

Cynulliad Cenedlaethol Cymru
Pwyllgor Llywodraeth Leol a Gwasanaethau Cyhoeddus

The National Assembly for Wales
The Local Government and Public Services Committee

Dydd Iau, 12 Ionawr 2006
Thursday, 12 January 2006

Cynnwys
Contents

[Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau](#)
[Introduction, Apologies, Substitutions and Declarations of Interest](#)

[Adroddiad y Gweinidog](#)
[Minister's Report](#)

[Gorchymyn Llywodraeth Leol \(Awdurdodau Gwerth Gorau\) \(Pwer i Fasnachu\) \(Cymru\) 2006](#)
[The Local Government \(Best Value Authorities\) \(Power to Trade\) \(Wales\) Order 2006](#)

[Rheoliadau Ardrethu Annomestig \(Newid Rhestri ac Apelau\) \(Cymru\) 2006](#)
[Non-Domestic Rating \(Alternation of Lists and Appeals\) \(Wales\) Regulations 2006](#)

[Blaenraglen Waith y Pwyllgor](#)
[The Committee's Forward Work Programme](#)

[Ymchwiliad Lyons i Gyllid Llywodraeth Leol—Adroddiad Intermin](#)
[Lyons Inquiry into Local Government Funding in England—Interim Report](#)

[Prosiect Craffu'r Pwyllgor—Trefniadau Etholiadol—Y Wybodaeth Ddiweddaraf am Gynnydd a Chytuno ar yr](#)
[Amserlen Waith](#)

[Committee Scrutiny Project—Electoral Arrangements—Update on Progress and Agreement of Work Schedule](#)

[Cofnodion y Cyfarfodydd Blaenorol](#)
[Minutes of the Previous Meetings](#)

[Materion yn Codi o Ddeddf Trwyddedu 2003](#)
[Issues Arising from the Licensing Act 2003](#)

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included.

Aelodau o'r Cynulliad yn bresennol: Ann Jones (Cadeirydd), Sue Essex (y Gweinidog Cyllid), Michael German, David Lloyd, David Melding, Catherine Thomas, Gwenda Thomas.

Swyddogion yn bresennol: Rob Hay, Pennaeth Cangen Refeniw Cyllid Llywodraeth Leol; John Palmer, Pennaeth yr Is-adran Polisi Llywodraeth Leol; Hugh Rawlings, Cyfarwyddwr y Grwp Llywodraeth Leol, Gwasanaethau Cyhoeddus a Diwylliant.

Eraill yn bresennol: Susan Perkins, Swyddog Polisi, Cymdeithas Llywodraeth Leol Cymru; Phil Rafferty, Pennaeth Gwasanaethau Trwyddedu a Chofrestru, Cyngor Bwrdeistref Sirol Conwy.

Gwasanaeth Pwyllgor: Virginia Hawkins, Clerc; Julie Owen, Dirprwy Glerc.

Assembly Members in attendance: Ann Jones (Chair), Sue Essex (the Finance Minister), Michael German, David Lloyd, David Melding, Catherine Thomas, Gwenda Thomas.

Officials in attendance: Rob Hay, Head of Local Government Finance Revenue Branch; John Palmer, Head of Local Government Policy Division; Hugh Rawlings, Director, Local Government, Public Services and Culture Group.

Others in attendance: Susan Perkins, Policy Officer, Welsh Local Government Association; Phil Rafferty, Head of Licensing and Registration Services, Conwy County Borough Council.

Committee Service: Virginia Hawkins, Clerc; Julie Owen, Deputy Clerc.

Dechreuodd y cyfarfod am 9.30 a.m.

The meeting began at 9.30 a.m.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declarations of Interest

[1] **Ann Jones:** Good morning everyone and welcome to the Local Government and Public Services Committee. I wish committee members and officials whom I have not seen a happy new year, and, in doing so, I welcome Catherine Thomas and David Melding as new committee members. We are grateful that you have joined us, and we look forward to your contributions. I am sure that we will get on well together. I also welcome Peter Law as a committee member, but he has sent his apologies for this meeting.

[2] Do Members have any declarations of interest other than what they have recorded on the register? I see that there are no declarations.

[3] I remind everyone, including members of the public, to switch off their mobile phones, BlackBerrys, pagers or any other devices that they may have. I also remind Members that there is no fire alarm test today, so should the fire alarm go off and sound as an intermittent signal, we will wait for further instructions, but, if it is an audible and continuous signal, we will take instructions from the ushers regarding which way to go out. Hopefully, that will not happen.

9.31 a.m.

Adroddiad y Gweinidog Minister's Report

[4] **The Finance Minister (Sue Essex):** I have one extra thing to add, and that is in relation to the pensioner reduction scheme, which is at the bottom of page 3. The criteria are set out on page 4. People will remember that this was announced during the budget and relates to the two-band increase that is due to happen from 1 April next year. As Members will know, we worked very closely with the Welsh Local Government Association in developing this scheme. It has had its own technical group looking at this to ensure that it is right. Since we put the report out, it came to the conclusion that there are a few extra things that it wants to put in the criteria, which I have agreed. So, if you are happy, I want to point these out to Members so that there is no misunderstanding.

[5] There are only two real changes. One change surrounds the issue about who is liable—the liable person being 65 or over, which you will see under point iii) in my report. As it stands, the association was concerned that landlords over 65 years of age would benefit from this reduction, and that was never the intention. So, the association would like to add the issue of a property being a landlord's sole or main residence, and that it does not have a council tax exemption with it, which I have agreed. That is to ensure that we do not include a group of people that was not to be included.

[6] The last point was to add a fourth category, which is pretty straightforward. The liable person is not in receipt of council tax benefit as at 1 April 2006. If he or she is in receipt of council tax benefit, they do not pay it, so this is just to ensure that there is a clarification. I respect what the WLGA has done on this in working together, and we must not mislead people to think that they are eligible for something for which they are not. So, with that, Chair, I will answer comments or questions.

[7] **Ann Jones:** I will split up the Minister's report. First, we will take issues 1 to 8, including item 8 and the 'Making the Connections' annex, and we will then take the remainder of the report. So, I will take comments or questions on items 1 to 8.

[8] **David Lloyd:** Under item 4 on the spatial plan, I welcome the intention, from the scrutiny point of view, that we will have a substantial agenda item on this in the next committee meeting. From the point of view of committee scrutiny, it is very important that we have a substantial item. I commend the Minister for agreeing to that.

[9] Under 'Making the Connections' and 'Delivering the Connections', one of the intentions is to see the savings, or the dividends, of £300 million per year building up to £600 million per year. Again, in terms of scrutiny, what progress has been made on achieving those figures? How are those figures, or the progress, being measured? What discussions have been held in respect of efficiency measures/savings/dividends, and what discussions have been undertaken with local authorities with regard to achieving those aims?

[10] **David Melding:** Thank you for your kind words in your introduction, Chair. I look forward to working with members of the committee and the Minister.

[11] I have a query also on 'Making the Connections'. I wonder how it will marry into the other schemes to encourage joint working across public services. This has been an objective for many years, and some good practices have been developing quite robustly. Therefore, in terms of the schemes that have already seen increases in pool budgets, joint-working teams and shared commissioning, is this a completely new approach or is it very much complementing that area of Government activity?

[12] **Michael German:** On 'Making the Connections' again, my question is about the eligible groups. The first sentence of annex 1 states that post-16 education institutions can apply for this funding. Although I am not certain—perhaps the Minister can confirm this—I assume that that does not include school sixth forms. As the Minister will know, there are two proposals by ELWa, which will eventually end up on the Minister's desk, to close all school sixth forms in Merthyr Tydfil and Blaenau Gwent, yet, in Rhondda, it is encouraging collaboration between sixth-form institutions. Since this is part of the whole regime of trying to get not just better education provision, but a better quality of service, I wonder whether the Minister has given consideration to including schools that have sixth forms as being eligible. A large number of headteachers in both of those boroughs are very interested in knowing whether there will be support for them to provide an alternative to closure, that is, to seek collaboration between them.

[13] **Catherine Thomas:** I thank you very much for your warm welcome to the committee, Chair. I look forward to being a member of this committee and to working with everyone on it.

[14] I have only one point to raise, which comes under point 7 of the Minister's report, 'Partnership Council for Wales'. I am particularly interested in the progress with the Gypsy/Travellers research study. This is an area on which I am currently doing a lot of work in my own constituency with the local authority. I wonder whether we could have a progress report on this.

[15] **Sue Essex:** Thank you for your point on the spatial plan, Dai. We were hoping to have the first meeting of the national steering group—a strategic group—at the end of January, but we have an extra committee meeting scheduled, therefore I have had to postpone it. Bearing in mind all of the people who are involved, it will not go ahead until the beginning of March. It is a bit of a shame but, nevertheless, that is how life is. On giving the report, I had initially hoped that we would have had that first steering group meeting that week, but that will not take place at that time. That is just to keep you up to date.

[16] On the point that you raised about keeping stock of gains, all the agencies are required to do that because we do have to account for this. I think that there is a pretty clear understanding now of what we mean by 'cash savings'. I think that we will be issuing further guidance on non-cash savings fairly soon so that we can make sure that everyone is taking the same approach. As you will understand, those savings are much more varied than the cash savings.

9.40 a.m.

[17] On where we are with the NHS and the public agencies that we sponsor, we have a pretty good idea. Yesterday—and John and Hugh were there—I discussed with local government getting a quicker feel of what is happening in local government. I get the information from individual local authorities, and I think that we need to pull that together fairly quickly. I am pretty sure that we would be happy to share that information.

[18] David was right to make his point about the philosophy behind this. I think that we all agree with joint working, but it is quite difficult to achieve in practice in some areas. Historically, Wales has had a good record of doing this—and I speak as someone who has been involved in local government—around local government and, sometimes, on the interface with health. We have always had a strong record of doing it, partly because Wales is a small country, so people know each other and professional groups work together, and so there has been a good history of collaboration. The local government reorganisation tore much of that asunder, which was a real shame, because we have been a long time getting back to some of that collaboration. Post reorganisation, there was a kind of spirit that every unitary authority should be able to cope on its own and establish itself as its own unitary authority.

[19] The change in culture that has occurred in local government has been remarkable. There is a positive acceptance that authorities need to collaborate much more imaginatively perhaps than has happened in the past. There are some good examples around. There are good examples in education in the south Wales Valleys authorities, so I would not want to give the impression that there are not some good schemes out there. However, this has a particular focus on some areas that may have been more difficult such as going into contracts for backroom services. It is up to us, as a Government, to try to give that collaboration as much support as we can.

[20] That leads me on to Mike's point about the money and the fund. I do not have the complete answer, so I need to go back to find it out for you, Mike, which I will do after this meeting. One answer is that not all collaboration needs money to pump prime it. Much collaboration on post-16 learning has been encouraged anyway as trying to give better choice for youngsters in terms of where they might pursue their education. The other arm of 'Making the Connections' is very much about how we get services that are more responsive to individuals' and communities' needs.

[21] Therefore, I will take up your point, Mike. However, from my understanding, there has been—sorry, what were the two authorities that you mentioned? Rhondda Cynon Taf and which other?

[22] **Michael German:** Rhondda Cynon Taf County Borough Council is one authority that is seeking collaboration, and the ELWa recommendation is for collaboration. In both Merthyr and Blaenau Gwent local authorities, it is suggested that they close their sixth forms and have one sixth form, or post-16 institution. May I clarify my question slightly? In annex 1, you mention that it will not be projects involving single organisations but a minimum of two public bodies that are most likely to be supported. Could you clarify whether two schools with sixth forms collaborating together would be regarded as two public bodies or one, if they are a local authority body?

[23] **Sue Essex:** Rather than mislead you, I will speak to Michael Trickey and get an answer back to you.

[24] On Catherine's last point about the research study, I would be happy to share that when it comes through. I know that it is dear to Gwenda's heart as well, regarding the Committee on Equality of Opportunity. In fairness, that committee has been driving the whole issue, so I would be happy to bring that to this committee.

[25] **Ann Jones:** You wanted to come back, David.

[26] **David Melding:** If I could follow up on 'Making the Connections', I do not take issue with anything that you said, Minister. However, I thought that you were emphasising less an approach within each local authority for agencies there to co-operate, and, although they need to obviously—I am not saying that that is unimportant—but that you are looking more at the regional dimension. The White Paper, which was the precursor to local government reorganisation in the mid 1990s, said that it was anticipated that there would be extensive regional commissioning and development of services. I think that it is fair to say that that has not always been the outcome. With regard to the provision of services for low-incidence conditions, such as behavioural disorders—services for autism and so on—there has been criticism of the number of people who go out of county and of the fact that providers respond by developing a service in the free market and then asking to be commissioned. What local authorities would really have wanted has not been anticipated.

[27] Secure accommodation for young people in the criminal justice system is another area of concern. Many people are going out of county, which is very bad practice as well as being extremely expensive. Are you going to prioritise that regional dimension?

[28] **Sue Essex:** That is a fair comment. You are picking up on the services that local authorities provide for a small number of people. Often, it is a volatile situation because those numbers can change drastically. That is one of the problems that local authorities have faced with regard to tackling issues such as secure accommodation, where it makes sense financially and in terms of the quality of the care to work together. Out-of-county placements in relation to looked-after children have been identified as a priority area on which to come together. In fairness to the WLGA, it is making huge efforts. It has identified priority areas, one of which is the procurement of waste services. There is a history of issues around that, and the WLGA knows that it must work together to achieve a better use of resources and better facilities.

[29] With regard to whether it is about the regional dimension, largely, it is if you are talking about geographical collaboration. The WLGA has set up four regions. Is that right, Hugh?

[30] **Mr Rawlings:** Yes.

[31] **Sue Essex:** It has taken a determined approach that there should be four regions working together: north Wales, south-east Wales, mid Wales and south-west Wales, I think. There is an obvious incentive for people to collaborate. Mike mentioned Blaenau Gwent and Merthyr; and the Heads of the Valleys initiative is an obvious one to mention. In some cases, there may be geographical collaboration across sectors, and that is particularly interesting in the field of social care, where it is imperative that health agencies and local government work together. We have not ruled out collaboration on joint interests. There may be no synergy in geographical boundaries, but, nevertheless, the agencies may want to work together with local authorities or others. You are right to say that it would largely be done around a common regional agenda, but we have not ruled out other things.

[32] **Ann Jones:** I see that Members are happy to move on to the next items on the Minister's report, starting from item 9.

[33] **David Lloyd:** Item 9 deals with the settlement for police authorities, on which we have a debate next week. Will you flesh out what the figure for police funding would mean for council tax payers? In other words, what is the asked-for level from police authorities compared with what they are likely to get? Turning to item 10 on council tax revaluation, the 12,055 appeals are mentioned, and other things that are in the pipeline. There has been a lot of excitement about the appeals against council tax revaluations and a lot of speculation; when do you expect the appeals to be completed?

[34] I welcome what you have said about council tax reductions for pensioners. I am not quite sure whether 'pensioner reduction scheme' is an appropriate title. *[Laughter.]*

[35] **Ann Jones:** Probably not.

[36] **David Lloyd:** Perhaps the words 'council tax' should be in there somewhere, or it may appear that we are in favour of doing something more drastic to help the council tax rebanding situation. I just wanted to welcome the two clarifications to which the Minister alluded earlier.

9.50 a.m.

[37] **Michael German:** With regard to the Lyons inquiry into local government, which the Minister talks about, and the letter that we have received—

[38] **Ann Jones:** We have a huge item on the agenda to cover that later.

[39] **Michael German:** Yes, but I just wanted to ask one question. The Lyons inquiry refers to work done by Cardiff University, by Professor Loughlin, which I am not certain is available in the public domain. If it is not in the public domain, might it be worth the Minister letting us know whether a copy of that document could be made available to us? It relates to international comparisons on the tax issue.

[40] The second issue relates to the performance measurement framework, in item 13. The Minister states that it is being reviewed later this month. She says that they are all positive but different. I wonder whether the Minister would like to clarify what she means by that, explaining the words 'positive but different' in response.

[41] **David Melding:** My first point is just one of clarification on the council tax pensioner reduction scheme. *[Laughter.]* Presumably, with the two amendments or additions that you just mentioned, that is now the scheme that has been agreed with local governments. Can we take it that that is what will be put into effect in April?

[42] Secondly, on the matter of the final settlement, what further representations have you received since 8 December from local government on the level of the settlement?

[43] **Sue Essex:** It is up to the police to decide how to set their precept. I do not know whether Rob wants to come in on this. I know that the police authorities are still discussing the matter. Mike Chown cannot be here today, as he is at the Home Office discussing police funding. We have made it clear that that is level, and that we have accommodated it in the budget. That is to the best of my knowledge, unless there are letters that I have not seen. I have not seen anything from the police, which is unusual. I normally do, but I have not. I am not saying that they will be happy, but I think that they are now working on their budgets and, as we know, they will come up with varied figures, depending on what they are. Rob, do you have anything to say on that matter?

[44] **Mr Hay:** No, I do not think that there is really anything to add. The consultation period is probably due to end soon.

[45] **Mr Rawlings:** It has finished.

[46] **Mr Hay:** It has finished, has it? Well, I can confirm that we have certainly not had any correspondence from the police authorities. As you say, they are really just working through their budgets, so we have not picked anything up particularly.

[47] **Sue Essex:** It would be fair to say that everyone is conscious of public attitudes to levels of council tax. You will know the situation. Police authorities can set their precepts, and we have no actual control over that unless we go down the path of what we did last year.

[48] On the appeals, 'excitement' is not the word that I would have used, Dai. I had a meeting with the Valuation Office Agency and representatives of the tribunals before Christmas, and, as you may imagine, I questioned them very intently about progress and dates and things. In this report, I am repeating what they said to me. Clearly, it is up to the agency, which is outside our control, as are the tribunals. It seems that the process that it has adopted in dealing with so many concerns through the route of informal inquiries—which did not happen, if my memory serves me correctly, in setting up the original council tax in 1992-93—has been very helpful. So, overall, I think that the number of formal appeals is lower than we had planned for.

[49] From the tribunals' perspective, they have a process by which they log the complaints all in; they have a magic word for it, which I forget at the moment. They do not use the word 'logging'. Anyway, they log it in, because they have to get it in for the tribunal, but so many cases do not end up being heard at a formal tribunal because matters are resolved or withdrawn. The numbers that go by are quite staggering. As I say, I had a very intensive conversation with them before Christmas and this is their view.

[50] Thank you for picking us up on our wording. It looks as though we are saying that we are going to do drastic things, which we have no intention of doing.

[51] **Michael German:** A cull of pensioners.

[52] **Sue Essex:** We will rephrase it.

[53] On the Lyons inquiry, I have not seen that report. I guess that it might be on the website, but we will check it out and see whether we can get copies.

[54] On the performance management framework, I have not gone through all the responses individually but I know a man who has, so I will pass this one over to John.

[55] **Mr Palmer:** We had supportive responses overall. There is no doubt that there is a great appetite for a consolidated performance measurement framework in Wales. We had variable feedback, which is no surprise because this process has been developed with a large group of people over 18 months to two years, so we are bound to have had some different opinions along the way. The differences now are not that great. The particular areas that I suppose that we have had most debate over recently are about the fact that, within the framework, we have had categories of four types of indicator, if you like, namely input indicators, process indicators, output indicators and outcome indicators.

[56] Many service managers in local authorities are quite interested in having input and process indicators to allow them to get comparability. Many corporate management teams and chief executives want to have very strategic indicators that are much more focused on outcomes. That has been a definite tension of the entire consultation. We have a good balance now and we have done a lot of work over the Christmas period and have made absolutely sure that the performance management framework is fit for purpose. We now have another three weeks of consultation, with our large set of reference groups coming back to a board meeting at the beginning of February when we will again be checking the 'so-what' factor and our performance measurement. So, there have been differences but the consultation has been so thorough that we will get a good outcome in the end.

[57] **Michael German:** What is the 'so-what' factor?

[58] **Mr Palmer:** It is sitting down and asking what taking this measurement means for someone in a local authority. If you are in the corporate management team, what does that indicator make you and your organisation do? Sometimes you see rather flabby performance measurement frameworks that just do not think in that way and, as a result, people end up with huge amounts of information without having a real idea of what they are going to do with it. So, we are doing that sort of critical testing.

[59] **Sue Essex:** To add to that, I am very keen on the ‘so-what’ aspect and what it does. As politicians, we see it from the public’s perspective, and people doing the job see the process times in terms of managing staff resources and so on. However, I suspect that we do not want to get too involved in that; we will want to ask what this does and how the public understand it, which is very important. We had a discussion yesterday about the public’s need to know the purpose of the performance measurements and the difference that they make.

[60] **Michael German:** This is fascinating because—and I agree with the Minister—the key issue for us is whether there will be a guardianship by the Welsh Assembly Government of the ‘so-what’ factor of this output and whether there will be a degree of commonality with regard to what that means in terms of local government’s understanding of it so that we can, in some way, measure the performance of one local authority against another.

[61] **Sue Essex:** You will know that I am not a great lover of league tables of any sort—particularly when it is football and my team is not doing very well.

[62] **Michael German:** It could be worse; it could be Newport County Football Club.

[63] **Ann Jones:** My team is doing very well, Minister.

[64] **Sue Essex:** I know, Ann; it is doing very well.

10.00 a.m.

[65] You are quite right. The issue is how we use them, and, as I say, the interesting area is the responsiveness. We can certainly use them much more in peer group support and those kinds of things. I do not think I particularly want to have authorities saying ‘you are not doing this and you are not doing that’—I do not ever like that. I think we have a good record in Wales of working with, and supporting, local authorities in terms of improvement across the piece. We need to start thinking innovatively when we have those discussions. Once this is in place, we need to think about how we can use that to support change and improvement, based on collaboration rather than competition and naming and shaming. We can move down that line.

[66] The interesting area is how that matters to the people who are elected to represent the community; more ownership is needed within local authorities. We use the word ‘scrutiny’, but I do not know how much practical scrutiny there is working on performance management. That is a vital job of local authorities, so we need to work with the Welsh Local Government Association on that. We will have this discussion because it is an item on the agenda, but the interesting area is that responsiveness within a local authority area to the people on the ground and the providers. That is all around the community leadership model that we want to get to, and any ideas on that—this is where I think we can share things—would be very welcome.

[67] **Michael German:** Perhaps as a starting point we could have sentences. It is the right thing but perhaps it needs to be laid out in a bit more text.

[68] **David Melding:** What the Minister said struck me. You are looking to establish broad standards rather than particular points on the scale where you can then have league division 1, 2 and 3 or whatever. The public needs some guarantee of general standards and that things are fit for purpose rather than getting too caught up in how things are measured. From my experience, if you take social care, performance management is certainly affected quite adversely by the relatively weak data, and it is practically impossible to compare local authorities on something as simple as how many care assessments they complete. A certain hardening of the data that we collect, and having less data, is to be welcomed.

[69] **Sue Essex:** Yes. I think that it is fair to say that a huge amount of work has gone into this, with the local government data unit, and it is all around having a purpose to it. As you say, in certain areas, it is critical that hard data is available, particularly in social care, and that performances are compared. I would not argue with that.

[70] **Ann Jones:** John, did you want to add something?

[71] **Mr Palmer:** It is a small point, but I wanted to stress that this was not just an Assembly project. We have worked very closely with the Wales Audit Office and the WLGA, and, therefore, the local government data unit. The goals have been absolutely shared, which means, thereafter, that we have our hands on the right levers to make this successful.

[72] **Ann Jones:** Is there anyone else on this point?

[73] **Michael German:** We will return to this, will we not?

[74] **Ann Jones:** Yes.

[75] **Sue Essex:** Sorry, I did not come back on David's last points about the final settlement and the council tax pensioners' scheme, which we will revise the name of. On the final settlement, I have not had adverse comments. For once, the word 'reasonable' has been used across the piece by all political groups running councils. I think that they feel that we have generally tried to respond; they understand that we have not responded to all their demands, but there has been a real attempt. That is a credit to the way in which everyone has worked together this year. That is the also the way that we have tried to work on the consultative forum on finance. I pay particular tribute to the WLGA, which has been very constructive this year—it is constructive every year, but particularly so this year.

[76] **Ann Jones:** Are there any other comments on the Minister's report? I see that there are none.

10.04 a.m.

Gorchymyn Llywodraeth Leol (Awdurdodau Gwerth Gorau) (Pwer i Fasnachu) (Cymru) 2006
The Local Government (Best Value Authorities) (Power to Trade)
(Wales) Order 2006

[77] **Ann Jones:** The committee identified these regulations for scrutiny at a meeting last year. We have not received any amendments or issues that Members want to raise, but I wonder if there are any points of clarification that Members want to discuss.

[78] **David Lloyd:** Yes, I have a point of clarification. Under the action for the committee to take, we are asked to scrutinise the purpose and effect of this draft Order. On reading it, it seems that its purpose is to allow local authorities to trade for profit on certain services. From experience in England or elsewhere, what would those services be? Presumably, they are not the core services that we would expect councils to provide anyway, but services over and above those. In that way, they could exercise entrepreneurial spirit by providing a service that would not otherwise be provided in the public sector.

[79] **David Melding:** This is not really a point of clarification; I would just like to put on record the approach of the Conservative group. We are generally content, but I noted that, in the regulatory appraisal, the risks associated with this power have not yet been assessed, because, until they are in practice, it is difficult to predict them. I assume that councils will be prudent in their use of this measure. There is a danger that, if the power is abused, local markets would be undermined and the role of the private and voluntary sectors would suffer. I know that we have received representations to this effect and I am sure that you are not minded in any way that this will be used in such a fashion, but it is important that that effect, in particular, is monitored and that we can establish that councils are using this flexibility in a productive and proper way.

[80] **Michael German:** I would welcome it if the Minister could tell me that I am wrong in this, but would article 2.3, for example, offer the potential for local authorities that have trading companies operating bus services to be able to help those services invest in new stock of coaches or buses? They would have to recover it, obviously, but would the article allow a local authority to invest in a company such as that, where it has a shared ownership, and where it would then recover the money from that company over a due period?

[81] **Ann Jones:** Are there any other comments before we ask the Minister to respond? I see that there are not.

[82] **Sue Essex:** On the technicality that Mike raised, we do not know. It is an interesting point, and, again, we will find out for you. I think that it operates along the rules of the existing private bus companies, in the way that they are set up rather than in trading. I used to know those rules once, but I am not so quite so familiar with them now. John can come in and pick up on some examples; he is better placed to do so on the subject.

[83] David's point is absolutely fair. I am supportive of this as a principle, as I think that it gives local authorities a degree of flexibility, innovation and creativity that will be very interesting. But, as you say, there are risks around it, and there needs to be a degree of caution. Of course, going back to the old days, as it were, I am pretty sure that local authorities had powers to do all sorts of things, many of which were removed. So, it is not like there has never been a history of having these arm's-length companies. However, in talking with the WLGA, I will emphasise the risk elements there; I have no reason to think that local authorities are going to jump in with two feet on this one.

[84] **Ann Jones:** What about Dai's point?

[85] **Sue Essex:** John will pick that up.

[86] **Mr Palmer:** Looking at England and the experience there, since July 2004, less than 2 per cent of local authorities have used the powers. So, it is not something that has been taken up with huge enthusiasm. There are very small numbers of examples where it has been used, and Sue is absolutely right that a lot of this has been about re-establishing previous trading powers—that is true. The areas where we have a couple of instances are building control services, which have used the trading power, and IT provision, which has been extended, using the trading power. As I said, the re-establishment of trading activities has started. Those are the only areas where there is more than one instance of using the trading power, and overall we have only 20 examples.

10.10 a.m.

[87] Funnily enough, local transport and park services are other areas where some of the trading powers have been used, so it is very limited and there has been very little activity so far. On risk assessment, it is fair to say that the Wales Audit Office will be watching this with a fair amount of attention. Every local authority fills out a detailed risk assessment template every year that then produces a regulatory plan. So I think that that risk assessment will be taken care of.

[88] We do not have an answer on the third point on possible investment in buses, but as I said, generically, we know that local transport has been an area for the powers to be used. We will get more detail on that.

[89] **David Lloyd:** Just to firm up on what John said there, what sort of services are eligible for this process? Are they things that you would expect a local authority to provide generically anyway? I take it that public and social services are absolutely out of the ambit of this, and that these are entrepreneurial issues, developing arm's-length companies and the rest. Otherwise, there could be a concern that you are undermining the core provision of the local authority unless there is firm guidance on what would qualify.

[90] **Sue Essex:** In my experience, in certain areas, local authorities get expertise that is of value beyond their boundaries. I have heard the private sector and others say that they would like to be part of that. This allows local authorities to set up small units, such as equal opportunities training, for example, and get money back into the public coffers for providing those services. Those are the kind of things that I have come across in the past couple of years. Where there are experiences that could be shared, local authorities should be able to get something back for the investment that they have made because then the money is recycled for the public good, as it were.

[91] **David Lloyd:** I accept that point, but I would not want to see it as a means of privatising local services.

[92] **Sue Essex:** No, no.

[93] **Mr Palmer:** I will just add that it seems that much of the activity is around distribution and supply on top of the current service, so I think that you are right in your emphasis.

[94] **Ann Jones:** Following those points of clarification and discussion, are you, therefore, happy to approve the regulations? I see that you are.

10.12 a.m.

[95] **Ann Jones:** Again, the committee identified these regulations for scrutiny at a meeting last year. No amendments or issues have been raised, but I will take points of clarification.

[96] **Catherine Thomas:** Looking at regulation 31(4)(a) and 33(4), where we focus on gender-neutral language being used, I am rather surprised, under regulation 26, to see the word ‘chairman’.

[97] **Sue Essex:** I think that I have raised this in the past, and I will check it again, but there is an issue with the language of the primary legislation. I have dealt with this ever since I was a councillor. The answer I always get is that if it is the term used in the primary legislation, you have to refer to that. I am not happy with it, and Catherine is absolutely right to pick it up, because it hit me in the eyes again when I looked at it this morning. We will check that again; that is my legal response. However, Catherine is right; I do not think that we should be saying that anymore.

[98] **Catherine Thomas:** It seems to go against everything that we advocate in the Assembly in terms of mainstreaming equality and what we advocate in the Committee on Equality of Opportunity. I find it very offensive; it should certainly be addressed.

[99] **Ann Jones:** The Legislation Committee has looked at this.

[100] **David Lloyd:** From the point of view of a member of the Legislation Committee, gender-specific language is a reporting point for the Minister to correct, as is the lack of a Welsh translation. Those two new reporting points have to be addressed before anything is passed by the Assembly. That is just to reassure Catherine on that important point.

[101] **Ann Jones:** So with that clarification are Members happy to accept the subordinate legislation? I see that they are.

10.14 a.m.

Blaenraglen Waith y Pwyllgor The Committee’s Forward Work Programme

[102] **Ann Jones:** All Members have had a copy of the committee’s forward work programme. It is up to you to add items or take them out.

[103] **David Lloyd:** I cannot see it here anywhere, which may be because of my ageing eyes, but with regard to One Voice Wales, I have received some representations regarding the fact that some committee councils are having some local difficulties. I know that it gave us a presentation before, but I cannot remember whether we said at the time that we would see it next year or not. However, I think that we need to see One Voice Wales again at some point.

[104] **Ann Jones:** I think that we did say that, so we will have to try to put that in. Dai is right. It came once, and we did say that.

[105] **David Melding:** I think that we should schedule something on non-domestic rate relief and the outcome of that consultation. I think that will be quite an important—

[106] **Michael German:** It is there.

[107] **David Melding:** Is it already scheduled?

[108] **Michael German:** Yes, for 15 March.

[109] **David Melding:** I beg your pardon.

[110] **Ann Jones:** That is under the items to be included at an appropriate date. Perhaps I should just introduce this paper to Members. There are topics under the meeting dates, and then—

[111] **David Melding:** I did read it under that list. I urge that it appears soon, then.

[112] **Ann Jones:** I am being told that on Wednesday, 15 March the item on the outcome of the consultation on the business rate relief scheme will include that. The items to be included at an appropriate date are those with which we have problems because we know that we have to get them in somewhere, but it is about timings. Very often, it is a bit of a headache as to where we put them in.

[113] **Michael German:** Perhaps we should take the last item on the list of items to be included at an appropriate date, which is local authorities and the night-time economy, and perhaps we should have night-time committee meetings. *[Laughter.]*

[114] **Ann Jones:** We have not had to get to that stage yet, Mr German, and I really do not want to.

[115] **David Melding:** I have an addition, and perhaps it amplifies what Dai said about town and community councils. Is this something that could be woven into work on the Lyons inquiry in terms of the role and function of councils, because I think that it connects with that? There has been a lot of research on developing the role of town and community councils, and I think that England is a bit ahead of the game at the moment, which means that we can learn from those lessons. With Forward Wales, we could perhaps look at this as a more substantial item, rather than just having a presentation.

[116] **Ann Jones:** I do not think that you meant to say Forward Wales, because that is a political party.

[117] **David Melding:** Sorry; I meant One Voice Wales. I think that the role of town and community councils is key. If you look at our system of local government, and compare it with some of the more vital systems in other countries, what strikes you is how local some of the actions are that are taken in Government.

[118] **Gwenda Thomas:** I am casting my mind back to the meetings of the Panel of Chairs, and I wonder how this forward work programme accommodates considering equality of opportunity as a cross-cutting issue, and how committees are going to embrace that commitment through their forward work programmes.

[119] **Ann Jones:** We have included quite heavily a lot of equality issues that seem to be coming along, but I think that you are right in that the cross-cutting element has to be there. I would hope that we would always have that cross-cutting element through every debate. Are you proposing that we have an item on every agenda that looks at the cross-cutting issues of sustainable development and equality of opportunity?

[120] **Gwenda Thomas:** I think that perhaps we could revisit the minutes of the Panel of Chairs meetings. I am speaking off the top of my head this morning, but perhaps we can revisit the issue and understand as a committee what commitment was given.

[121] **Ann Jones:** We will take that on board and look at it to see what we can do. Has anyone else any items that they wish to include? No? Members are aware of course that as this changes—and it is a very fluid document, which will change—we will circulate it as soon as possible so that Members have the opportunity to see what is being included. A lot of that will probably be done outside committee, as well as in the formal committee report. Are Members happy with that? I see that they are. Thank you.

10.20 a.m.

Ymchwiliad Lyons i Gyllid Llywodraeth Leol—Adroddiad Intermin Lyons Inquiry into Local Government Funding in England—Interim Report

[122] **Ann Jones:** Responses to this report need to be submitted by 31 January, and responses to the consultation exercise that Sir Michael Lyons has asked for within the interim report need to be with him by 13 March. We have to bear those two dates in mind. The purpose of this item is to ask Members how they wish to take this forward. We will comment on the report and the consultation contained within it and then, at the end, we can decide whether we want to produce a formal committee response to the report—one that we can agree—and a formal response to the consultation. If we are going to do those two things, we will also need to look at how we will do them and whether we want further briefings. Mike has already mentioned a report from Cardiff University. We also need to consider whether we want to take evidence. Would you like to start the discussion, Minister?

[123] **Sue Essex:** I do not have much to say. It is a fairly factual interim report. It has given a summary of the findings so far. I do not think that there is any information that is particularly new. In some ways, the issue for us is the timescale in relation to being able to use developments or knowing what developments will come from that. I think that I will just leave it at that.

[124] **Michael German:** I do not know whether we can agree, but I certainly feel that one of the problems is that the Lyons inquiry talks about council tax revaluation but does not mention the experience of the council tax revaluation in Wales. We may have different views on the experience of the revaluation, but if it is possible to identify some common threads across the committee, then we should attempt to do so because it omits an important part of what is being looked at. We were the guinea pigs in some way, and we ought to try to reflect that in our comments. I do not know whether it is possible to get agreement on that. However, if there is to be a formal response, that should be an element.

[125] If you split the paper into its two halves, there is the section on the role of local government, which is pretty fundamental, and there are key issues that we may want to discuss. There will, again, be different views on the second part, which looks at local government financing, but there is scope to look at some of the fundamentals there. It all hinges on whether you feel that a report could be put together on matters upon which we agree.

[126] **David Lloyd:** In a similar vein, this is a huge piece of work, and, as the title suggests, it is the interim report of the Lyons inquiry into local government in England. Should the committee, therefore, produce a response? Mike raised the question of whether there would be cross-party agreement in producing a committee response. In addition to that, the timescale is tight. If we are minded to produce a response, I suggest that it be purely factual stating the effects of the council tax revaluation in Wales, including the changes to the budgets. That could be a purely factual pronouncement of what council tax revaluation meant in Wales, just to inform the debate. I do not know whether colleagues would agree with that.

[127] We should have some sort of input into this, because any report into local government in England will naturally impinge on local government in Wales. In many ways it would be remiss not to have any input, though Sir Michael Lyons has visited this committee and has taken evidence from us. Singularly, the part on local government financing that deals with council tax does not mention the Welsh experience at all. We should attempt to correct that omission, and I am sure that we could do so, purely on a factual basis.

[128] **David Melding:** I agree with what Mike and Dai have said. The lessons of revaluation could usefully be given to the inquiry, and I am sure that we could agree on something quite dispassionate and factual that would just describe the process, without offering an interpretation, because I suspect that we would not reach agreement on that. It is clearly a live issue as far as the funding of local government and the future of council tax in England are concerned. That would be quite useful.

[129] Secondly, to mirror the new remit, I think that a piece of work by the committee on the role of local government should be considered important. I think that, in some ways, it even connects into electoral matters with regard to turnout. I am interested in the fact that Denmark is the European country with the highest turnout, and it probably has the most lively local government sector of any European country. There are probably quite a lot of things that you could look at. As I said earlier, the role of town and community councils is an important one in that. If we can do this piece of work, as a review, I think that it would certainly merit our time and attention.

[130] **Michael German:** I just wanted to come back on something. Earlier, I raised the issue of Professor Loughlin's report, and section 16 says that Lyons was surprised by how badly we compare with other countries, in that they raise more money from local authorities. The local authorities raise more money themselves and they have a variety of different sources available to them and so on. When the Loughlin report is circulated, if it becomes available, I know that it will be difficult to get this matter onto an agenda, but it may be possible for us to get John Loughlin to explain the comparisons to us. Alternatively, we could follow one of our previous practices and look for ourselves.

[131] **Ann Jones:** We have heard what you have said.

[132] **Gwenda Thomas:** I will look at two issues: the response by 31 January, and what has been said so far. I suppose that the point of view of the committee could be factual, and, considering the response by 15 March, not to respond would be to ignore the reference to devolution and decentralisation in the report. Considering the timing, in that we are expecting Lyons to report by the end of 2006, which will be in the run up to the implementation of the new Government of Wales Act, the implications for the third Assembly, in 2007, will be crucial. There is probably a need to filter it into party political groups and to consider whether that is how these questions need to be answered or whether there is a role for the committee in seeking to establish an all-party answer to some questions. I think that it will be difficult, having read the questions, but we need to consider both streams in the Lyons report.

[133] **Sue Essex:** From our perspective, we had the balance of funding review on this and a lot of attention is paid to finance. An interesting point is that we have taken a different approach in terms of local-central relationships, and that has been with a fair degree of common support from the parties. When you look at the basis set out by the 'Freedom of Responsibility' report, which was published some time ago in 2002, you must remember that it was agreed by the local government committee of the time. That kind of approach to local government is an important part of setting out our view in Wales. David has raised the point about localism. I remind you of the Aberystwyth report that we have done and our response to it sets out our stall. There are things that we can draw on, which have been agreed cross-party and which I think can give Sir Michael Lyons a feel of the approach in Wales. I think that that is important. I have conversations with him every so often, and I think that he is very conscious that things are different here. Although it is an England report, he realises his responsibility in terms of his final report, in that, whatever he says, there will be areas that have an impact on us. As Gwenda said, it would be useful to bring to his attention what has happened since devolution, and what could happen even further with the Government of Wales Act.

10.30 a.m.

[134] **David Lloyd:** I am interested in how we will pull this together in the time that we have.

[135] **Ann Jones:** I was waiting to see whether anyone would throw in any more spanners before we look at how we would do it.

[136] **David Lloyd:** I think that it is possible to have factual, dispassionate contributions on council tax revaluation and what will happen with the Government of Wales Bill within the time frame.

[137] **Ann Jones:** I think that we are fairly unanimous that we will put forward a factual report on the lessons from council tax revaluation. As Gwenda pointed out, we will also put out a report about the implications of the Government of Wales Act for the third Assembly. Do you want the Members' research briefing teams to go away and for us to see what we can pull together? We may then need to bring someone in to give advice. So, we will do that first, because it must be in response to the report by 31 January.

[138] **David Melding:** We are not looking at a vast report, are we?

[139] **Ann Jones:** No. That will be the remit for our response to the report by 31 January. We will produce a focused, factual report, if Members are happy with that? I see that you are. The point that David raised about mirroring the remit and the role of local government in Wales will probably emerge from the consultation, which needs to be in by 13 March.

[140] **David Melding:** We could send them our version of an interim report, and then do a longer piece of work ourselves.

[141] **Ann Jones:** Yes, we could do that.

[142] **David Melding:** Oh dear—that suggestion was not very popular.

[143] **Ann Jones:** No, I am just trying to think of the practicalities of it. Mike raised the point about whether we should go out and look for ourselves, and I think that that is a fair point. I am just thinking about diaries and the problems that we would have. I am sure that we could. Let us be clear about what we are looking for on this piece of work, which, as David said, would also tie in to the scrutiny project that we are undertaking on electoral arrangements, although it would become a separate item in itself if we were to take on the role of local government in Wales. Could we look at a very small or tightly focused remit for what we do on that one initially, which would feed into the consultation by 13 March? From our findings, we could perhaps expand that.

[144] **Michael German:** That will be a starter question for 10, like on *University Challenge*.

[145] **David Melding:** Let us test the water.

[146] **Ann Jones:** Yes, shall we do that? I just want to try to make it clear so that the committee secretariat and the Members' research service are aware of what we are asking. Are we happy with that? We will try to see whether we can get that report from the university, and whether it is possible to ask the author to come to explain when we have read through it. Does that seem to be a sensible way through? I see that you agree.

[147] We have meetings on 25 January and 9 February, and another three meetings in March, so it will not be so bad. We will try that and we will see. Again, David and Catherine, much of this comes outside of the committee. If there is stuff coming around, we tend to get it outside of the committee, and we do the formal bits. However, we will try that one. Are Members happy with that? Have I covered everything and every point that Members have made? Yes? I see that I have. Is the clerk happy with that?

[148] **Dr Hawkins:** Yes.

[149] **Ann Jones:** Are there any more points on the Lyons inquiry? I see that there are none.

[150] We are slightly ahead of time. Given that the next item requires the Welsh Local Government Association representatives to be here, and they are not here yet, with your permission, we will now discuss item 8 on the agenda.

10.36 a.m.

Prosiect Craffu'r Pwyllgor—Trefniadau Etholiadol—Y Wybodaeth Ddiweddaraf am Gynnydd a Chytuno ar yr Amserlen Waith

Committee Scrutiny Project—Electoral Arrangements—Update on Progress and Agreement of Work Schedule

[151] **Ann Jones:** As Members will know, we virtually parked this subject while we were looking at the Electoral Administration Bill. I must thank everyone for yesterday's debate and for your co-operation as a committee. I think that it worked very well, and I certainly was pleased with it. I also thank the Minister.

[152] We now need to return to this. Mike made some very good points about the fact that we need to look at education. We were all keen on this area. We need to see how we will now pick this up again and come up with some ideas for that. I now throw the discussion open to Members.

[153] **Michael German:** Obviously, the area that we wish to examine is the engagement of young people in the democratic process and the role that it plays in the curriculum of schools. I wonder whether we could hear evidence from Funky Dragon, for example? Also, could we have ACCAC to tell us what it already has, and perhaps get the other side of the story, because we know that there is resistance from teachers in general about party politics? Should we invite teachers' unions representatives to tell us what they think of the way in which this subject is covered in the secondary school curriculum in particular, and in the primary school curriculum?

[154] **David Lloyd:** I think that that is only fair, because that is the sort of evidence that we had in Denmark, for instance. It would be remiss of us not to take the same sort of evidence from our own country for this report.

[155] **David Melding:** I will have to return to my Mr Bumble act. Where are we with this? Has the interim report been issued for consultation, or is that what we are deciding? Has it gone out at all yet?

[156] **Ann Jones:** No. The interim report is just one that we did quickly so that we could send it to the House of Commons to highlight the issues that we had found while looking at electoral arrangements in various places, and to say that we would like the House of Commons to take notice of what we are saying here. Then we entered down the route of scrutinising the Electoral Administration Bill. Therefore, the interim report was very much an interim report just to serve that purpose. We now need to return to it to see where we will go.

[157] **David Melding:** We could issue it for consultation to a wide range of organisations and ask them to respond in writing, could we not? We could then take oral evidence from the witnesses that we think have indicated particular items of interest and concern. I am sure that all of the organisations that Mike referred to would be on the list, but there may be others. If we are really open about increasing turnout, for example, I think that we must have as wide a range of organisations and individuals as possible.

[158] **Michael German:** I do not want to argue with David, but I think that what we have at present is a report on one aspect. We need a report that is more comprehensive in that second area. I agree that we should then go out to consultation.

[159] **Ann Jones:** I think that part of this interim report, as Mike said, was around that one aspect. What we want to do, if you like, is take the other aspects, and then we will look to produce something for consultation this term anyway, given that we have just looked at the forward work programme and have now added the Lyons inquiry. However, we will do it.

10.40 a.m.

[160] We were then going to go out to consultation. Mike is right, and Dai also raised it—we still need to take evidence from these people. Given that we had evidence from Denmark, in particular, about how they operate, it would be wrong for us to assume that that is the right model when we have not asked our own about these problems here.

[161] **David Melding:** I am content with that; thank you for clarifying it. When we move to consultation, perhaps we need to take some advice on how to increase participation—this underlies the whole concept, really. We may want to look at some focus groups or even some polling data—there could be a range of methods to get responses. That is important. I am always rather aware that we write to organisations, they then come in and have a one-off session with the committee in what, to them, must seem a strange and even hostile environment. So, if we want to engage with local people, we might have to do it on their territory. We should really try to see what methods have been developed in the public sector. Quite a lot of work has gone on in this area of participation, and some of those models could be used.

[162] **Gwenda Thomas:** I support Mike's point on consulting Funky Dragon. I wonder whether we can also benefit from the review that the Committee on Equality of Opportunity is conducting into services for the young disabled, which is already established, and is being facilitated by Barnardo's. It might be asking a lot, but perhaps we could ask that group to consider the issue as well, particularly accessibility. It is worth a try.

[163] **Ann Jones:** That is a fair point. A reference group of young disabled people is working with the Committee on Equality of Opportunity.

[164] **Gwenda Thomas:** Yes; it is already set up.

[165] **Catherine Thomas:** I wonder whether there has been any engagement—and, again, excuse my ignorance—with Communities First areas as well. I am thinking of the often particularly low turnout in those areas, and those are the very individuals with whom we need to engage. Is there anything that we can do on that as well when it goes out to consultation?

[166] **Ann Jones:** That is a vital point. It is often those areas, as you say, that are the most difficult to get on the electoral register in the first place, and then having got them on the register, it is difficult to motivate them.

[167] **David Melding:** It is there that we need the more innovative participatory techniques. We can probably draw up a list of those individuals and communities that are unlikely to respond to a formal consultation, and we are going to have to start thinking about how we get to them.

[168] **Ann Jones:** So, are we happy to take some more evidence, and then look at the wider issues, and then move to a consultation? I see that Members are happy with that.

[169] **Michael German:** Do you want to move to the minutes?

[170] **Ann Jones:** I was just going to say that.

10.43 a.m.

Cofnodion y Cyfarfodydd Blaenorol Minutes of the Previous Meetings

[171] **Ann Jones:** We move to the minutes of the previous two meetings.

[172] **David Lloyd:** We could have line-by-line scrutiny.

[173] **Ann Jones:** No, we will not do line-by-line scrutiny, I am afraid. These meetings were held on Wednesday, 30 November and Wednesday, 7 December 2005. Are Members content with these minutes? I see that you are. That is wonderful.

[174] There is one other matter. Members were asked for comments on the Local Government Improvement Plans (Wales) Order 2006. We received a paper at our October meeting. We have not received any comments back. Are Members happy to accept that Order without amendment—if you can remember that far back?

[175] **Gwenda Thomas:** When was this Order circulated?

[176] **Ann Jones:** It was recirculated at the end of last week. Is everyone happy with that?

[177] **David Melding:** I am content.

[178] **Ann Jones:** That is a nice word, David.

[179] **Michael German:** I missed a point. On the actions of the minutes of the December meeting, there is one action about clarification being sought on the number of words that could be used in describing a political party on the ballot paper. Did we get a response to that? If it has been circulated, I must have missed it.

[180] **Dr Hawkins:** Sorry, I have not circulated it yet, but I will do. I have spoken to the Bill team about it.

[181] **Michael German:** Thank you. It is of interest to us all.

[182] **Ann Jones:** That is a very good point. Thank you. The committee will now break until 11.10 a.m..

Cadarnhawyd cofnodion y cyfarfodydd blaenorol.

The minutes of the previous meetings were ratified.

Gohiriwyd y cyfarfod rhwng 10.45 a.m. a 11.14 a.m.

The meeting adjourned between 10.45 a.m. and 11.14 a.m.

Materion yn Codi o Ddeddf Trwyddedu 2003 Issues Arising from the Licensing Act 2003

[183] **Ann Jones:** Welcome back. Before we proceed, I remind Members who, during the break, may have switched on their mobile phones, pagers, BlackBerrys, or other such devices that we now carry, to switch them off again, as they affect the translation signal. That also applies to everyone in the public gallery.

[184] This item relates to issues arising from the Licensing Act 2003. The committee heard evidence from the WLGA about potential issues arising from the Licensing Act last year, before the Act came into force on 24 November 2005. It is my pleasure now to welcome Susan Perkins, who is the LACoRS manager. I do not like acronyms like that, so perhaps you would like to tell us what that is when you introduce yourself, Susan. I also welcome Phil Rafferty, who is the licensing manager for Conwy County Borough Council. We are delighted to have them both with us. They have produced a paper, which is in Members' packs. Susan and Phil, would you like to introduce your paper between you, before we discuss the items in it?

[185] **Ms Perkins:** LACoRS stands for Local Authorities Co-ordinators of Regulatory Services, which is not a name that trips off the tongue; LACoRS is slightly better. I am delighted to be joined by Phil Rafferty, who is the licensing manager for Conwy County Borough Council, which the Minister complimented on the way that it has managed to effect the implementation of the Licensing Act. Phil has kindly looked in detail through some of the responses that we have had to a recent request to local authorities for an update on how they have managed to implement the Licensing Act 2003. This is not something that the association was doing; in fact it was felt to be a little unfair in the circumstances—notwithstanding the fact that we would not have had the capacity to do this—to overlay all the other requests from the Department of Culture, Media and Sport and so on for information and statistics with yet another return request to the WLGA. However, we have done our best to have a look and we have established some general trends. I think that I am safe in saying that our fears were realised but some positive issues have emerged as a consequence of the Act, but I will leave Phil to go into a little more detail on that.

[186] **Mr Rafferty:** I could describe it as an interesting time for local authorities. It is certainly a busy one. Going back to 7 February, when this all began for local authorities, we in Conwy had spent a great deal of time preparing for the new responsibilities and I believe that many other authorities in Wales had, fortunately, done the same thing. We had looked at it from a business perspective. We had done a SWOT analysis—what might happen and what we might expect to happen—and I am pleased that, from our perspective and that of many of my colleagues, it has gone extremely well, despite those licences that needed to be converted into the new regime by 6 August all seeming to appear on everybody's desk on 5 and 6 August. We received something like 300 applications in the last hour of trading for business on 6 August, which meant a busy time for us, but we got through it.

[187] We, along with one or two other authorities, took a positive step in terms of how we deal with those applications and the representations that came about as a result of them. We mediated, in terms of the representations, between the applicant and the objector—if I can call them that—which might have been the police or a local resident. We found that the benefits from that work were twofold: it meant that we had a reduction in the number of hearings—of almost 800 applications that we received in Conwy, we had just three hearings—and it brought the licence holders and residents together somewhat, and they were able to discuss the issues that they had between them. The compromises that we reached seem to be working so far.

[188] I will bring the other authorities in if I may. I have looked through the responses that they provided to some questions that Susan put to them. Their views are very similar to ours, and the time up to 6 August was extremely stressful. I think that some of the licensing authority officers thought that 24-hour drinking, seven days a week related to the workload that they had. Where there were issues, they were mainly around, as I am aware, the statutory deadlines, particularly with hearings, where an application received by a licensing authority has a 28-day representational period, at the end of which, if there are representations in it that cannot be mediated and reconciled, you have 20 days to call a hearing. Within those 20 days, you have a 10-day notice period to give to people who must come along to the hearings. So, you can imagine that for somebody who is trying to deal with 50 hearings, those timescales are almost impossible to manage. However, somehow, my colleagues managed to get through that.

11.20 a.m.

[189] It may be the Government's aim to remove bureaucracy, but that certainly has not been the case. In terms of the major operators, I spoke to one representative of a major chain store in England and Wales, who told me that the store had just paid its bills for photographs that were required for personal licences, which amounted to £40,000. He told me that he had spent £100,000 on the photocopying of the plans that were required. But, the bonus from that is that smaller operators benefited; many local authorities probably went beyond what was expected of them and provided a great deal of advice, which removed the need for them to employ anybody from a legal perspective, and that meant savings to them.

[190] Looking to the future, there has been a real change since 24 November. To use Llandudno as an example, it almost happened overnight. When I was giving presentations about the Licensing Act and trying to sell it as a good thing, my last line used to be something like ‘who knows, this might work’. I am pleased to say that, at the moment, albeit it very early in the day, that has been the case. In Llandudno, where we had two clubs where people might go for later drinking, overnight almost, the drinkers decided to remain in their locals. That removed the crime and disorder on the way to these venues and on the way back. I am pleased to say that in Conwy, between December 2004 and December 2005, we saw significant reductions in crime and disorder—I do not think that I would be boasting if I said that the percentage figure was 35 per cent. There were just three arrests on new year’s eve in Conwy itself; one ended with the charges being dropped, there was one fixed penalty and one person was dearrested. When you consider that it was new year’s eve, when there are potentially 5,000 people out, those are excellent figures from our point of view.

[191] That has not come about, certainly in Conwy—and I know that the same can be said of other local authorities in Wales—just because of the Licensing Act. A great deal of hard work has gone on to ensure that licence holders are aware of their responsibilities—more so than they were before. One thing that I looked at was the offence of serving someone who was drunk in a licensed premise. I would not dare embarrass my police colleagues by asking how many prosecutions they had made before the Licensing Act was put into place, but we have certainly emphasised in a big way that that is what we will be looking at. That has meant that licence holders are looking at it more responsibly, which means that, at the end of the night, when premises close, and when people leave, they are probably not as drunk as they might have been previously.

[192] I will finish by briefly saying that the media played a terrible part in all of this. They portrayed it as 24-hour, seven days a week binge drinking and that crime and disorder would escalate. What the media never said was that the Licensing Act brought about a great many new powers that provide for better regulation. I think that that is what you can see in a great many places throughout Wales. We would certainly not be at this place, at this moment in time, if we had not had the commitment of local authority staff. The media quite openly pointed to the fact that perhaps local authorities were not up to this task. I can tell you that despite all the criticism we may have faced, we have met it full on and dealt with it accordingly, and great credit should go to local authorities in that respect. I will quote a colleague’s response—because the next thing we have to face is the gambling Act—who said, ‘bring it on’. That gives you an indication of the commitment of local authority staff throughout Wales and how we view our responsibilities.

[193] **Ann Jones:** Thank you for that, Phil. You had some very interesting and encouraging comments. I now open the floor to Members for questions, comments or discussion.

[194] **Michael German:** I understand from county council reports on the current number of applications—18 or 19 local authorities responded—that 175 pubs, clubs and takeaways in Wales have not yet renewed their licences under the Licensing Act 2003. Could you confirm that that is the sort of number of premises that have not yet renewed their licences? What action will you take, and what appropriate action should have been taken, to ensure that law-abiding pubs and clubs are not turned into law-breaking pubs and clubs?

[195] **Ms Perkins:** I will have a stab at answering that, although I do not have the statistics to hand. From the responses that we have received from local authorities at my request, it does not appear to be that number, but I cannot say with any assurance whether that is the number or not. Certainly, the stance that we were hoping that would be taken by local authorities, in conjunction with the police, was a hard line against this.

[196] In my view—and I think that this view is shared by many colleagues in licensing in Wales—there should not be any premises that are not licensed. It is an obligation to be licensed; there is absolutely no reason why people do not know that they should be licensed, as they have been told. There was a degree of brinkmanship happening in the period running up to the final deadlines for submitting applications, either on 6 August, or 24 November. That should not be countenanced or tolerated.

[197] **Michael German:** The figures before me suggest that the worst offenders in this area are Pembrokeshire, with 48 establishments not licensed, and Powys, with 43. Would that be in accordance with the figures that you have seen?

[198] **Mr Rafferty:** I have not seen any figures, but I will answer from a north Wales angle. There were one or two premises that did not apply for licences. We established who they were, and despite the fact that one or two areas outside of local authorities put forward that we should not consider prosecution or closure, we portrayed it exactly in that line. I would be surprised if there were that many unlicensed premises, although I do not have the figures to hand. There were potentially five such premises in my area. I am aware that in other, neighbouring authorities, similar numbers of premises were unlicensed. They were closed and did not open again until they got a licence.

[199] **Michael German:** The point that I am getting at is that there are some local authorities with small numbers of unlicensed premises; you gave Conwy's position as an example, with one, two and three premises, which you probably would expect. However, when you get local authorities with the numbers in the figures that I have been given, it raises questions about the way in which the inspection and enforcement regime is working. Clearly, if there is a differential between local authorities in Wales of that sort, what does that say about the way in which enforcement regimes and licensing works across Wales, and should there be uniformity of standard between local authorities?

[200] **Ms Perkins:** I will respond to that. I would welcome sight of that information. Without the detail of knowing exactly what sort of premises we are talking about, I do not know; the Licensing Act brought more types of premises into the licensing regime, so we may not be talking about pubs, clubs and so on. Without seeing the information, I cannot comment and it would not be fair to do so.

[201] I am confident that local authorities have done a lot of work to try to collaborate and reach a common understanding about, and a common approach to, enforcement on this issue. That is all that I can say. I am very confident on that score.

[202] **David Melding:** I note what you say in that the new system seems to be bedding down. It is interesting and encouraging to hear what you have said. When do you think you will know what the costs to local authorities have turned out to be, after the income has been calculated? Will this cost local communities or will it be a system that is self-funding through the fees that are paid by licensees?

[203] **Mr Rafferty:** You could probably consider that in the short term, potentially, in another six to 12 months. I put it that way, because there was a fear that there would be a great number of complaints, and dealing with complaints would have meant extra resources. At the moment, because there has been a huge decrease, certainly in my area and in neighbouring areas, resources do not really need to be increased. I would say that it will take at least six to 12 months to see where we are, and then take it from there. I am fortunate with my authority, in terms of the pro-active part that has been played, not only by my chairman, but by senior management, on licensing. We have looked at it in a pro-active way and I know that many other authorities have done the same thing, but I would say that it will be six to 12 months before we know the full picture.

11.30 a.m.

[204] **Gwenda Thomas:** I refer you to paragraph 3—the development of the strategic approach to the night-time economy. I know that they are only examples of the range of local authority policy areas involved, but can you put my mind at rest that child protection is being prioritised with regard to this night-time strategy? Can you offer some assurances that out-of-hours child protection response teams will be involved, because we heard, in the previous presentation, that the Licensing Act 2003 refers to children within licensed premises? I am thinking about under-age drinking as an obvious concern, but also how will we seek to protect children who might be the victims of alcohol-related crime?

[205] **Ann Jones:** On the back of what Gwenda has just said, I also feel very strongly about this issue and the night-time economy. I would like to see whether we can do some work on this. I was interested in your comment about holding a workshop on 19 January with South Wales Police as a pilot or basis for discussion. Are you looking to do something similar with the police in other force areas? I do not want to see the night-time economy discouraged, but there are issues, as Gwenda mentioned, relating to child protection and a raft of other issues that we need to be aware of in terms of how the night-time economy is managed in big towns. Phil mentioned Llandudno and I represent Rhyl where there are many issues. Other Members will represent constituencies where the night-time economy is crucial to those areas and their long-term development and sustainability. Many people fear the worst, but we are reassured by your figures that incidences of crime and disorder have decreased. That was my little contribution, and now I will shut up.

[206] **Ms Perkins:** The concept of developing a strategic approach to the night-time economy evolved with the South Wales Police and the chief executives in the south Wales area. They came to the association and our thought, at the outset, was that it was a fabulous idea that we would want to extend, if possible, across Wales. So the association, in collaboration with Assembly officials and the police, has arranged for a workshop to take place, which will be held on 19 January. In the Assembly, Joanna Jordan is co-ordinating the participation of all relevant heads of policy in the Assembly. Through the association, we have asked all of our advisers, including social services, to attend. We want to reach a point at which everyone with any stake or interest in the consequences of the night-time economy can sit down with their partners in other bodies who have something to do with it and establish what the barriers, pitfalls and possibilities are and then map out a route map towards success. So, social services are most definitely included in that.

[207] The date of 19 January is not the most brilliant one in the calendar. We chose that date because we wanted to progress it quickly. If it transpires that we cannot get sufficient numbers and the correct range of people to attend that workshop, we will put that workshop forward or back—I am not sure which way around that should be—to ensure that everyone who should be involved will be involved in that exercise.

[208] **Gwenda Thomas:** Will that involve consulting with children and young people themselves to get a child's perspective on the way forward for this strategy?

[209] **Ms Perkins:** At this stage, we have not considered that. I will certainly take that comment back, because that is important.

[210] **Mr Rafferty:** I will extend that a fraction further, if I may, to say that that type of situation can be dealt with through the responsible authorities, which have a say in each application that we receive.

[211] On licensing authorities, which each local authority must have in place, a responsibility is placed on each authority to ensure that the statutory licence objectives are met, one of which is protecting children. I think that perhaps that issue can also be dealt with by each authority individually through a licensing forum. We, and many other authorities in Wales, have established those fora, and I think that that issue is being dealt with accordingly. I am aware that in Rhyl there has already been a consultation with children to ascertain exactly where they may find alcohol and how many have drunk alcohol. The figures were somewhat astounding, and, as you said, those figures should form part of the process. It is initially the responsibility of each licensing authority to ensure that children are properly protected. That is where that should be done.

[212] **Ann Jones:** Do you want to come back on that, Gwenda?

[213] **Gwenda Thomas:** No.

[214] **David Lloyd:** I commend you on the presentation. I think that it is encouraging news that things are going so well so far. I also commend local authority employees on the hard work that has been done by them, particularly in terms of enforcement. Can you flesh out the workload and resourcing implications that have been thrown up by this new Licensing Act—it has obviously entailed a lot of good work, but nothing comes for free in this world—so that, as a committee, we are aware of exactly how much hard work is happening on the ground and how much it costs?

[215] Following on from the discussion on the night-time economy, I support what Gwenda said about social services and child-protection issues. No-one wants to put a dampener on the night-time economy, but, in a previous life, I spent time as a casualty officer, and 90 per cent of the casualties are under the influence of alcohol. Over the last couple of Christmases, in Cardiff and Swansea, we have had field hospitals in the areas most populated with nightclubs. What is the health perspective, as well as the social services perspective, to all the joint working that you will have with the strategic framework for the night-time economy? Health does not seem to be mentioned. The field hospital in Swansea seems to be working well when it is up and running, and it certainly takes the pressure off the casualty department, which is several miles away and difficult to reach. People are treated for a variety of alcohol-related fairly minor injuries, which require suturing, for example, on site. In terms of public safety, will that be factored into this sort of situation?

[216] **Ms Perkins:** I am probably going to get the gentleman's name wrong, but I believe that it was the work of Professor Shepherd that informed the initial development of the South Wales Police strategy. Although a specific reference to health has been omitted from the brief report that I prepared for you, it is extremely important. I am well aware of the success of the triage operations in Cardiff and Swansea, but it seems a little strange in this day and age to have to put in such things when there are other ways in which to manage the economy and ensure that crime and disorder is tackled at the right point.

[217] **Catherine Thomas:** I echo what has already been said about the night-time economy and child protection. When I was a member of the Social Justice and Regeneration Committee, we also discussed the possible increase in domestic abuse. I think that the committee is doing work in conjunction with the police to track whether there will be an increase in the incidents of abuse, and, obviously, that also has an impact on children within those households. It is a crucial point.

[218] Just out of curiosity, under point 2.5, which covers the alcohol misuse enforcement campaign, it states that 20 of the 22 local authorities in Wales are participating in that. Why have two not engaged in that and who are they?

[219] **Ms Perkins:** The Home Office prioritised local authorities in Wales according to a different rating—sorry, the way in which I have just explained that does not make a lot of sense. Some were priority 1 areas, some priority 2 and some priority 3. The funding followed the priority areas. Although two are not participating in the campaign because they did not fall within the priority rating, they are nevertheless doing work on this. I have checked this out, and they have been doing work on under-age sales. It is just that their work is not reflected in the returns. They are doing under-age sales checks.

[220] **Catherine Thomas:** It seems a bit strange that they are not going that step further.

[221] **Ms Perkins:** I agree.

[222] **Ann Jones:** Phil, do you have something to add to that?

11.40 a.m.

[223] **Mr Rafferty:** Yes. I wish to give an assurance that, for me—and my colleagues probably have similar thoughts—the alcohol misuse enforcement campaign just replaced what we were already doing. The work of AMEC goes on every weekend. The fact that it is something that has been funded might highlight it, but I can assure you that enforcement campaigns similar to that take place regularly throughout Wales.

[224] **Ann Jones:** Would committee members find it helpful to have the priorities laid out by area along with information on how that fits into our 22 local authorities? That might be helpful for us to understand it. I have a copy of the south Wales night-time economy strategy, which I have briefly skimmed through; I have not read it in detail. Should we, as a committee, have copies of that document and should we look at the implications for local government in this strategy and feed into it?

[225] **David Melding:** I think that it would be helpful in six or 12 months' time, when the information on the cost of the new scheme is available, to have that data.

[226] **Ann Jones:** Would Members like to make any further points?

[227] **Sue Essex:** I compliment Conwy and other councils, which have taken a situation that could euphemistically be called challenging, and have faced it head on. It is an illustration of local government at its best. I extend my congratulations to everyone involved.

[228] **Ann Jones:** I am keen that, as a committee, we turn to the implications of the development of the strategic approach to the night-time economy and that we look at its effects for local government. There are examples in the document, but the role of the fire service and, as Gwenda said, the role of the child protection teams immediately come to mind. However, there is more in there, including the role of residents, and it is important that we take them on board. There are many things on which we could work with you. On behalf of the committee, I would like to echo the words of the Minister and congratulate all of the staff as it was a difficult time. I was trying to urge as many licensees on my patch to get the paperwork in and not to leave it until the last minute, but you cannot know how successful that has been. You faced a pressure point. We, as a committee, would like to echo the words of the Minister in congratulating all of the staff who have done it.

[229] Do any Members have anything that they would like to add at this point? I see that they do not. I would like to thank you both for coming. Do you have a final closing message that you want to leave us with?

[230] **Mr Rafferty:** I spoke with Susan prior to the meeting this morning about the night-time economy, and I would like it to be looked at from the perspective of each licensing authority throughout Wales. We need to look at it collectively. A great deal of work is being done on the night-time economy throughout Wales, and that needs to be drawn together as it is an important point.

[231] **Ann Jones:** On that point, one issue that we have to consider is that, although some local authorities may have the night-time economies, other local authorities might have the responsibility in terms of transport. Many of the Members here who travel across the border will not necessarily know that they have crossed a border. The fact that you do not have a big night-time economy within your boundaries does not mean that you cannot have a night-time economy strategy, because transport can be an issue. I would like to look at those issues. Thank you, Phil and Susan, for coming. The committee will return to this, and we will no doubt ask you back for some more advice and guidance. That concludes our agenda for today. The next meeting will be held on 25 January.

Daeth y cyfarfod i ben am 11.45 a.m.

The meeting ended at 11.45 a.m.