

LOCAL GOVERNMENT AND HOUSING COMMITTEE

MINISTER'S REPORT

LOCAL GOVERNMENT ACT 2000: CONSULTATION OF FURTHER PROVISIONS

1. I am currently consulting on 5 draft Statutory Instruments which will be made under the powers contained in the Local Government Act 2000. In each case the instruments are largely technical in nature and do not introduce new areas of local government policy.
2. Consultation letters and copies of the draft Statutory Instruments have been sent to Assembly Members, Local Authority Chief Executives, WLGA and Associations of Town and Community Councils.
3. A list of the draft Instruments and a summary of their content is given below:

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

4. These regulations modify various pieces of existing legislation in order to cater for the introduction of council executives.
5. For authorities operating executive arrangements, it modifies the Local Government Act 1972 in terms of the arrangements for the discharge of functions between local authorities. It also modifies the same Act so that authorities must include in their standing orders provisions relating to the procedure for making contracts.
6. The Local Government Act 1989 is amended for authorities wishing to operate the Mayor and Council Manager model. It includes provision for the appointment of an assistant to a Mayor and allows a council manager voting rights where the council manager is a member of a joint committee exercising executive functions.

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

7. These regulations modify various pieces of existing legislation in order to cater for the new political structures. It includes measures to ensure that the same qualifications and disqualifications which apply to the election of councillors extends to the position of elected

mayor.

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

8. These introduce into regulations the policy included in the Guidance on Executive Arrangements which stipulates that a council operating alternative arrangements must designate the Board or a subcommittee of the Board as its social services committee. It provides for local authorities operating alternative arrangements to establish an employment appeals committee. It also prohibits the chair and vice-chair of the authority from being members of the Board (again, as included in the Guidance). In addition, it ensures that powers relating to the banning of drinking in certain public places are not to be delegated to the Board.

The Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Amendment) (Wales) Regulations 2002

9. These amend existing regulations to ensure that powers in relation to the banning of drinking in public places are not delegated to the council's executive.

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

10. These replace the similar regulations introduced in 2001 in order to correct a drafting error. There are no policy changes.

Local Authorities' Consultations on New Political Management Structures

11. In answer to a supplementary Oral Assembly Question from William Graham on 18 October, I agreed to instruct officials to collate publicity material being circulated by local authorities on new political management structures and consider its suitability. At our last meeting in December, I agreed to report back on the outcome of this exercise.

12. Following an analysis of the public consultation material produced by local authorities, I was pleased to find that all councils made a genuine effort to consult with their local communities, and although a few consultation documents were found to contain minor factual errors, I was satisfied that all councils have complied with the statutory requirements.

13. I understand that William Graham was particularly concerned about the consultation booklet produced by Gwynedd County Council. The council's consultation leaflet listed the options for new structures in a different order on the front and main body of the consultation

leaflet.

14. As there was a clear overall majority in favour of one of the options numbered correctly on both the front and main body of the leaflet (alternative arrangements), the error has not had a detrimental effect on the result of the consultation.

15. Councils are required to send proposals for new political management structures to me by 31 January. Again, I shall report back to the committee with the results of councils' decisions.

ACTION BEING TAKEN BY LOCAL AUTHORITIES TO SUPPORT PEOPLE INTO LOW COST HOME OWNERSHIP

16. During discussion at the Committee's meeting on 20 June I undertook to provide a note on the action being taken by local authorities to support people on modest incomes into home ownership.

17. Paper LGH-09-01 on "Low Cost Home Ownership schemes" set out the background and proposed actions on this matter. The Committee endorsed the proposals and made a number of comments including the use of Social Housing Grant and the availability of mortgages on defective properties.

18. This note provides an update on the position following a survey of local authorities to establish the action currently being taken to support low cost home ownership (LCHO) schemes.

Current activity

19. Support is being provided for a total of 258 units of LCHO accommodation during the current financial year (2001-02). Assistance is being given in 15 of the 22 local authority areas. 5 different types of scheme are in use, of which Homebuy is by far the most popular. (See the table attached).

20. Whilst the implementation of proposals for Homebuy is undertaken by Registered Social Landlords, the availability of resources is determined by local authorities.

Response to concerns expressed by the Committee

21. During the Committee's last discussion one member suggested that, "**Social Housing**

Grant should be used by local authorities as part of their strategic overview to promote Homebuy".

22. However, since its establishment the general policy adopted by the Assembly has been to devolve more responsibility to local authorities to decide their own priorities and fund them accordingly from the resources at their disposal. The Social Housing Grant budget has therefore been devolved to authorities and a move to hypothecate part of the budget for LCHO would be inconsistent with established policy. However, the Assembly is introducing improvements to Homebuy to make the schemes more attractive for authorities to use if they regard LCHO as a priority for their particular area.

23. Another suggestion was that **"local authorities should be actively encouraged to make funds available to occupants who were unable to secure mortgages from mainstream financial institutions as their houses had been designated as defective"**.

24. The Welsh Assembly Government is very aware of the problems associated with properties of non-traditional design which have been designated as defective. Following a recommendation from one of the Task Groups, set up to advise on the development of the National Housing Strategy, the previous Assembly Secretary, Mr Peter Law, wrote reminding authorities of their powers to grant or indemnify mortgages on former publicly owned properties.

25. The Welsh Assembly Government is also in discussion with the Council of Mortgage Lenders and the Welsh Local Government Association on "parts of the private housing market where commercial mortgaging is becoming more difficult". It is hoped that this will lead to the development of a long term agreement between lenders and local authorities covering issues such as indemnities for mortgages on properties of non traditional design designated as defective.

Latest developments concerning Homebuy

26. The Welsh Assembly Government has recently issued for consultation revised procedural notes concerning the administration of Homebuy. The notes invite comments on a range of issues, including flexible ownership. As part of this initiative my officials will be writing to local authorities and RSLs informing them that any RSL property may be offered to existing or new tenants on Homebuy terms. I hope this increased flexibility will lead to more mixed tenure developments and sustainable communities.

FUNDING FOR HOMELESSNESS

27. At our last meeting, I agreed to provide details in my next written report of the proportion of Assembly grant funding provided for homelessness, to assist the homeless to move to secure accommodation.

28. Since 1996 funding available under Section 180 of the Housing Act 1996 has been targeted at voluntary organisations which are committed to tackling and preventing the underlying problems of rough sleeping and rooflessness in Wales. The budget for 2001/02 is £3.336 million.

29. The National Assembly remains of the view that local solutions are the most effective way of dealing with the problem of rough sleeping, which varies in nature and intensity from area to area. Financial support is available to voluntary organisations who:

- Assist homeless, potentially homeless people or roofless people, particularly those for whom local authorities are not required to secure housing under the 1996 Act; and
- Provide specialist advice, support and/or accommodation not readily available elsewhere.

30. The majority of programmes funded by the National Assembly under Section 180 are aimed at tackling rooflessness and helping to prevent homelessness in Wales. These programmes support a wide range of services such as tenancy support services, resettlement advice/outreach work, bond schemes, supported lodgings and access accommodation for drug misusers:

Tenancy Support Services (within the private rented sector)– to provide additional counselling and support for vulnerable groups to successfully comply with the conditions of their tenancy and to provide advice.

Funding from National Assembly 2001/02 £245,040

Resettlement Advice/Outreach – to provide homeless people with housing advice and help those who move into accommodation with matters such as preparing for living more independently and assistance to settle into the community. Outreach services aim to make contact with people sleeping rough and move on.

Funding from National Assembly 2001/02 £1,569,649

Bond Schemes/Supported Lodgings/Access Accommodation for Drug Misusers – to provide help for homeless people to access private rented accommodation by guaranteeing bonds and rent in advance to landlords. To provide short or long-term accommodation for homeless people and provision of accommodation for drug misusers.

Funding from National Assembly 2001/02 £776,433

Social Housing Grant and Supported Housing Revenue Grant

Additionally the National Assembly supports the provision of accommodation for homeless people through its Social Housing Grant programme. This develops accommodation to address street homelessness, such as hostels, as well as intermediate supported accommodation and move-on accommodation. The National Assembly also provides Supported Housing Revenue Grant to enable the provision of support services in RSL accommodation for homeless people and those vulnerable to homelessness. For 2002/2003 the SHRG budget has been increased by £1.4 million or 10.8% to reflect the need for additional services arising from the issuing of the Priority Needs Order.

COMMUNITIES FIRST

Funding Allocations

31. At our last meeting I agreed to provide the Committee with more details on allocations made to local authorities and partner organisations to assist them in the implementation of Communities First.

32. I have now allocated funding of £5.6m under the programme.

33. Since my last written report (21 November 2001), I have now approved further Preparatory funding, which is detailed in the table below.

Organisation	Funding Allocated
Blaenau Gwent CBC	£25,724.40
Caerphilly CBC	£36,000
Cardiff CC	£143,516
Conwy CBC, Gwynedd Council and Isle of Anglesey CC	£1,172.50
Isle of Anglesey CC	£17,840

Merthyr CBC	£78,067.25
Newport CBC	£186,685.39
Powys CC	£15,309
Vale of Glamorgan Council	£125,000
Wrexham CBC (part of Community Action Plan for Southsea & Brynteg)	£17,000
RNIB	£15,394
RNID	£64,200
Total	<u>£725,908.54</u>

34. I have also approved £3m this financial year (£9m from 2001-2004) for a **Community Trust Fund**. This fund will provide small grants to local community and voluntary groups in Communities First areas to support a wide range of activities by which local groups can contribute to the regeneration of their area. It will start in the near future and be administered by the Communities First Support Network.

Mapping Exercise

35. Assembly officials have undertaken to maintain a 'map' of progress in Communities First areas in relation to the establishment of Partnerships and their applications for funding.

36. Out of 130 potential Partnerships (which will cover the 100 most deprived wards, the 32 sub wards and 10 community of interest/imaginative proposals) preparatory applications have been approved for 76.

37. No preparatory applications covering areas in Bridgend, Ceredigion, Denbighshire and Pembrokeshire, have been received, however officials are in regular contact with organisations in these areas to offer them any necessary assistance.

38. Partnerships exist, or are being formed, in 28 of the 130 areas. Caerphilly has been

particularly active in setting up partnerships and Merthyr and Rhondda Cynon Taff have also made good progress in this area.

39. Officials will be periodically updating this information and I will keep the Committee informed of progress.

Community Regeneration and Social Inclusion Policy Board

40. This new policy board, which I chair, held its first meeting on 9 January. It will meet twice a year and will advise on the strategic direction of social disadvantage programmes, ensuring that a co-ordinated approach is followed. It will have an important role in championing the Communities First programme.

CRIME REDUCTION FUNDING TO IMPROVE THE SECURITY OF SMALL RETAILERS IN DEPRIVED AREAS

41. Members will wish to be aware that £190,000 will be coming to Wales in the current financial year under this three year £15 million Government initiative which originates in the Capital Modernisation Fund.

42. In Wales applications were invited from Crime and Disorder Reduction Partnerships for use in Communities First areas, with priority being given to those experiencing higher than normal levels of crime or racially aggravated crime.

43. In all eight areas will benefit and 27 retail outlets in: Rhondda Cynon Taff; Blaenau Gwent; Pembrokeshire; Flintshire; Wrexham; Cardiff; Vale of Glamorgan and Carmarthenshire. Typically the funding will enable those running small corner shops, off-licences, Indian/Chinese takeaways, fish and chip shops and sub post offices to install improved security measures such as shutters, stronger doors, toughened glass, alarm systems and CCTV. The first tranche of approvals total £3 million, and with £6 million to be made available under the scheme in each of the next two years, it is anticipated that the amounts approved in Wales will double next time.

WEST WREXHAM URBAN II PROGRAMME

44. Commissioner Barnier formally signed the approval of the West Wrexham URBAN II

programme on 5 December at a meeting with Rhodri Morgan in Brussels. The programme worth over £13 million to the end of 2006 with a further 2 years to spend committed funds. Wrexham is the first of the UK programmes to receive approval. The project team will now work closely with the local partnership and WEFO to develop the Programme Complement and action plans.

Edwina Hart