

Julie James AS/MS
Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/JJ/1826/20

John Griffiths MS
Chair
Equality, Local Government and Communities Committee
Senedd Cymru
Cardiff Bay
Cardiff CF99 1SN

10 June 2020

Dear John,

Thank you for your letter of 15 May 2020, following my attendance at the ELGC Committee evidence session on 5 May. I welcomed the opportunity to discuss the impact of Covid-19 on the Housing and Local Government portfolio. In your letter you asked for further information on a number of issues, which I have provided below.

On how **local authorities can access the additional funding**, and whether there are any administrative difficulties, the Local Authority Emergency Hardship Fund provides £110m to assist with additional costs arising from their response to Covid-19. Our approach has been to recognise the impacts on local authorities financially, which arises both from additional action needed to respond to Covid-19 and additional costs for the provision of ongoing services more generally. This funding stream includes up to £40m for essential actions on free school meals, £10m for homelessness support and £40m to support adult social care delivery.

Claims are received on a monthly basis. £2.3m was paid out for March costs and the claims for April were received on 20 May for assessment and payment in June. Authorities have received cash flow support from the early payment in April of May and June's settlement which enables the payment in arrears.

In respect of the work we are doing to ensure local authorities can provide the necessary levels of **support for local economies** (inc. high streets), our Transforming Towns announcement in January set out a further package of support for town centres worth nearly £90m – building on existing projected investment of £800m in our towns since 2014. This investment continues to enable our local authority partners and others to deliver vital improvements in town centres across Wales.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

We are developing guidance for local authorities and others on the temporary adaptations and interventions that will be needed in public spaces (including high streets) as the Covid-19 restrictions are gradually reduced. As noted above, the £110m Local Government Emergency Hardship Fund supports local authorities with the additional costs they face in responding to Covid-19.

We have also announced that we will support Business Improvement Districts (BIDs) in Wales with their running costs for up to three months to help ensure that they can continue, and be at the forefront of recovery efforts in their towns. This support is in addition to the £1.7bn (equivalent to 2.7% GDP in Wales) we have already announced to support businesses in Wales. More than 52,000 grants, totaling £640m, have already been paid out. This includes grants of up to £25,000 for retail, leisure and hospitality businesses in Wales occupying properties with a rateable value of between £12,001 and £51,000 and a £10,000 grant for firms, which are eligible for small business rates relief and have a rateable value of £12,000 or less. Eligible businesses will also benefit from a year-long rates holiday.

Furthermore, our £500m Covid-19 Economic Resilience Fund announced by the First Minister on 30 March complements other support measures for the Welsh economy, providing support to businesses, social enterprises and charities experiencing a sharp drop in trading as a result of Covid-19. The first phase saw the £100m Development Bank of Wales' loan scheme fully subscribed in little more than a week and we initially made available £300m of non-repayable revenue support to businesses. We are currently finalising details of the next phase of the Economic Resilience Fund, which we expect to open for applications by the end of June. This is in addition to our Rate Relief and the Welsh Government Business Grants scheme administered by local authorities.

Our regional teams are working collaboratively with Business Wales, Development Bank for Wales and local authorities' colleagues to gather intelligence on the impact of Covid on companies, including in the non-SME sector. Taking forward the development of the Regional Economic Framework is more important now than ever and we are proposing that in the short term we refocus the work to economic 'recovery' from Covid 19. We also continue to offer advice and support through Business Wales, <https://businesswales.gov.wales/start-loans> and Start Up loans continue to be available to provide finance to start ups in Wales and the Development Bank of Wales also has a number of funds available to support businesses financially: <https://developmentbank.wales>

You asked about what work is being done within the Welsh Government to capture positive changes to **LA service delivery** and working practices which have come about since the pandemic, and about sharing them across the sector.

I am keen to ensure that recovery planning is used as an opportunity to drive transformation in how services are delivered, recognising that in many service areas we've fundamentally changed how we operate; and to build on the new ways of working that responding to Covid-19 has required. We are working with the WLGA to consider how we best support local government to do this, including through the sector-led improvement support programme that the Welsh Government is funding. I will also be using the range of ways in which we engage with local government, strategically and on specific services, to draw out and share this good practice. The next meeting of the Partnership Council for Wales is taking place on 10 June and the focus will be on preparations for a future recovery, including considering the issues, opportunities and priorities for sustainable recovery and longer-term transformation.

In addition, the First Minister has convened regular meetings of the Shadow Social Partnership Council (SSPC) – including representatives of unions, employers and government. During the meeting of the Shadow Social Partnership Council (SSPC) on the 14 May it was agreed that membership should be extended on a temporary basis due to the exceptional circumstances presented by Covid-19. It is vital that we get a full and rounded view of the issues facing the public, private and voluntary sectors going forward and the SSPC will now meet on a fortnightly basis to discuss these. We all have a commitment to social partnership and face common issues as we anticipate recovery. The SSPC provides an opportunity for social partners to engage on recovery from the Covid19 outbreak at a high level and to explore how social partnership can contribute to the more detailed planning which needs to take place.

We are using the planning system to harness the positive outcomes from the pandemic including increased homeworking, improved air quality, emphasis on active travel and greater reliance on local economic, social and environmental networks. Planning Policy Wales (PPW) and the draft National Development Framework (NDF) have been designed to address the economic, social and environmental challenges which Wales must address in an integrated way through the use of placemaking. The significance of the identified challenges have been further highlighted by the pandemic. The aim is to make local economies, communities and environments more resilient through supporting appropriate development opportunities across Wales. We are also identifying and reviewing new and existing planning policy and other planning tools to see if changes are required to assist the post COVID-19 recovery.

Local authorities are also encouraged to share lessons learned and identify positive changes made to services delivered through the Children and Communities Grant. Currently, the Funding Alignment team liaise with local authorities via fortnightly webinars and we are exploring ways to better share this information.

There has also been particularly innovative and positive work undertaken on rough sleeping and homelessness, which aligns to your request for further clarity on how we are ensuring that the levels of **support for those who have been provided with accommodation** is consistent across Wales. From those perspectives, the Welsh Government has created a virtual team that directly links in with all 22 local authorities to provide support, share any guidance, regulatory and wider communications and ensure that all authorities are effectively implementing guidance requirements around accommodation provision and supporting services

This team routinely liaises with the WLGA, as the umbrella body representing local authorities across Wales, and Cymorth, as the third sector umbrella organisation for support organisations, to ensure instances of best practice in service delivery are captured on a weekly basis and can be shared across the sector.

There are a number of Welsh Government officials working directly with local authorities where information captured by the virtual team has identified that they require additional support sourcing additional accommodation capacity or wider help with supporting services.

We have also set up a number of virtual events to bring key sector stakeholders together to directly communicate and share instances of good service delivery and where existing services have been adapted to meet demand and new ways of working during the pandemic. This includes a webinar co-hosted by Shelter Cymru, the WLGA, Community Housing Cymru and Cymorth which identified, captured and shared instances of successful working and collaboration across the sector. We also invited local authorities, Registered Social Landlords and support providers to share examples successful working that could be adopted by other areas.

We have launched our Pathway to Housing programme which sets out the key principles and expectations for local authorities and the broader sector for the next phase of supporting those who have been placed in emergency accommodation to date. Following the launch event, *Plan, Build, Transform* (held on 28 May) we have planned a series of follow up events that focus on building on the successes identified to date and identify opportunities for further sector collaboration.

Turning to how can we build on the change in attitude and approach in engaging better and involving the **third sector** and to ensure it continues once the current emergency has passed, it is important that we recognise publically the fantastic engagement from the people of Wales in volunteering to supporting others. Volunteers Week is a perfect opportunity for this and has been maximised and provides the opportunity to raise the profile of volunteering and the mutual benefits. This is supported by clear accessible guidance that keeps volunteers both informed and safe.

It is also important that we keep momentum and interest in volunteering and where we can't utilise volunteers at the moment we are keeping in touch, offering skills training and working closely with community organisations to assess needs.

Close partnership working is vital and local authorities working closely with County Volunteering Councils and Local Health Boards provides the infrastructure, ability to plan, capture needs and provide support.

Ultimately, the Welsh Government is proud of how the third sector has been supported and this has reaped dividends in the ability of Welsh organisations to rise to the challenge. This will be increasingly important as we move forward to more financially difficult times

You asked for more detail of any discussions with the UK Government on **Local Housing Allowance rates** and the support to people with **no recourse to public funds**. The First Minister wrote to the Prime Minister on 6 October 2019 concerning the negative impact for Wales of leaving the EU without a deal. In the letter the First Minister stated that the Welsh Government believes that the priorities within the package should be to increase the funding of the key public services on which disadvantaged people depend; and to increase benefit payments to disadvantaged groups, and in particular address the growing gap between housing related benefits and real rental values.

Finally, in respect of your question about **Non-domestic Rates** criteria, the Valuation Office Agency (VOA) and local authorities have long-established and detailed procedures in place for determining whether properties are domestic or non-domestic, supported by extensive legislation and guidance. The qualifying criteria for self-catering properties to be classed as non-domestic are clearly set out in legislation and we have consulted widely on this matter on a number of occasions. The criteria in Wales are the most stringent amongst the nations of the UK. The law strikes a balance between the interests of local communities, homeowners and the tourism industry.

Owners of self-catering accommodation must provide evidence that their property meets the criteria. The VOA determines if a property is classed as domestic or non-domestic. The Agency is independent of the Welsh Government. Owners seeking to have their property moved from the council tax list to the non-domestic rating list as self-catering accommodation must submit a request to the VOA. They must complete a form and provide documentary evidence that the property meets the letting criteria. The VOA must review this evidence before making a change to the list.

We are conscious that certain local authorities have expressed concerns about the possibility that the Covid-19 grants might be paid to property owners who only occasionally let out their property. The grant guidance was amended following discussion with local authorities. To ensure clarity and consistency in administering the scheme, there are no plans to amend the eligibility criteria.

I hope this information is helpful to the Committee.

Yours sincerely,

A handwritten signature in blue ink that reads "Julie". The signature is written in a cursive style with a large initial 'J'.

Julie James AS/MS

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