

# **LGH CONSIDERATIONS PAPER**

## **Committee views**

1. The Committee endorsed the proposals outlined in the budget issues paper. The proposals would allow local government to build and develop services, particularly in housing, community development and deprivation, especially in relation to crime reduction and safer communities. While noting the proposal to increase the budget by over 3% the Committee expressed concern to ensure sufficient resources are made available to allow initiatives to continue without resorting to excessive increases in council tax. However, the Committee made it clear that there remains concern at the number of specific grants currently in use and re-iterated its support for the principle of non-hypothecation.

## **Draft Budget proposals**

2. After taking account of the Committee's views and priorities, and following consultation with the WLGA, I have set a draft budget for 2003-2004 that represents a significant increase above 2002-2003 baselines. I have also taken the opportunity to create a separate housing MEG and a new MEG covering all budgets directed at improving our communities.

## **The Local Government Revenue Budget**

3. The proposals contained in this budget represent a cash increase in the Local Government budget to meet the pay and price pressures identified by the Distribution Sub-Group (DSG) of the Consultative Forum on Finance (CFF). The figures include £30 million Performance Incentive Grant and provision of £3 million for the final year of transitional grant.
4. The figures in the budget for the Local Government settlement do not include any transfers. Therefore the figures will change when transfers are taken into account. The provisional settlement for authorities is currently scheduled to be announced on 28 November, and the transfers will be taken into account for that.

## **Housing**

### **Homelessness and rough sleeping**

5. Spending on homelessness and rough sleeping will be increased from the 2002-03 baseline by nearly £1.3 million next year and £1.5 million for the following two years.

## **Implementation of the Black, Minority Ethnic Housing Action Plan for Wales**

7. In September 2002 the Assembly Government published the Black, Minority Ethnic (BME) Housing Action Plan for Wales. Local authorities and registered social landlords will play a crucial role in the delivery of the Plan and to this end I will be making £0.200 million per annum available in 2003-2004, 2004-2005 and 2005-2006.

### **Social Housing Management Grant Programme**

8. The Social Housing Management Grant Programme supports and promotes the generation of good practice that is capable of being copied across the Welsh social housing sector. I have increased funding for this to nearly £2 million in 2003-2004 and expect to continue funding at least at this level until 2010.

### **Community Fire Safety**

9. The Community Fire Budget for 2002-2003 is £3 million to take forward the recommendations in the "Wired for Safety" report. I intend to increase the budget to £4 million in 2003-2004, and to £5 million in 2004-2005 and 2005-2006 to enable us to continue with this work.

### **Rapid Response Adaptations**

10. The Rapid Response Adaptations Programme was introduced in July 2002 with projected funding of £0.500 million for 2002-2003. I have increased the budget to £1 million in each of the next 3 years.

### **Home Energy Efficiency Scheme (HEES)**

11. The HEES programme has been very successful to date and demand continues at a high level. I propose to increase funding each year to cover the additional costs associated with proposed scheme improvements.

### **Domestic Hot Water Thermostatic Control Valves**

12. I propose to continue to fund the Domestic Hot Water Thermostatic Control Valves scheme. I have provided £0.250 million in 2003-2004 rising to £0.5 million for 2004-2005 and 2005-2006.

### **Supporting People**

13. As part of the implementation of Supporting People, I propose to provide local

authorities with £2 million next year to assist in the implementation of this new major funding programme.

## **Communities**

### **Safer Communities Fund**

18. The draft budget includes a proposal to establish a new budget line with provision of £2.6/£3.6/£5 million over the next three years for a Safer Communities Fund.

### **Community Regeneration**

19. I have been reviewing the funding available for community regeneration activities throughout Wales to ensure a co-ordinated and integrated approach to regeneration and community development. I have decided to establish a broad Community Regeneration budget, which will provide much needed flexibility in order to help address the significant challenge of regenerating deprived communities in all areas of Wales. The budget includes Communities First which continues to be an Assembly priority and for each of the next 3 years will have a budget of almost £34.5 million.

### **Drug and Alcohol Initiatives**

20. For the time being I have not set a firm budget for this area of activity beyond reinforcing the baseline provision of £3.8 million.