

## **LOCAL GOVERNMENT AND HOUSING COMMITTEE**

### **MINISTER'S REPORT – 24 APRIL 2002**

#### **New political structures**

1. Since our last meeting, I am pleased to tell you that two more authorities – Cardiff and Flintshire – have fully met statutory requirements by providing more information to support their proposals. This leaves only Conwy and Denbighshire outstanding. Both these authorities need to submit further information. In Denbighshire's case, this is of a technical nature and I am expecting to receive it within the next few days. In Conwy's case, they are conducting further consultation, the results of which should be available to the council by the end of May, and they will then decide whether they need to revise their proposals.

#### **Llangollen boundary review**

2. I have recently received from the Local Government Boundary Commission their final report following the review of part of the boundary between the County of Denbighshire and the County Borough of Wrexham.

3. The Assembly directed the Commission to conduct a further review of the area in August 2000. The Commission conducted a comprehensive review including the holding a public meeting at Llangollen Town Hall in January 2002.

4. After considering all the evidence the Commission propose that the boundary between the County of Denbighshire and the County Borough of Wrexham should remain unchanged.

5. Following publication of the Commission's report there now follows a six week consultation period for representations to be made to myself regarding the Commission's proposals. The six-week consultation period will end on 24 May 2002.

6. A copy of the Commission's report can be accessed via the link below

[http://www.lgbc-wales.gov.uk/Boundary/Denbs-Wrexham/LGBC\\_Denbs-Wrexham\\_Final.htm](http://www.lgbc-wales.gov.uk/Boundary/Denbs-Wrexham/LGBC_Denbs-Wrexham_Final.htm)

## Children's Play and the Waterhouse Report

7. I mentioned at our last meeting that I had written to Jane Hutt on a couple of outstanding action points from earlier meetings. I have now received an update.

8. On the development of a policy framework for children's play, a draft policy has been received from the consultants and is currently being considered by officials. We can expect some good news on this front soon.

9. On the Waterhouse Report (an agenda item for this meeting), Jane Hutt has agreed to pursue the provision of independent advocacy arrangements for young offenders at Parc Prison directly with the Home Office Minister responsible. Her officials will also be seeking the inclusion of the necessary provisions in the comprehensive Youth Justice National Standards currently being drafted.

## Community Purposes Budget

10. A total amount of £10,330,511.13 was spent under the "Community Purposes" budget in 2001-2002. The breakdown of spending under each programme heading is:

Communities First	£6,728,965. 90
People in Communities	£1,291,923.04
Sustainable Communities	£2,309,622.19

11. Further details of expenditure under **Communities First** is as follows:

<b>Organisation</b>	<b>Amount Spent</b>
Local Authority Preparatory Funding (see table below)	£1,226,568.90
Communities First Trust Fund	£3,000,000

Childrens' Play	£1,999,995.60
Communities First Support Network	£200,000
Community Workers Survey	£7,000
JIGSO/WCVA	£94,475
Sylfaen Cymenedol	£1,172.50
Community Development Cymru	£28,435
RNIB	£43,519
RNID	£64,200
Business in the Community Wales	£63,600

12. The breakdown of Preparatory Funding spent per local authority is as follows:

<b>Local Authority Area</b>	<b>Total Value Released</b>
<b>Blaenau Gwent</b>	£218,505.40
<b>Caerphilly</b>	£83,500.00
<b>Conwy</b>	£30,400.00
<b>Flintshire</b>	£9,500.00
<b>Gwynedd</b>	£33,200.00
<b>Isle of Anglesey</b>	£14,593.18

<b>Merthyr Tydfil</b>	£175,733.00
<b>Newport</b>	£54,493.39
<b>Powys</b>	£15,309.00
<b>Rhondda Cynon Taff</b>	£252,030.83
<b>Swansea</b>	£41,245.00
<b>Torfaen</b>	£148,882.00
<b>Wrexham</b>	£149,177.00
<b>Total =</b>	£1,226,568.90

### **Progress on Communities First**

13. A paper highlighting the progress made to date on Communities First will be discussed at our next meeting on 8 May 2002.

### **Communities First Trust Fund**

14. The Communities First Trust Fund is now up and running. The Trust 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. £9m has been allocated to the fund from 2001-2004.

15. The fund is managed by the Communities First Support Network on behalf of the Welsh Assembly Government and administered by the Wales Council for Voluntary Action.

### **Social Inclusion – Second Annual Report**

16. The Welsh Assembly Government's Second Annual Report on Social Inclusion was the subject of a plenary debate on 21 March. There were three particular areas of the social inclusion debate where I committed to further action.

17. In rejecting a proposed amendment from Jonathan Morgan which sought to highlight the role played by the voluntary sector in tackling the problems of social exclusion, I agreed to consider whether more detail on the integration of the voluntary sector could be included in the next Report.

18. We will be exploring with the voluntary sector how they can become more involved in the Welsh Assembly Government's social exclusion agenda and, particularly, in the development of the next Annual Report. This year's Report will be tabled at the next Voluntary Sector Partnership Council and members will have an opportunity to comment on how this can best be achieved.

19. More widely, the Assembly Government is working with partners, including the voluntary sector, in a number of areas:

- the development of a funding proposal under Strand 2 of the Community Action Programme to combat social exclusion
- the work of the Community Regeneration and Social Inclusion Policy Board which includes representation from the voluntary sector; and
- the Communities First Support Network which is supporting the implementation of Communities First and includes voluntary sector representation.

20. Concerns were expressed in the debate regarding difficulties with the implementation of the Homeless Persons (Priority Need) (Wales) Order 2001. Jocelyn Davies felt that there was a general lack of awareness of the new duties, so that potential eligible people may not be seeking assistance from local authorities. She was also concerned about a lack of awareness by local authority staff, that there are too many incorrect decisions on eligibility being made by authorities and that there has been an increase in local authority intentionality decisions. Jocelyn asked if I would consider assisting local authorities by giving them further guidance to support them in the implementation of the Order.

21. There is some anecdotal evidence of significant variations in the way local authorities apply the homelessness legislation, including the new Priority Need Order, which gives us cause for concern. The Assembly Government will undertake monitoring of statistics and other enquiries, and will shortly be reviewing the impact and implementation of the Order.

22. Final Guidance on the Order will take account of any problems, and we will work with the Welsh Local Government Association, Local Authorities, and other organisations, such as Shelter Cymru, to ensure that there is a full understanding of the responsibilities which flow from the Order and other homelessness legislation. We will, if necessary, discuss any concerns with the Audit Commission, which has responsibility for inspection of local authorities.

23. Local authorities have expressed concern that they do not have adequate resources to

deal with the increased number of people who are now presenting as homeless. Assembly Government funding for homelessness projects has increased from £650,000 in 1998-1999 to £4.86 million in 2002-2003. Funding for Supported Housing Revenue Grant has also been increased to take account of the additional priority need categories. One hundred new bed spaces were funded in 2001-2 and a further one hundred bed spaces will be provided in 2002-2003.

24. I will report back to Committee on these issues in the Autumn.

25. I also undertook to consider mapping child poverty in some areas. Poverty is a multi-dimensional subjective concept which is more complex than a straightforward lack of financial resources. It cannot be measured directly and is a combination of a range of specific forms of poverty-related deprivation components which can be individually measured to some extent. It is possible that these specific components of poverty may interact synergistically and have more impact if found in certain combinations. Child poverty is an even more convoluted construct being inherently vicarious in that the effects are inherited from the associated family group.

26. An outwardly one-dimensional measure of child poverty must be an index in the sense of a unification of a set of individual dimensions which when combined are accepted to indicate the general characteristic of child poverty. Some of these individual dimensions would be based on different units of measurement, and the related data would have to be transformed and standardised so that they relate to a common scale before they could be combined. A linear combination of these data would be statistically invalid.

27. If there were a requirement to map the measurements of a child poverty index spatially the variability in population size would have to be taken into account. Additionally, inherent child poverty heterogeneity within areas could lead to counter-intuitive results. For example, if a small area had a higher levels of one of the components of child poverty than a large area, it is possible that the large area contained sub-areas with an equivalent population to the small area and with higher levels of the component. The rate for the large area as a whole may camouflage the variability within it. The problem can be ameliorated by the adoption of a finer spatial granularity but this limits the availability of suitable data, particularly those derived from sample surveys. The use of administrative data and the application of synthetic estimation can increase the amount of data available for relatively small spatial granularities. It possible for some smaller areas to have unrepresentatively high or low measurements for a specific component (particularly those that relate to small proportions of the population). The problem can occur not only with sample data but also with administrative data which refer to the whole of a particular population group. Small fluctuations in small populations can have a larger proportional effect than fluctuations in larger populations, particularly if the component

measurements are relatively volatile. One approach to circumvent this problem is the application of shrinkage, a form of synthetic estimation which involves moving measurements for a sub-area with high standard errors towards the mean score of the subsuming area. This may make the measurement higher or lower. The aim is to reduce the unreliability of the sub-area-level component by inheriting the reliability of a more stable statistic and so minimising the effects of random fluctuations.

28. Some initial work, including a map for the 865 electoral divisions in Wales, based on the child poverty elements of the Welsh Index of Multiple Deprivation, will be published by the Assembly Government's Statistical Directorate within the next month. To create maps of this kind, a precise definition needs to be used and the one adopted for immediate purposes is the number of children living in households claiming any of a range of means-tested benefits.

29. This is only one of several ways of approaching the question of definition. Other approaches may be better in some respects but present greater problems in mapping. The technical issues are being discussed with experts in the field, both in Wales and across the UK. It is likely that further refinements, in terms both of definition and the areas capable of being mapped, will be available in the course of the next year. I would be happy for a member of the Statistical Directorate to come to a future meeting of the Committee to discuss this issue if necessary.

### **Transfer of resources between sub expenditure groups within the housing and local government other services MEG**

#### Additional SCA to Newport County Borough Council.

30. All members should have received via the Chair, a copy of my letter dated 26 March which explains that I agreed to vire housing resources for 2001/2002 in order to issue an additional SCA to Newport County Borough Council.

31. The background to this issue is that following representations from the authority in 2001, I agreed to provide SCA resources on an exceptional basis to assist with the repurchase of a number of system built defective houses sold under the right to buy. The circumstances are thought to be unique in Wales in that the authority was unaware that the properties were of defective construction when first sold and valuations did not reflect the condition of the properties.

32. The authority has agreed to repurchase the twenty one properties over a prolonged timescale up to 2008 and an SCA for £134,000 was provided for some repurchases in October 2001. Further funds have been earmarked within the authority's SCA allocation for 2002/2003.

However, the pace at which the council repurchases the properties is outside its control and the commitment in 2001/2002 was considerably more than expected. This resulted in the authority requiring a further SCA of £235,000 towards its expenditure last year, at a time when the SCA budget had already been issued in its entirety. In line with the commitment given I therefore agreed to the transfer of funds to the Local Authority Housing SCA BEL from other housing budgets which were heading for comparable underspends.

Transfer from Research/Surveys/Evaluations/Publicity/Fees and Charges BEL to the Community Purposes BEL

- The Committee is invited to note a transfer of resources between Budget Expenditure Lines (BELs), within the Housing and Local Government Other Services Main Expenditure Group (MEG). A detailed breakdown of the transfer is given below.
- The reason for this transfer is to ensure adequate, and appropriate, publicity budgets are allocated within the Housing and Local Government Other Services MEG, for utilisation in 2002-2003, and controlled by the relevant Directorate. A similar transfer was made for 2001-2002.
- This transfer is required as a consequence of a Group re-organisation in January 2001, when the main body of Housing & Community Renewal (HCR) Division, and Housing Performance & Finance (HPF) Division, amalgamated to form a new Housing Directorate. However, some functions of these former Divisions were transferred to the newly formed Communities Directorate.
- A similar transfer of funds was made in 2001-2002.

Summary of transfer required

33. A transfer of £18k from the Research/Surveys/Evaluations/Publicity/Fees and Charges BEL to the Community Purposes BEL

Amount of Transfer	Transfer from	Transfer to	Reason for Transfer

£18,000	<p>SEG: Other Housing Revenue</p> <p>BEL: Research/ Surveys/ Evaluations/ Publicity/ Fees and Charges</p> <p>Before transfer: £1,134,000</p> <p>After transfer: £1,116,000</p>	<p>SEG: Other Housing Revenue</p> <p>BEL: Community Purposes</p> <p>Before transfer: £25,832,000</p> <p>After transfer: £25,850,000</p>	<p>Following a Group re-organisation in January 2001, the main body of Housing &amp; Community Renewal (HCR) Division, and Housing Performance &amp; Finance (HPF) Division, amalgamated to form a new Housing Directorate. However, some functions of these former Divisions were transferred to the newly formed Communities Directorate.</p> <p>To ensure adequate, and appropriate, publicity budgets are allocated within the Housing and Local Government Other Services MEG, for utilisation in 2002-2003, and controlled by the relevant Directorate. A similar transfer was made for 2001-2002.</p>
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Transfer from Community Purposes BEL to the Housing Management Projects Education & Training BEL

- The Committee is invited to note a transfer of resources between Budget Expenditure Lines (BELs), within the Housing and Local Government Other Services Main Expenditure Group (MEG). A detailed breakdown of the transfer is given below.
- The Welsh Assembly Government acknowledges the role of mediation in preventing and resolving conflict in communities. This is reflected within 'Better Homes' and the

‘Communities First’ guidance.

- In June 2001 I launched ‘Making Mediation Work for Communities’, a report part-funded by the Welsh Assembly Government. The report recognised the value of the work done by Mediation Wales. This includes promotion, research, best practice guidance, training and representation.
- The purpose of this transfer is to facilitate joint funding of the activities of Mediation Wales by Communities and Housing Directorates in recognition of the cross cutting nature of their mediation work.

Summary of transfer required

34. A transfer of £22k from the Community Purposes BEL to the Housing Management Projects Education & Training BEL

<b>Amount of Transfer</b>	<b>Transfer from</b>	<b>Transfer to</b>	<b>Reason for Transfer</b>
£22,000	SEG: Other Housing Revenue  BEL: Community Purposes  Before transfer: £25,854,000  After transfer: £25,832,000	SEG: Other Housing Revenue  BEL: Housing Management Projects Education & Training  Before transfer: £1,333,000  After transfer: £1,355,000	To facilitate joint funding of the activities of Mediation Wales by Communities and Housing Directorates in recognition of the cross cutting nature of their mediation work.

## **Council Tax – Revaluation 2005**

35. Our policy statement on local government issued on 1 March referred to plans for a council tax revaluation and acknowledged that consultation with local government partners and practitioners is key to the success of the revaluation.

36. I can report today that preparatory work is well underway. This includes the establishment of a high level technical working group in conjunction with the Welsh Local Government Association. The group will develop aspects of the revaluation with those who operate the council tax system.

37. The group will comprise representatives from a range of Welsh local authorities, Assembly statisticians and Local Government Finance Division officials. The first meeting of the group will take place at the end of May.

**Edwina Hart**