

# **EDWINA HART – REPORT TO LG&H COMMITTEE – 29 January 2003**

## **Local Authority Housing Determinations for 2003-2004**

I have now authorised the issue of two Determinations to Local Authorities for Housing Revenue Account purposes for 2003-2004. All Assembly Members were advised on 3 December 2002 of my intention to make the Determinations under the provisions of Standing Order 27, together with a summary of the changes proposed. Subsequently on 18 December all Assembly Members were advised of an amendment to my initial proposals in respect of the average guideline rent increase for 2003-2004.

## **The Housing Revenue Account Subsidy (Wales) Determination 2003-2004**

The objective of the subsidy is to meet any shortfall between expenditure and income on a Local Authority's notional housing revenue account. The Determination was issued on 14 January 2003. The key issues are unchanged from those on which Assembly Members and Local Authorities were consulted. These are:

- an all-Wales Average guideline rent increase for council housing of 3.25%, or £1.37 per week;
  - an increase in management and maintenance allowances to £1,255 per dwelling for each local authority, which represents a further increase of £25 on the revised amount for 2002-2003.

Management and maintenance allowances have been set at the maximum level consistent with the current figures submitted to Treasury for approval for 2003-2004.

## **The (Wales) General Determination of the Item 8 Credit and Item 8 Debit 2003-2004**

This was also issued on 14 January 2003 and provides for the basis on which Local Authorities are to charge expenditure and credit income to their actual housing revenue account for 2003-2004. The Determination for 2003-2004 is unchanged in substance from that issued for the current financial year.

## **Community Councillors Allowances**

I reported to a previous committee that I was consulting with community councils on draft regulations on allowances payable to members. I can now report on the findings of that consultation which ended last month.

Twenty responses were received. Eight supported the proposal of an annual inflationary increase in the allowances and welcomed the proposed new maximum rates. Four were opposed in principal to the draft regulations. Eight were opposed to certain aspects including publication of the scheme and the proposal that town and community councillors, who were also members of the unitary authorities, should not be able to claim allowances.

It also became clear during the consultation exercise that much concern was placed on the financial impact of the draft regulations on some of the smaller local councils. But this appears to be based on a misunderstanding as the regulations would not overturn primary legislative provisions which prevent community councillors from receiving allowances for duty performed within their own community.

Following on from this I have decided that the draft regulations should be amended to take on board the following:-

- a. the removal of the requirement to publish a scheme;
- b. a coming into force date of 1 April 2003;
- c. allowing members of principal councils who are also community councillors to receive allowances for their duties as members of the

community council;

and also that non-statutory guidance be prepared to accompany the regulations.

My officials are amending the draft regulations (which will be known as "The Local Authorities (Allowances for Members of Community Councils) (Wales) Regulations 2003") for presentation to the Assembly.

### **Local Authorities Functions and Responsibilities Regulations**

My officials will shortly be conducting a consultation exercise with local authorities in order to assess the desirability of amending the existing regulations which specify which local authority functions are not to be, may not be, or are not solely to be, executive functions.

Since new constitutions have come into effect, since May 2002 in most cases, a number of queries have been raised by regulatory officers within local authorities regarding the allocation of functions. Specifically, functions with regard to Building Regulations, Trading Standards and registration of motor salvage operators have been highlighted as areas which would tend to fit better as non-executive functions because of their regulatory nature. Before amending the existing regulations, I want to clarify whether there are any other areas of difficulty.

## **Supplementary Credit Approval allocations for Renewal Areas**

Concern was expressed at the 11 December Committee meeting that the amount of SCA allocation for Renewal Areas for 2003-2004 was lower than had been originally indicated.

The arrangements for the distribution of SCA for 2003-2004 were agreed with the WLGA. It was agreed that part of the SCA would be allocated for strategic housing schemes using the housing distribution formula with the remainder to support Renewal Areas in response to bids.

Although there was no indicative split between these categories it was agreed that a maximum of 50% of the SCA would be used to support renewal areas. However the precise figure would be dependent on consideration of the bids.

The final allocations of the of the SCA of £51.2m was £31m for strategic schemes and £20,2m for Renewal Areas. This represented a significant increase over the £18m allocated to renewal areas in 2002-2003. Arrangements for the distribution of SCA for 2004-2005 will be discussed with the WLGA.

## **Restructuring of Drug and Alcohol Action Teams (DAATs)**

In October and following a consultation exercise, I announced that the existing DAATs would be abolished and that an equivalent strategic level of co-ordination would be established based on the four police areas and be delivered by Assembly staff in those four areas.

Officials are presently in consultation with DAATs and their employers on the future staffing arrangements within the Assembly's Community Safety Unit. The revised structure comprises a dedicated policy team and development team in Cardiff together with four regional teams across Wales. We are mindful of the concerns of staff and we are aiming to do the restructuring as quickly as possible. Our overriding wish is to retain the expertise that exists.

## **Police Reform Act 2002 (Commencement) (Wales) Order 2003**

Members will wish to be informed of progress on this Commencement Order which will bring certain provisions of the Police Reform Act 2002 into power in Wales on 1 April this year.

The Order, a Statutory Instrument, will have the effect of broadening and strengthening the 22 Welsh Community Safety Partnerships, which are led by Chief Officers of the police and local authorities, by placing a statutory responsibility on police authorities, fire authorities and health authorities (and the successor Local Health Boards) to form part of their local partnerships. The Order also places a new statutory obligation on Partnerships to develop and implement local substance misuse strategies.. The Order gives the Assembly powers to issue guidance on what the substance misuse and community safety strategies should contain and to set timescales for their submission and also for reports on progress.

The draft SI should be considered by the Business and Legislation Committees next month and by Plenary in March.

## **Information on "Race Hate"**

Black, Minority Ethnic (BME) people are more likely to be the target of racist victimisation than other groups of people. The report of the inquiry into the death of Stephen Lawrence defined a racist incident as 'any incident which is perceived to be racist by the victim or any other person'. Recent research commissioned by the Assembly Government, 'The Housing and Socio-Economic Circumstances of BME People in Wales', has found that the numbers of incidents of racial harassment in Wales reported to the police has risen significantly in recent years. Close to 2,000 incidents of racial harassment were reported to the police in the year 1999/2000. This is likely to be a serious under-estimate, as in the UK as a whole it is estimated that only one in sixteen racial harassment incidents are reported to a statutory body.

Tackling racial harassment is one of the 12 key themes of the 'BME Housing Action Plan for Wales', with the objective that all social landlords, local authority housing departments and registered social landlords (RSL's), should take prompt responsive action to racist incidents and be widely recognised as doing so. The long-term target outcome for this objective is to achieve a decrease in the number of racist incidents.

In pursuit of this objective on a strategic level, the BME Housing Action Plan requires social landlords to have in place robust and effective anti-racist harassment policies, procedures and working protocols that should encourage reporting of incidents; support victims; deal with perpetrators; have monitoring mechanisms that produce reports for councillors and board members; and seek to prevent racial harassment in the future. Policies should adopt the Stephen Lawrence Inquiry definition of a racist incident as outlined above. Social landlords' anti-racist harassment policies should be widely publicised and regularly reviewed. Relevant community organisations should be encouraged to participate and consulted on the drawing up, implementation and review of social landlord racial harassment policies. The housing dimension should also be considered in multi-agency initiatives, such as local 'Community Safety Partnerships' and 'Multi-Agency Forums on Racial Harassment', to tackle racial harassment, and crime and disorder reduction, particularly race-hate crime.

On a more operational level, social landlords should review their tenancy agreements to ensure that they have clear clauses on prohibiting and dealing with racial harassment, and that their staff who have responsibility for handling racist incident cases receive appropriate training. Landlord performance in this area will be reviewed by checking compliance with the 'Code of Practice for Social Landlords on Tackling Racial Harassment'.

The Assembly Government is taking the following action to assist social landlords in tackling racial harassment:

1) We are providing funding of £34k to Lemos & Crane, who have developed RaceActionNet, the on-line directory for action against racial harassment. RaceActionNet was launched in March 2001 with Government funding, the network now has over 1,500 members from local authorities, police, social landlords, criminal justice agencies, and community and voluntary organisations across the UK. RaceActionNet is an action network bringing together practitioners and policy makers from a range of sectors with public responsibility for tackling racial harassment to share good practice, identify problems and propose solutions. Clearly RaceActionNet can be a valuable tool in helping social landlords to meet their commitments in the BME Housing Action Plan to tackle racial harassment.

This funding will be used to provide further support by paying RaceActionNet to offer free subscriptions to local authority housing departments and RSLs in Wales. It will also assist with the establishment of a Development Fund which will enable members of RaceActionNet to be paid for their time in developing these new approaches and materials that will benefit all of the network's members; to develop an Excellence Framework to build continuous improvement in tackling racial harassment and racist attacks in the home and neighbourhood; and to set up a Bursary Fund to allow continued free membership of RaceActionNet for voluntary and community organisations. (Statutory organisations will be charged a fee of £200 per landlord that allows unlimited use of the site for an unlimited number of users.) This funding will also be used to provide further support by paying RaceActionNet to offer free subscriptions to social landlords in Wales.

2) The development of a 'Race Equality and Housing' training package for social landlords, that will include a general module on racial harassment and a more specific module for housing staff, particularly those that have a responsibility for handling racist incident cases.

The National BME Housing Review Group, which has the role to monitor and evaluate the overall delivery of the Action Plan, including progress on implementation of actions that fall to the Assembly Government, will look more closely at the issue of racial harassment at its next meeting. This will include the role of the police in multi-agency initiatives in tackling racial harassment and crime and disorder. Strategic level representatives from the police in Wales will be invited to attend.

## **Implementation of Financial Reporting Standard (FRS) 17 'Retirement Benefits' in Local Authority Accounting**

I agreed last year to support a request by the Chartered Institute of Public Finance and Accountancy (CIPFA) to make regulations to support the introduction of Financial Reporting Standard 17 which prescribes how local authorities should account for pension costs from 1 April 2003.

You may be aware that adoption of this standard has been deferred in the private sector, however, as local authorities have not fully adopted the existing accounting standard on pensions, CIPFA which produces the professional guidance for accountants in local authorities has agreed with the Accounting Standards Board that local authorities will adopt FRS 17 to the original timetable.

The adoption of FRS17 in local authority accounting will show the extent to which retirement benefits already earned by a local authority's current employees have been funded. Therefore, when accounting for pension costs using FRS17 in any one financial year, the budgeted and reported cost of pensions will be linked to true cost's rather than being based on the employer's cash contribution to the Pension Fund. As a result local authorities are likely to report deficits and regulations will be required to clarify that the whole of the deficit does not need to be claimed from council tax payers in one year. The implementation of this accounting standard will provide better, more robust information for local authorities and the Assembly to properly plan for the management of pension costs.

The draft regulations (The Local Authorities (Capital Finance)(Amendment)(Wales) Regulations 2003) are currently a matter of consultation with interested parties and copies can be found on the internet. The closing date for comments is 31 January 2003.

## **Communities First**

### **Progress**

Good progress continues to be made under the Communities First programme. To date, 64 embryonic Communities First Partnerships have been established and funding of £41m has been allocated to support the implementation of the programme at a local and national level.

### **Guidance**

The Generic Communities First Guidance, which was originally issued in September 2001, has now been updated and re-issued. I wrote to the Chair of Committee enclosing copies of the document for members on the 20 December 2002. It will be available in Welsh and in ring binder format shortly.

There is now a comprehensive set of guidance available for implementation of Communities First. The guidance will be regularly updated as we learn from experience.

## **Publicity**

As part of the Communities First Communications Strategy a bilingual Regeneration Supplement was published in the Western Mail on 22 January 2003. The Supplement provides the first wide-scale promotion of the Assembly Government's regeneration policies. An additional print run of 2,000 copies of the Supplement has been distributed to all Assembly Members; Communities First Regional Teams; local authorities; other public sector agencies; Communities First Co-ordinators and Partnerships; voluntary and community groups; and individuals registered on the Communities First contacts database.

The programme is receiving regular, positive coverage in the local press. Opportunities are being taken up to extend this awareness raising through regional and local publications within Wales and throughout the UK.

## **Local Government and Housing Committee Review of Community Regeneration**

The Committee will wish to be aware that work is progressing in taking forward the recommendations of its review of community regeneration and I will arrange for a paper to be circulated updating Members.

## **Wales Programme for Improvement**

I announced agreement on a joint protocol between the Welsh Assembly Government, Welsh Local Government Association and Audit Commission setting out how the three would work together to support the continuous improvement of local authority services in Wales. **A copy is attached at annex A.**

A key feature of the agreed protocol is the creation of an Improvement Board on which all the key players in the Wales Programme for Improvement will be represented. The Board will report to the Partnership Council as one of its working groups. It will provide a means of monitoring and resolving any issues which cannot be resolved locally and will ensure that the spirit of the Wales Programme for Improvement guidance is followed.

## **Freedom and Responsibility**

The Partnership Council considered a progress report, in accordance with the commitment given in my policy statement "Freedom and Responsibility", on cutting red tape in local government. Partnership Council members argued for a radical approach which would cut the

requirement for plans to single figures. They also supported the proposals for controlling and reducing the number of specific and special grants and partnerships.

## **Community strategies**

The Partnership Council agreed to the continuation of the Community Strategies Working Group and to a national conference which can address issues such as the engagement of other public bodies in helping to develop these strategies

## **Voluntary sector**

The Welsh Local Government Association and Wales Council for Voluntary Action will do further work on a joint guide to local authority working with the voluntary sector in the light of discussion at the Partnership Council meeting.

## **Emergency planning**

The Partnership Council supported a proposal to establish a high level group to discuss emergency planning issues affecting Wales at a strategic level and give direction to the work of the Emergencies Working Group.

## **Community safety partnerships**

In considering a progress report, the Partnership Council agreed on the need for a debate about policing and in particular the need for community policing as well as policing to tackle serious crime. Members welcomed the decision in Wales to include the health sector in community safety partnerships without delay and emphasised the importance of the links between crime reduction and treatment for substance misuse.

## **Reorganisation within the Probation Service**

At the last meeting I undertook to cover reorganisation within the Probation Service in my next written report. I am due to meet with the Probation Service on Monday 27 January and will update the Committee following that meeting.

## **Licensing Bill**



The Licensing Bill was introduced in the House of Lords on 14 November 2002 and completed its Committee stage there on 20 January 2003.

It proposes:

- new police powers to close licensed premises without notice for up to 24 hours where disorder is occurring;
- flexible opening hours, there is the potential for up to 24 hours opening 7 days a week;
- that children will be allowed access to any part of licensed premises at the discretion of the premises licence holder. The legal age for drinking alcohol on licensed premises and for buying it there will remain at 18;
- a single integrated scheme for licensing premises which sell alcohol, provide public entertainment or provide refreshment late at night;
- Licences which would be granted by electorally accountable local authorities instead of magistrates and that the views of local residents will be taken into account in deciding applications.

The following criteria will be taken into account in granting licences:

- a) the prevention of crime and disorder;
- b) public safety;
- c) the prevention of public nuisance; and
- d) the protection of children from harm.

The existing legislation provides that premises in Wales licensed for the sale of alcohol may open on Sundays only where there has been a vote in favour of such opening in the local government area where the premises are situated (see sections 66 and 67 of the Licensing Act 1964). These statutory provisions are repealed by the Bill.

The Bill provides procedures for regulating the discharge by the licensing authority of its functions. Authorities will be required to publish a policy framework document every three years. In producing the document a licensing authority is required to take account of the views of those representing the holders of licences and certificates, local residents and businesses, the police, and the fire authority. Licensing authorities will also be required to take into account

guidance issued by the Secretary of State.