

## **LOCAL GOVERNMENT AND HOUSING COMMITTEE**

### **MINISTER'S REPORT**

#### **Business rates – discretionary rate relief**

1. In the Partnership Agreement we said that we would look at ways of giving more rate relief to small rural businesses providing vital services to village communities throughout Wales. I am also keen to help small sports clubs with their rate bills.
2. Our proposals for a rate relief scheme for small businesses, which we will discuss later this morning, will, in the longer term, significantly reduce the rate burden on all small businesses whether they are in rural or urban areas.
3. However, primary legislation will be required to give effect to the scheme and this is unlikely to happen before 2003-04. In the meantime, we have been consulting local government on how we might encourage councils to grant more discretionary relief to small rural businesses and sports clubs. At present they contribute 25% to the cost of discretionary rate relief. This is raised locally through the council tax. The Assembly meets the remaining 75% from the non-domestic rating pool.
4. In the light of the responses we received, I have decided to reduce the amount councils have to contribute to 10%. This means that for the same impact on council tax, councils will be able to give more relief to existing recipients or grant new relief to businesses who do not receive it at the moment.
5. This is a modest change, but one, which will have very real benefits for small rural businesses and voluntary sports clubs, as well as the wider communities they serve. This would be at no extra cost to council taxpayers. The cost, if any, to the Assembly would be modest.
6. Because of timing constraints imposed on us by primary legislation, unfortunately it is too late to implement these changes for the coming financial year. However, I will bring forward legislation in the autumn that will give effect to the changes in the 2002-03 financial year.

#### **Council tax – billing and collection**

7. During the Local Government Revenue Settlement debate in Plenary on 6 February, Pauline Jarman expressed some concern about billing and collection of council tax. In particular, she was concerned that the current arrangements, whereby billing authorities collect council tax not only for themselves but also on behalf of precepting authorities (i.e. police authorities and community councils), cloud the accountability issue. In the light of this I have considered whether there is a need to re-examine the regulations to see whether council tax collected by unitary authorities can be

separated from that collected by other precepting authorities.

8. The Council Tax (Demand Notices) (Wales) Regulations 1993 make provision for the content of the council tax demand notice. The regulations stipulate that the bill must contain, amongst other things, the amount set by the billing authority in accordance with section 30 of the Local Government Finance Act 1992 and the amount calculated by the major precepting authority in accordance with section 47 of the 1992 Act. The council tax bill is therefore a consolidated bill which represents the council tax set for all the local authorities in the area. The total amount shown on the bill is broken down into the amounts being raised by the major precepting authority, e.g. the police authority, and if appropriate, the local precepting authority (the town or community council). Taxpayers are, therefore, able to see that the bill does not just pay for local services but also for the police and community council services.

9. The regulations also make provision for certain financial and other information to accompany the bill. This will include information on the expenditure of the local authority and the precepting authority for all services administered by it. Taxpayers are, therefore, able to see which authority spends what and, by virtue of this, should be able to identify clear lines of accountability.

10. The alternative, one council, one bill, would mean that a taxpayer could in some cases receive 3 separate bills, (plus three separate explanatory leaflets) arriving at different times, which could mean three separate payment arrangements. This would undoubtedly lead to confusion for the taxpayer. It would also be administratively costly for councils to administer.

11. I have written along these lines to Pauline Jarman and have asked officials to keep this matter in view through the Local Taxation Working Group.

### **Publicising the activities of care & repair agencies in Wales**

12. Care & Repair Cymru has received permission to extend its publicity arrangements to take in GP Surgeries, hospital waiting rooms, public libraries and other communal waiting areas. This will increase awareness of the service that Care & Repair Cymru and the individual Care & Repair agencies provide for elderly and disabled people who wish to stay in their homes.

13. Care & Repair Cymru have also been working closely with Eaga Partnership Ltd (the Home Energy Efficiency Scheme HEES manager). They plan a close working relationship between individual Care & Repair agencies and Eaga for both marketing the HEES scheme and in surveying properties for heating and insulation matters

### **Home Energy Conservation Act**

14. At the Committee meeting on 24 January, at which the Home Energy Conservation Act progress report was considered, I agreed to provide a further briefing paper on the development of home

energy efficiency policies. That report was forwarded to the Chair last week for onward distribution to the Committee.

### **Housing and planning aspects of houses in multiple occupation (HMOs)**

15. I have given further consideration to the issue of bringing the environmental health and land use planning standards closer together for houses in multiple occupation.

16. This is a complex issue which arose out of the LGH Committee meeting of 22<sup>nd</sup> June 2000. Our National Housing Strategy has reaffirmed our commitment to reform legislation on HMOs including the introduction of a mandatory system of licensing. This will provide better managed, better quality and safer HMO accommodation affording better protection for tenants. Although licensing will require primary legislation, I will seek to ensure that the Assembly will have the flexibility, through secondary legislation, to meet the needs of particular Welsh communities.

17. The question of amending planning legislation in parallel with that of housing will be reviewed in the autumn when the shape of the forthcoming legislation becomes clearer.

### **Distribution of Supplementary Credit Approval (SCA) to Support Strategic Housing Schemes**

18. On 15th February I announced the outcome of the bids from local authorities for Supplementary Credit Approvals to support strategic housing schemes in 2001-2002.

19. SCAs to the value of almost £49.5 million are being distributed to local authorities to support their local housing priorities. This is a significant increase over the current year. Details of the allocations for each authority is on the Assembly's website.

20. The SCAs are a significant addition to the £149.4 million local authorities will have for housing as part of their General Capital Funding and the £56.4 million available to Registered Social Landlords.

21. Successful schemes in the private sector include area based renewal, strategically targeted private sector grants, assistance for elderly and disabled people and improvements to Houses in Multiple Occupation (HMOs).

22. In the public sector we are supporting works that include the strategic improvement and redevelopment of local authority housing estates which will enable councils to address the particular housing needs of those areas.

23. The wide range of schemes supported will not only improve the condition of people's homes in both rural and urban areas but also play an important role in helping regenerate our communities and underpin our Communities First proposals

## **Rural Homebuy**

24. I announced the introduction of a new 50% Homebuy equity threshold for rural areas to the Committee on 24 January.

25. Where local people in rural communities are being priced out of the market local authorities will be able to respond by targeting more of the resources of Social Housing Grant available within their boundaries to rural homebuy.

26. I have offered further assistance by making an additional £1.50m available to support Homebuy in rural communities. This will be available to augment the amounts of Social Housing grant local authorities make available within their Social Housing Grant programmes for 2001-2002 by up to 100%.

27. With this assistance local authorities and Registered Social Landlords should be able to help at least 100 households in rural areas to afford the purchase of homes within their communities.

## **Design quality standards and costs of rural housing for rent**

28. There is anecdotal evidence from some local authorities and Registered Social Landlords that the need to comply with the National Assembly's housing design quality requirements can, in some rural locations, prevent purchase of existing dwellings for rent.

29. It has also been argued that the second home market has inflated house prices in some rural and coastal areas, making purchase and renovation uneconomic within current grant limits.

30. I announced my intention to consult with Registered Social Landlords and local government on these matters to the Committee on 24 January. My officials have initiated the consultation process and have asked for responses to be returned by the 16 March. I will report the outcome to the Committee in due course.

## **Policy Review of Community Regeneration**

31. At the last meeting I undertook to let you have ideas for your proposed policy review of community regeneration. I have written to the Chair suggesting that the committee may want to consider reviewing the Assembly's and ASPBs' policies and programmes aimed at community regeneration with a view to streamlining existing programmes and improving arrangements for their delivery. The committee previously asked about partnerships and schemes for community regeneration. I would like

to point out that with our support the University of Glamorgan has brought together a "Community Development Directory" which can be accessed through the website: [www.glam.ac.uk/regeneration](http://www.glam.ac.uk/regeneration)".

### **Supporting People Consultation Paper**

32. As the Committee is aware, the consultation paper "Funding and Implementation" was issued in January

33. To assist in the consultation process a national seminar was held on 13th February 2001. 112 people attended including representatives from 20 local authorities as well as Registered Social Landlords and voluntary organisations.

34. The purpose of the Seminar was to give organisations affected by the introduction of supporting people the opportunity to raise specific concerns so these could be considered during the policy development process. A number of key issues were raised which will be addressed to ensure a smoother transition to the new system in April 2003. The comments have been recorded and will be published.

### **Meeting with Welsh Fire Authorities**

35. I met the Chairs and Vice Chairs of the three Welsh fire authorities and their chief fire officers on 14 February. We agreed to work together to address issues of community fire safety, including the installation of smoke detectors and sprinkler systems; the importance of educating school children on fire safety; the potential for including Young Firefighter projects in Communities First areas; and action to reduce arson. A joint working group is being set up to produce recommendations on these subjects. The fire authorities also raised with me the question of whether there was scope for greater collaboration between the three emergency services in Wales. I undertook to discuss this first with Jane Hutt, as the Cabinet Member responsible for the ambulance service.

### **Subordinate legislation programme 2001**

36. I attach for the Committee's information (**Annex 2**) details of the forward programme of local government and housing legislation I plan to bring forward for the Assembly's approval before the Summer recess. The programme notes the projected dates for making each piece of legislation. This will be a regular feature of my monthly reports where I will update the Committee on progress, and bring to its attention any significant changes or modifications to the timetable.

