

Report by the Minister for Finance, Local Government and Public Services

Purpose

1. The purpose of this paper is to provide the Committee with an overview of the key issues and priorities within the Local Government portfolio.

Background

2. In preparing this report I have attempted to identify the most important issues that are currently being taken forward within the local government arena. They are grouped by broad subject area and I have concentrated in particular on those that will require both policy development and legislation.

Recommendation

3. The Committee is invited to note the content of the report and to comment as appropriate.

Issues

4. Conduct of Referendum Regulations

The Committee considered these regulations at its January meeting. Following that meeting, I provided a paper on timetabling issues and I have since written to the Chair concerning the need to use partial executive procedures to introduce these regulations.

Executive procedure has become necessary in order to achieve the timetabled consideration by plenary on 23rd March. Without using this procedure, it would not be possible to keep to this timetable and this would be undesirable because it would mean the probable delaying of the referendum in Ceredigion.

As the committee is aware, these are complex regulations, and a number of amendments became necessary following the consultation process. In addition, these regulations require consideration by the Electoral Commission prior to tabling before the Assembly and these two factors have necessitated executive procedure in order to achieve the 23rd March plenary.

By the time of the committee meeting, the final draft regulations, together with a statement from the Electoral Commission, should have been tabled. There will be a number of changes since the consultation draft which was considered by the committee. These are as follows:

- In order to make the question to be put in the referendum more intelligible to voters, it will consist of a statement (explaining the existing and proposed models) followed by a simple question. This will be the subject of comment from the Electoral Commission.
- The decision which the council can make as to whether to run the referendum by all-postal ballot is made a function of the full council, not the council's executive.
- A 28-day ban on the council producing any publicity material prior to the referendum has been removed in favour of allowing the council to produce information during this period provided that a copy of any such material is sent to the Electoral Commission.
- The council will be obliged to have regard to guidance from the RNIB on use of Clear Print before producing ballot papers.
- The regulations will be brought into force the day following debate, rather than the 31st March.
- The provisions on combination of the referendum with other polls have been removed. This has become necessary because of legislation on the 2004 elections being considered by Parliament this month. Approval of the legislation would have necessitated late drafting changes to our regulations, which would have delayed them further. As there appeared to be no support for holding the referendum on the same day as the local and European elections, this became the most desirable course of action. This means that the part of my earlier note dealing with the effect of the combination provisions on the timing of the referendum can be disregarded.

In addition to the above changes to the regulations, local authorities will be advised, in a guidance letter, to have regard to the RNIB's guidance on use of Clear Print before producing ballot papers and other election material.

4. The Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004.

These regulations were approved by the Assembly in plenary on 24th February and came into force the following day. They prescribe a new class C - long term empty homes, which will allow Welsh billing authorities to reduce or end the council tax discount for chargeable dwellings which are unoccupied and substantially unfurnished.

Local authorities now have the flexibility to exercise discretion for all or part of their areas depending on local circumstances.

5. The Council Tax (Demand Notices) (Wales) (Amendment) Regulations

2004.

These regulations were approved by the Assembly in plenary on 25th February and came into force the following day. They allow local authorities to make changes to demand notices in respect of their discretionary powers to determine vary or end discounts and exemptions from council tax.

An amendment has also been made in anticipation of new council tax lists being produced following council tax revaluation.

7. The Local Authorities (Alteration of Requisite Calculations) (Wales)

Regulations 2004

The Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2004 were approved by the Assembly in Plenary on 25 February 2004 and came into force the following day. The purpose of Regulations is to amend sections 43 and 44 of the 1992 Act such that police authorities in Wales must take into account the floor funding authorities will receive from the Home Office (as well as the other sums referred to in these sections) when making their budget requirement and council tax calculations for the next year.

In making all of the above regulations a letter went to the Committee to explain the need to make them under the Assembly’s Executive Procedure.

8. In-year Budget Changes 2003-04

Under Standing Order 19 I am required to inform Local Government and Public Services Committee members of changes to the Local Government Main Expenditure Group budgets during the financial year. A letter was sent to the Committee on 23rd February setting out the changes below.

£000

Bel	Existing Provision	Proposed Change	Proposed Provision

Valuation Office Agency	10,433	-200	10,233
Police Funding (Rev Supp Grt & NDR)	142,647	+148	142,795
Valuations Tribunal			
Miscellaneous Local Government Expenditure	1,000	+52	1,052
New Bel: LA Asset Management Plans	887	-150	737
		+1,000	+1,000
	154,967	+850	155,817

9. Local Government Settlement – Police Authorities

On the 10 February, the Assembly approved the final settlement for police forces in Wales through a motion to approve the local government finance report for police authorities. Police authorities are funded through revenue support grant, non-domestic rate income from the Assembly, Police Grant and floor funding from the Home Office. Taking all the various elements of funding into account, and excluding new PFI obligations, the overall central support for police authorities in Wales will increase by 3.25% compared with the current financial year.

10. Special Grant to increase Local Authorities' Capacity to Care for

People in their Homes and Communities

The terms and conditions for this grant have now been issued to all authorities. This grant is funded from the Welsh consequential arising from the Chancellor of the Exchequer's pre-budget report.

11. Past Service Awards

Of the 8 local authorities who have decided to operate the Past Service Award Scheme, 4 have published the names of their councillors who have applied for an award. They are Ceredigion, Neath Port Talbot, Swansea and Torfaen and I commend their actions. The remaining councils (Carmarthenshire, Flintshire, Newport and the Vale of Glamorgan) are being encouraged to follow suit, but ultimately this is a matter for them.

12. **Review of Disciplinary Procedures for Chief Executives and Certain**

Other Local Authority Officers

Members of this Committee should be in receipt of a consultation paper which issued recently on the review of disciplinary procedures for certain senior officers in local authorities. Those also consulted included local authorities, the WLGA, SOLACE, the Employers Organisation, local authority trade unions, Assembly Members, CIPFA and the main political parties.

An earlier consultation exercise looked at proposals to introduce regulations under section 8 of the Local Government and Housing Act 1989, which provide for a local authority to introduce standing orders with respect to staff.

The results of that consultation suggested that two areas required further consideration. Firstly, it was indicated that, in view of a significant number of respondents, the practical application of existing provisions for the protection from dismissal of local authority chief executives could enable an incumbent chief executive to prolong procedures to an undesirable extent. Secondly, it was suggested that the protection available to chief executives should also be made available to two other categories of officers, namely the Monitoring Officer and the Chief Finance Officer.

The paper which is now out for consultation puts forward proposals for consideration which deal with both these aspects. Comments are due by early May. I shall consider the need to introduce regulations in light of the comments received.

My officials discussed the timing of this consultation exercise with the WLGA. They did not want this consultation delayed by the local government elections in June. In light of this I decided that the exercise should proceed as soon as possible.

13. **Meetings**

The Consultative Forum on Finance

I chaired a meeting of the Consultative Forum on Finance on 9th February. The meeting considered and approved the remits for the Expenditure, Distribution and Capital Sub Groups of CFF.

The Pensioners Forum Wales

I met with representatives of the Pensioners Forum Wales to hear their views and concerns on council tax and associated benefits. The meeting also discussed past service awards and the special grant to increase local authorities' capacity to care for people in their homes and communities.

Valuation Tribunal Service

I met with members of the Council of Wales Valuation Tribunal Service on 26 February. It was a very beneficial meeting with a positive discussion on the structure of the valuation tribunal service in Wales.

Council Tax Benefit - Take up Campaign

On 1st March in conjunction with the WLGA I added my support to DWP's campaign to improve the take up of council tax benefit. Efforts are being made by central and local government to make it easier for pensioners and those on low or fixed income to apply for benefits. The campaign also highlights recent changes that make the council tax benefit more generous.

Merthyr Tydfil CBC

I visited Merthyr Tydfil County Borough Council on 3rd March and met with the Chief Executive and Leader of the Council.

Action

134. The Committee is invited to note the contents of this Report.

Sue Essex

Minister for Finance, Local Government and Public Services

Contact: Mike Chown ext 1367 (Local Government Finance Issues)

Kate Cassidy ext 3782 (Local Government Modernisation)