

**Date:** 16 June 2004

**Venue:** National Assembly Building, Cardiff Bay

**Title:** 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. The Local Authorities (Capital Finance) (Further Consequential Provisions) Order 2004**

We have been advised by the ODPM of the need to make further consequential provisions as a result of the Local Government Act 2003 (2003 Act). This Order will include a number of minor amendments relating to terminology which have to be updated as a result of the 2003 Act. The main impact of this Order, as it relates to Wales will be to amend the Local Authorities (Contracting Out of Investments) Order (S.I. 1883) as the Contracting Out of Investments Order refers to "approved investments". The term approved investments has no currency under the new Prudential System as the Local Authorities (Capital Finance) (Approved Investments Regulations 1990 (S.I. 426) no longer exist as a consequence of the 2003 Act. This Order is being made under the auspices of the UK Government as the Contracting Out of Functions Orders (and the powers under which the other technical amendments have to be made) have not been devolved to Wales.

### **5. Ceredigion Referendum**

The Local Authorities (Conduct of Referendums)(Wales) Regulations 2004 came into force on 24 March 2004. These Regulations enabled Ceredigion to organise a referendum to decide whether that authority should adopt a political structure involving (amongst others) a directly elected mayor.

A referendum may be triggered by an authority receiving a valid petition. In order for a petition to be valid it must be signed by at least ten percent of the electorate and received during the valid petition period which, generally speaking, occurs every four years and extends over a period of six months.

Ceredigion received a valid petition on 4 November 2003. A referendum was then held on 20 May 2004 at which the turnout was in the region of 36%. The result of the referendum was that the electorate of Ceredigion voted against a directly elected mayor.

As a result of the Ceredigion referendum the Elected Mayor Regulations will be held in abeyance

## **6. Wales Programme for Improvement: Audit Commission in Wales report**

Since my last written report, the Director General of the Audit Commission in Wales has published his detailed report on the first full year of the Wales Programme for Improvement (WPI), following the summary report which members discussed in January. The report confirms that WPI is starting to drive change and improvement. It highlights the real commitment made by authorities to identifying and owning the risks they face and to finding effective solutions. It also stresses that for many authorities there is still some way to go. The Commission highlights in particular leadership; and the capability and capacity of the workforce, as issues which will need determined action by the incoming administrations in June if progress is to be quickened; and it points to the longer term possibilities for authorities to work in partnership to provide services on a more cost effective and efficient basis.

I share the view that people - those in positions of leadership and the workforce at large - are key to improving public services and helping everyone to enjoy a better quality of life; and that there is great potential for authorities to work together for public benefit, which we need to tap into. The Welsh Assembly Government looks forward to working with the newly elected councils and its Improvement Board partners on the key issues for delivering excellent public services.

## **7. Meetings**

### **Cardiff Chamber of Commerce**

I was invited by the Cardiff Chamber of Commerce to speak about Local Government and Public Service issues at a breakfast briefing on 27<sup>th</sup> April

### **Isle of Anglesey County Borough Council**

I Visited Isle of Anglesey CBC on 29<sup>th</sup> April, and met with the Leader and the Chief Executive of the

Council

## **Local Government Partnership Council**

On 6 May, I chaired a meeting of the Local Government Partnership Council. A copy of the draft minutes of that meeting are at Annex 1 for members' information. A consequence of the local elections, the next meeting will take place in the autumn.

**Sue Essex**

## **Minister for Finance, Local Government and Public Services**

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