consultation responses to the report of the working group:**

##### **LGH-13-01 (p.1)**

4.1 The Minister said that the working group report on proposals for a new framework for Local Housing Strategies was the outcome of the first stage in the review of the local housing strategy process. The proposals had been consulted on and all respondents had broadly welcomed the report and its recommendations. There were a number of key issues raised in the responses, in particular concerns from some about resource implications and the feasibility of preparing draft strategies by autumn 2002. The Minister recognised that some authorities may encounter difficulties in producing fully researched strategies by then, but believed that any further delay would be unacceptable to the majority of housing organisations.

4.2 On resources, the Minister said that local housing strategies were not new. Local authorities had produced strategies for many years as part of their strategic housing role. The proposals in the report sought to revitalise the process and overcome the perceived shortcomings of some strategies. The impact of the proposals may vary from authority to authority, depending on how the strategic planning function was currently organised and funded. The Minister said that partial funding for housing need and demand assessments would continue to be made available. This would assist those local authorities which needed to undertake a more robust analysis of housing requirements in the formulation of local housing strategies.

4.3 The proposal to make strategies a statutory requirement, which would require primary legislation, had received a mixed response from consultees. The Minister said that local authorities would be monitored to ensure implementation and, if necessary, further consideration would be given to putting the process on a statutory footing, in conjunction with the Welsh Local Government Association.

4.4 The following points were raised in discussion:

- There was general support for the proposed actions to implement the new framework for Local Housing Strategies. Some Members felt that additional resources would be

necessary to assist local authorities in the production and implementation of strategies. The resource implications of the new Local Housing Strategy regime would vary among local authorities depending on their existing strategic planning processes. It was anticipated that the need for additional resources to formulate strategies would be offset by the requirement to produce strategies every five years. Local authorities were previously required to produce strategies every three years, but many produced new strategies annually.

- The Committee agreed that Local Housing Strategies played an integral part in Community Strategies. One Member suggested that housing strategies should complement and support Community Strategies and underpin much of the work on Communities First and community regeneration. The Minister agreed to consider the overlap between Communities First and other community regeneration funding.
- The Minister agreed to look at means of encouraging local authorities to comply with the new Local Housing Strategy guidance.
- 4.5 The Chair invited the Minister to take account of the Committee's view in taking forward the new framework for Local Housing Strategies.

## **Item 5: Housing Revenue Account – Consideration of subsidy for**

### **2002-03: LGH-13-01 (p.3)**

5.1 The Minister informed the Committee of the need to consult local authorities on a guideline rent increase of 3.5 per cent for Housing Revenue Account (HRA) subsidy purposes for 2002-03. The level of HRA subsidy guideline rent increase would allow local authorities to make budget and rent setting decisions.

5.2 The Minister said that a decision would need to be made on whether priority should be given to maximising resources available to local authorities rather than reducing the level of guideline rent increases. It was intended to keep the guideline rents at the 3.5 per cent indicated by Treasury.

5.3 The following points were raised in discussion:

- The Committee welcomed the move to keep guideline rents at 3.5 per cent. This would allow local authorities to maximise the resources available for management and maintenance of housing stock, in particular repairs and improvements.
- The Minister confirmed that the baseline for the calculation of the figures in the paper took full account of the increase in the HRA subsidy management and maintenance allowances announced for 2001-02.
- The Committee noted that the guideline rent of 3.5 per cent equated to a rise of 2.2 per cent, or approximately £25 per dwelling in the amount available for the management and maintenance allowances.
- It was noted that if there were a 1 per cent increase over and above the suggested guideline rent increase, local authorities would benefit by approximately £1.2 million, unless the Assembly funded the resultant extra rent rebate costs in the region of £2.7 million.

5.4 The Chair invited the Minister to take account of the Committee's views on the guideline rent increase in respect of the Housing Revenue Account subsidy for 2002-03.

**Item 6: The role of town and community councils including a -presentation from the Wales Local Councils Forum: LGH-13-01 (p.3) and LGH-13-01 (p.4)**

6.1 The Minister said that the Local Government Partnership Council had supported the Assembly's intention to conduct a scoping study to consider the role of town and community councils. The draft specification for the research project was available and the Committee's views would be taken into account when they were finalised.

6.2 The Chair invited Councillor Richard Edwards and Councillor Mair Stephens to the meeting. She expressed concern about the coverage given in the day's press in advance of the Committee's discussions on the role of town and community councils. In particular, she drew attention to comments attributed to the leader of Neath Port Talbot and read out an e-mail she had received from Councillor Noel Cowley refuting the article.

6.3 Councillor Richard Edwards and Councillor Mair Stephens presented their paper (LGH-13-01 (p.4)) to the Committee.

6.4 The following points were raised in discussion:

- The Committee welcomed the presentation and the research project. Members agreed that town and community councils made a valuable contribution to local government. This was illustrated by their representation on the Local Government Partnership Council.
- Members agreed that further information would be required about the activities, geographical distribution and services provided by town and community councils before identifying ways to develop their role. It was felt that the disparity and diversity in size, resources and capacity of town and community councils would need to be addressed if they were to take on additional services.
- The Committee endorsed the move to establish a single representative body. There were currently four Welsh community councils' associations which came together to form the Wales Local Councils Forum. Members welcomed the Forum and felt it was a positive move forward in the establishment of a single association. Members noted the suggestion that future communications with town and community council associations would be directed to the Forum. The Minister said that consideration would be given to the availability of resources, which may assist in setting up the single representative body.
- There was some discussion on the relationship between principal councils and town and community councils. It was noted that existing relationships varied between local authorities. It was felt that proposals flowing from the scoping study would help to improve the relationship between local authorities and town and community councils.

- The Committee welcomed the innovative approach adopted by many town and community councils as well as their commitment to partnership working. In particular, it commended the joint working with neighbouring councils, which included the pooling of resources. It was felt that further benefit could be gained from establishing a joint purchasing consortium, which would help overcome procurement problems faced by smaller town and community councils.
- Members supported the establishment of a specific liaison post to facilitate communication between the Assembly and town and community councils. This would assist councils to develop greater understanding of the Assembly's structures. It was suggested that the establishment of a single representative body would also facilitate open dialogue and encourage effective communication.
- There was some discussion on the involvement of town and community councils in the Assembly consultation exercises. It was noted that councils had limited resources, which often caused difficulties in disseminating information to its members. It was felt that improved access to the internet would provide the means for councils to respond appropriately to consultation exercises. The Minister agreed to look into the possibility of assisting town and community councils in increasing access to the internet.
- It was suggested that funding should be available to assist councils which undertook innovative schemes to improve their area and protect local services, for example local shops and garages. Members emphasised the need for transparency in the delivery of services and for those services to be of high quality in order to maintain the support of local taxpayers.
- The Committee welcomed the move to raise the threshold at which community councils were required to produce income and expenditure accounts from £5,000 to £50,000. In addition, it endorsed the proposals of the Audit Commission which would reduce audit requirements for local councils with a turnover of less than £500,000 and have a significant effect on the majority of community councils in Wales.
- There was some support for the development of a scrutiny role for town and community councils, which would address the performance and effectiveness of principal councils.
- The Minister agreed to report back to the Committee on the outcome of the scoping study.

6.5 The Chair thanked Councillor Richard Edwards and Councillor Mair Stephens for their presentation and for answering Members questions. She invited the Minister to take account of the Committee's views in finalising the research project on the role of town and community councils.

### **Item 7: Community Fire Working Group – First Report: LGH-13-01- (p.5)**

7.1 The Chair welcomed Ann Jones AM to the meeting and invited her to join the Committee in its discussion of the report of the Community Fire Safety Working Group.

7.2 The Minister said that the Community Fire Safety Working Group (CFSW Group) had been set

up following Ministerial discussion with representatives of the three Welsh Fire services and the mutual concern, to ensure the Government, public sector organisations and private sector bodies worked jointly to reduce fire deaths and fire related injuries, and to protect domestic and public property in Wales. The report outlined several recommendations including the installation of hard wire smoke detectors in social housing and sprinklers in Houses of Multiple Occupation and other major multi-occupational public buildings.

7.3 The CFSW Group met initially in May and has since then considered a number of issues including the financial implications of its recommendations, technical and legal issues, social and moral issues and supporting promotional activity.

7.4 The following points were raised in discussion:

- The Committee welcomed the report and endorsed its recommendations. It was felt that the introduction of hard wire smoke detectors would serve to minimise fire related deaths and injuries. In addition, it was vital to educate householders about the need to maintain smoke alarms to ensure they were fully operational and to upgrade them when necessary.
- Members welcomed the £3 million allocation for 2002-03 to take forward the recommendations of the CFSW Group. It was noted that the development of a fire safety strategy in Wales would be a future area of priority and further funding would be considered as part of the 2002 budget round.
- There was some discussion on the licensing of Houses in Multiple Occupation. It was suggested that statutory licensing would further promote fire safety and reduce the risk of fire related deaths and injuries amongst the most vulnerable groups. It was noted that the report would be circulated to local authorities to support the development of voluntary registration schemes prior to the introduction of mandatory licensing.
- The Minister agreed to consider how the issue of devolution of the building regulations to the Assembly might best be taken up with the UK Government.
- There was disappointment expressed that the Fire Service were not a statutory partner within Crime Reduction Partnerships. It was felt that the fire authority was proactive in its approach to tackling crime, in particular car theft and arson. The Minister agreed to ask David A'Herne, Crime Reduction Director for Wales to update the Committee on Crime Reduction Partnerships.
- The Committee agreed to receive a presentation to include computer generated data on arson.
- 7.5 The Chair invited the Minister to take account of the Committee's views in taking forward the recommendations of the Community Fire Safety Working Group.

## **Item 8: Presentation from Cymuned on housing issues and the Welsh language: LGH-13-01 (p.6)**

8.1 The Chair welcomed Gwilym Euros Roberts, Wyn Hobson and Dylan Foster Evans of Cymuned to the meeting and invited them to make their presentation.

8.2 Gwilym Euros Roberts said that under normal circumstances house prices reflect the state of the local economy with low prices expected in areas where the economy is weak, wages are low and unemployment is high. However, the opposite was true in rural Wales where prices are high and beyond the means of local people due to external factors.

8.3 He suggested a number of possible policy solutions to address this problem which included: designating property to local people; enforcing against landlords who encouraged people from deprived backgrounds in England to live in disadvantaged areas of Wales; actively discouraging the purchasing of holiday homes in Welsh-speaking areas; and offering further assistance to local people in gaining access to available housing.

8.4 Gwilym Euros Roberts said that the suggested policy guidelines were a measure of supporting local communities which were often weak economically and under pressure linguistically. He said that the solutions to the housing crisis were complex. However, this complexity should not deter the government from attempting to identify and implement those solutions.

8.5 Cymuned supported the Assembly's Homebuy Scheme which provided home ownership opportunities as an alternative to rent for people who were unable to afford a suitable property unaided. The scheme was an important contribution to social justice since it enabled local people to buy houses and live in their own communities. However, it was felt that further funding should be made available to meet the demand for the scheme.

8.6 The following points were raised in discussion:

- Members agreed that the Assembly had shown continuing commitment to ensuring local people were given the opportunity to remain in their own communities. This would be achieved, in part by providing appropriate housing and employment opportunities. It would be unacceptable and impracticable to enforce restrictive practices to address the housing problems of rural Wales. It was imperative that the Assembly continue to promote free choice for both local and non-local people within Welsh speaking communities.
- It was noted that the Assembly had demonstrated its commitment to tackling rural housing problems through the promotion of low cost home ownership schemes. These included the Homebuy Scheme where Registered Social Landlords (RSLs) could provide an interest free equity loan that was recovered when the property was sold. The introduction of an equity threshold of 50 per cent at the beginning of the year would enable more local people in rural areas to buy homes in their existing communities.
- There was some discussion on the Social Housing Grant (SHG) budget which was currently £56.4 million per year. The majority of the SHG budget was allocated to local authorities who were able to commission RSLs to provide housing for rent and low cost home ownership according to locally determined priorities. It was noted that local authorities generally gave lower priority to low cost home ownership schemes.
- Some Members felt that the allocation of £18 million of the SHG budget to rural authorities

should be increased. It was noted that there was no limit to the amount of the SHG budget that authorities can designate for Homebuy in rural areas. In addition, match funding of £1.5 million had been made available for SHG that local authorities allocated to rural Homebuy.

- There was support for the introduction of a 'welcome pack' to potential buyers by estate agents which would explain the linguistic and cultural background of the community. It was suggested that promotion of the Welsh language amongst non-local people could be achieved through community language schemes and the voluntary sector. It was the aim of the Assembly to create a bi-lingual society based on mutual respect.
- There was some discussion on the effect of large numbers of holiday homes on social and linguistic networks in rural areas. Some Members felt that properties, which remained empty for a large part of the year had a negative effect on the community and its surrounding environment. In addition, it was suggested that holiday homes, which are let for part of the year may inadvertently increase the incidence of homelessness. This may create additional pressures on local authorities and affect the lettings and allocations process for housing in the local area.
- There was some support for the need to gain planning permission before changing a permanent dwelling into a holiday home. However, any move to restrict the number of holiday homes should take into account the role of tourism in strengthening the rural economy. In addition, it was important to avoid penalising local people who wanted to sell their property.
- There was concern that the more radical recommendations including reassessing previously granted planning permission to take account of the Welsh language, were over-bureaucratic and would be of little value in assisting to address the housing problem in rural communities. However, there was support for language impact surveys, which had been introduced by the Minister for Environment.
- There was some discussion on the demand for new housing. It was noted that housing needs assessment were carried out by local authorities at a local level. It would be important for Local Housing Strategies and subsequent housing development to reflect the needs of communities.
- There was support for the need to tackle poor quality housing in the rented sector. It was felt that the licensing of Houses in Multiple Occupation would, in part help improve the standards within the rented sector.
- The Minister said that the Minister for Environment was currently examining restrictions on planning and land use implications of second homes in rural areas to inform the future review of planning policy.

8.7 The Chair thanked the representatives from Cymuned for their presentation and for taking part in discussion.

**Item 9: Culture Committee's Welsh language review – Consideration of the effect of policies and programmes within the remit of the Local Government and Housing Committee on the Welsh language:**

**LGH-13-01 (p.7)**

9. The Committee agreed to defer this item until the 21 November meeting.

**Item 10: Minutes of the 24 October meeting: LGH-12-01 (min)**

10.1 The Minister agreed to write to Janet Davies regarding Communities First projects in the Heads of the Valley, in particular Ogmere Vale.

2. The minutes of the 24 October meeting were agreed.

**Committee Secretariat November 2001**

**SUMMARY OF ACTION POINTS**

1. The Minister undertook to provide further details on policy agreements which had been finalised with local authorities.
2. The Minister agreed to provide the Committee with an update of funding allocations for the Communities First programme in her next written report.
3. The Minister agreed to consider the overlap between Communities First and community regeneration funding.
4. The Minister agreed to look at means of encouraging local authorities to comply with the new Local Housing Strategy guidance.
5. The Minister agreed to look into the possibility of assisting town and community councils in increasing access to the internet.
6. The Minister agreed to report back to the Committee on the outcome of the scoping study.
7. The Minister agreed to consider how the issue of devolution of the building regulations to the Assembly might best be taken up with the UK Government.

8. The Minister agreed to ask David A'Herne, Crime Director for Wales to update the Committee on Crime Reduction Partnerships.
9. The Committee agreed to receive a presentation to include computer generated data on arson.
10. The Minister agreed to write to Janet Davies regarding Communities First projects in the Heads of the Valley, in particular Ogmere Vale.