

LOCAL GOVERNMENT AND HOUSING COMMITTEE

REPORT TO PLENARY: APRIL 2000 TO APRIL 2001

Introduction

1. The Local Government and Housing Committee is one of the National Assembly's seven subject committees. This report is made under Standing Order 9.9, which allows the committees to report to the Assembly from time to time on progress in fulfilling their work programmes. It covers the period from the first Committee meeting in April 2000 to the end of the spring term in 2001.

2. The Committee is chaired by Gwenda Thomas. Other members are currently

Peter Black, Janet Davies, William Graham, Edwina Hart (Minister for Finance, Local Government and Communities), Peter Law, Dai Lloyd, Tom Middlehurst and Janet Ryder.

3. There have been a number of membership changes since the Committee was first elected on 29 March 2000. These are listed at **Annex 1**.

4. The Committee met twenty times during the reporting period.

Method of working

5. The Committee has developed an open and participative style of working. All of its meetings have been held in public. It has liaised closely with the National Assembly's partners, particularly those working in the local government and housing areas. A list of the outside bodies which have contributed to the Committee's discussions during the year is at **Annex 2**.

6. Over the year, the Committee has sought to develop its working relationship with the Local Government Partnership Council. Of the Committee's current membership, Peter Black, Janet Davies, William Graham, Edwina Hart, Dai Lloyd, Tom Middlehurst, Janet Ryder and Gwenda Thomas are members of the Partnership Council.

7. The Committee also has links with the Homelessness Commission, which is co-ordinating action to tackle homelessness and rough sleeping in Wales. Peter Black chairs the Commission and the membership includes Gwenda Thomas.

8. The Committee is keen to develop links with its counterparts in the other devolved institutions of the United Kingdom. It held an informal meeting with the Scottish Parliament's Local Government Committee in October 2000.

The Committee's remit and responsibilities

9. The Committee's remit is based on the portfolio of Edwina Hart, the Minister for Finance, Local Government and Communities. It covers housing, local government policy and finance issues, urban regeneration and crime reduction. The remit does not include Edwina Hart's responsibilities as Finance Minister.

10. In the autumn, the Committee made a number of representations to the Cabinet and the First Minister on the issue of Ministerial responsibility for youth justice. Following the Cabinet reshuffle in October 2000, this was allocated to the portfolio of the Minister for Health and Social Services. The Committee felt strongly that responsibility for youth justice fitted more appropriately into Edwina Hart's portfolio alongside her responsibilities for community safety and local government generally. The First Minister has given an undertaking to take account of the Committee's views when he next considers the allocation of Ministerial responsibilities.

11. The responsibilities of the subject committees are set out in Standing Orders, as reproduced at **Annex 3**.

Aims, objectives and priorities

12. The Committee's aim is to achieve a better quality of life for the people of Wales and to promote better, simpler government. Its objectives are:

- To help local people, particularly those living in disadvantaged areas, develop confident communities, with decent housing, good local facilities and high quality environment, which is non-threatening and free from crime;
- To deliver value for money for the people of Wales, with better and more efficient services;
- To streamline the Assembly's work and give far greater weight to the needs and views of our partners and the public, including under-represented groups.

13. These aims and objectives correspond with those set out in *betterwales.com*, the National Assembly's strategic plan.

14. The Committee attaches particular importance to:

- The development of a national housing strategy, with a view to ensuring that everyone has a decent home and homelessness is eliminated;
- The modernisation of local government, including the development of new political management structures, the introduction of policy agreements, the development of the best value regime, the introduction of community strategies and consideration of the community leadership role of local authorities;
- The implementation and development of the revised standard spending assessment formula, so that revenue support for local authorities is allocated on the basis of a fairer assessment of need.

Work and achievements to date

Policy development – Standing Order 9.7(i)

(i) Housing and community regeneration

15. The Committee has supported the work which is under way to develop a national housing strategy, considering in detail the reports of the Task Groups which contributed to the development of the strategy and the consultation paper *Better Homes for People in Wales*. The Committee also provided a response to the Housing Green Paper published by the UK Government.

16. The Committee has considered separately many aspects of housing policy. This includes homelessness and rough sleeping, the Supporting People programme, the housing fitness standard, Houses in Multiple Occupation, the Housing Revenue Account Subsidy, rent policy for social housing, the Black and Minority Ethnic Housing Strategy, 'Rethinking Construction', home energy efficiency and the 'Lifetime Homes' design standards.

17. The Committee has been particularly concerned about the poor condition of much of Wales' council housing stock, and how to secure the investment necessary to overcome the massive backlog of repair and modernisation work. In the light of this, the Committee has carried out a review of the Cabinet's policy on housing stock transfer. This was a major piece of work, involving written and oral consultation sessions, informal briefing sessions and a number of visits to stock transfer organisations in England.

18. The conclusion of the policy review was that the most straightforward option for securing

the necessary investment would be a change to the local government finance system to allow councils to borrow on the same terms as housing associations. The Committee recommended that the Cabinet should continue to press H M Treasury on this point. Otherwise, the Committee felt that the transfer of the stock to a registered social landlord, with appropriate safeguards for tenants, should continue to be an option available to local authorities for modernising their housing stock. The report of the review is due to be considered in plenary on 24 May.

19. With regard to community regeneration, the Committee has taken a close interest in the *Sustainable Communities for the Future* scheme as well as the development of the *Communities First* programme. It also considered the community development aspects of the action strategy for the South Wales Valleys.

(ii) Local government modernisation

20. The Committee contributed to the development of the Local Government Partnership Scheme which was endorsed by plenary in July 2001. It has considered the main strands of the Cabinet's programme for the modernisation of local government, including the new ethical framework for councillors and officers, the introduction of policy agreements between the National Assembly and local authorities and the development of the best value regime. The Committee has taken a particularly close interest in the new political management structures, including the so-called 'fourth option' allowing local authorities to adopt a modernised committee structure with enhanced scrutiny powers in place of the cabinet system.

21. The Committee has contributed to the ongoing work on the development of community strategies by local authorities, as well as the new power allowing authorities to promote the economic, social and environmental well-being of their areas. It has also considered the proposed Order allowing local authorities to take account of 'non-commercial' matters when considering tenders and awarding contracts.

(iii) Local government finance

22. The Committee took a close interest in the review of the standard spending assessment formula, which underpins the distribution of revenue support to local authorities. The review recommended an increased weighting for indicators of social deprivation, together with more refined measures of population dispersion and settlement patterns. The Committee broadly supported the introduction of the new formula for 2001-02, although it has expressed concern about the absence of local area data and feels that the formula should be strengthened whenever new data or methodological refinements can be introduced.

23. The Committee has supported the move away from the hypothecation of local government funding and the development of the new system of policy agreements focused on policy

outcomes.

24. The Committee has also considered other aspects of the local government finance system, mainly in the context of the consultation paper *Simplifying the System – Local Government Finance in Wales*. The Welsh Local Government Association made a presentation to the Committee to set out the local government view on the system. The Committee has taken a particular interest in the Cabinet's proposals for a supplementary business rate, where it has argued that strong partnership arrangements should be put in place to protect the interests of local businesses.

(iv) Urban regeneration

25. In May 2000, the Committee considered an overview of the National Assembly's role in relation to urban regeneration. It subsequently considered in detail the Local Regeneration Fund and the URBAN II Community Initiative Programme, including a presentation by the West Wrexham Partnership. The Committee also received presentations from Groundwork Wales and the Coalfields Regeneration Trust.

26. In the autumn term, the Committee considered the National Assembly's response to the UK Government's Urban White Paper.

(v) Crime reduction

27. In May and June 2000, the Committee considered the National Assembly's role in relation to crime and disorder, including a presentation from the Youth Justice Board. In October the Crime Reduction Director for Wales made a presentation to the Committee, and the Minister provided a progress report at the end of the autumn term.

(vi) Cross-cutting issues

28. The Committee has been keen to take account of cross-cutting issues in its work. This is particularly true in relation to housing, with consideration of the 'Lifetime Homes' design standards, the Black and Minority Ethnic Housing Strategy and home energy efficiency.

29. In June 2000, the Committee considered the responses to the consultation paper *A Sustainable Wales – Learning to Live Differently*. More recently, it considered the National Assembly's first annual report on social disadvantage.

30. The Committee has also taken a close interest in children's issues. In June 2000 it considered the Play 2000 grant scheme, and in February 2001 it discussed the report *The State of Play*. The Committee also considered the Welsh Affairs Committee report on childcare in Wales.

Review of expenditure and administration – Standing Order 9.7 (ii)

31. The Assembly Secretary for Local Government and Housing and subsequently the Minister for Finance, Local Government and Communities provided written or oral reports at each Committee meeting. This kept Members informed of current issues and enabled the Committee to review developments within the portfolio.

Review of Assembly Sponsored Public Bodies – Standing Order 9.7 (iii)

32. There are relatively few Assembly Sponsored Public Bodies within the Committee's remit. In the autumn term, the Committee considered the Local Government Boundary Commission's Annual Report and Accounts for 1999-2000.

33. In the spring term, the Committee received a presentation from the Building Regulations Advisory Committee. This is a Non Departmental Public Body sponsored by the Department of the Environment, Transport and the Regions, which advises their Ministers on building regulations for England and Wales.

Proposed legislation – Standing Order 9.8 (i)

34. The Committee was not invited to scrutinise any draft subordinate legislation in accordance with Standing Order 22. However, the Committee did consider a draft of the Housing (Preservation of Right to Buy) (Amendment) (Wales) Regulations 2001 before the Order was put to the Business Committee. Also, by considering the relevant policy issues, the Committee influenced much of the local government and housing related legislation put to the Assembly over the year.

35. Following a resolution passed by plenary, in February 2001 the Committee reported to plenary on the implications for Wales of the Homes Bill.

Budget – Standing Order 9.8 (ii)

36. In June 2000 the Committee considered a commissioning paper for the 2000 budget round, as well as an issues paper from the Assembly Secretary. On the basis of these discussions, the Committee informed the Cabinet of its budget priorities.

37. Before commenting on the draft budget in the autumn, the Committee received a presentation from the Welsh Local Government Association setting out their case for investment in local government services and assets.

Complaints – Standing Order 9.8 (iii)

38. No complaints were referred to the Committee under the procedure outlined by Standing Order 21.

Public Appointments – Standing Order 9.8 (iv)

39. Up to November 2000, Alison Halford and Janet Ryder served on the Public Appointments Panel which oversees the public appointments within the Committee's remit. Following changes to the membership of the Committee, Gwenda Thomas replaced Alison Halford on the Panel.

Matters referred by the Assembly – Standing Order 9.8 (v)

40. No matters were referred to the Committee by the Assembly, other than a request to report on the implications of the Homes Bill, as mentioned above.

Forward work programme

41. The Committee's work programme is set out in its strategic forward work programme for the period to December 2002.

MEMBERSHIP OF THE LOCAL GOVERNMENT AND HOUSING COMMITTEE

1. The Members elected to the Committee on 29 March 2000 were as follows:

- Gwenda Thomas (Chair)
- Peter Law (Assembly Secretary)
- Peter Black
- David Davies
- Janice Gregory
- Alison Halford
- Brian Hancock
- Janet Ryder
- Owen John Thomas

2. There have been a number of subsequent membership changes:

- On 12 September 2000, Janet Davies replaced Brian Hancock;
- On 10 October 2000, Dai Lloyd replaced Owen John Thomas;
- On 16 October 2000, Edwina Hart replaced Peter Law on her appointment as Minister for Finance, Local Government and Communities;
- On 9 November 2000, William Graham, Peter Law and Tom Middlehurst replaced David Davies, Janice Gregory and Alison Halford when the subject committees were re-elected.

OUTSIDE BODIES CONTRIBUTING TO THE COMMITTEE

- The Audit Commission
- The Building Regulations Advisory Committee
- The Chartered Institute of Housing
- The Coalfields Regeneration Trust
- The Council of Mortgage Lenders
- Disability Wales
- Glyntaff Tenants and Residents Association
- Groundwork Wales
- The House Builders Federation
- The Local Government Boundary Commission
- The National Housing Strategy Task Groups
- Newydd Housing Association
- The Public Private Partnerships Programme
- Shelter Cymru
- Trowers and Hamlins
- Wales TUC Cymru
- The Welsh Federation of Housing Associations
- The Welsh Local Government Association

- The Welsh Tenants Federation
- The West Wrexham Partnership
- The Youth Justice Board

Annex 3

THE ROLE OF SUBJECT COMMITTEES

EXTRACT FROM STANDING ORDERS

9.7 Each subject committee shall

- (i) contribute to the development of the Assembly's policies within the fields for which the relevant Assembly Secretary is accountable to the Assembly;
- (ii) keep under review the expenditure and administration connected with their implementation; and
- (iii) keep under review the discharge of public functions in those fields by public, voluntary and private bodies.

9.8 Each subject committee shall also, within the relevant fields,

- (i) advise on proposed legislation affecting Wales, including performing its functions under Standing Order 22;
- (ii) provide advice to the Assembly Cabinet on matters relating to allocation of the Assembly's budget in accordance with Standing Order 19;
- (iii) perform its function under Standing Order 21 (complaints);
- (iv) perform any functions assigned to it under the Code of Practice on Public Appointments Procedure made by the Assembly under Standing Order 20; and
- (v) consider matters referred to it by the Assembly within its fields.

