

WELSH ASSEMBLY GOVERNMENT

CABINET

INFORMATION PAPER ON THE LOCAL GOVERNMENT WHITE PAPER

Introduction

1. This paper is for information only to update Cabinet on the progress of the local government White Paper.

The Issues

Background

2. My original intention was to publish a 'Welsh' chapter in the DTLR White Paper on local government finance. However, as the DTLR paper has been extended to cover the whole of the local government policy agenda I have decided that publication of a Consultation Paper by the Welsh Assembly Government would now be more appropriate.

Consultation Paper for Wales

3. This Consultation paper will cover local government policy as a whole including finance and will set out our policy on what we have already agreed is the key area of encouraging local authorities to collaborate with each other more widely than at present, in order to secure more effective service delivery. A further theme will be enabling local government by reducing the bureaucratic burden and creating a 'simpler' financing regime. An outline of the intended content is attached at Doc.1.

Timetable

4. The planned date of publication of the DTLR paper is later this year; however, I do not intend to publish the Welsh equivalent until early spring of next year. This will give time to develop proposals collaboratively with local government and for there to be discussion at the Partnership Council and in Local Government and Housing Committee prior to publication. An outline timetable is included at Doc 2.

Legislation

5. Some of the policy items contained in the Paper will require primary legislation and I will seek to ensure that the needs of Wales are reflected in Westminster legislation. It is likely that Parliamentary time will not be made available for this legislation until the commencement of the Autumn 2002

session so that the earliest implementation of these changes could be the 2004/5 financial year.

6. Those items which may be handled through secondary legislation will be implemented as soon as practicable.

Financial Implications

7. There are no immediate financial implications for the National Assembly.

Edwina Hart AM
Minister for Finance, Local Government and Communities

STRUCTURE OF THE CONSULTATION PAPER ON LOCAL GOVERNMENT FROM THE WELSH ASSEMBLY GOVERNMENT

FOREWORD- From Minister

1. INTRODUCTION

Overview of Assembly's vision for local government in Wales reflective of the mature and developing relationship between local government in the Assembly. Highlight the Assembly's aims of enabling communities and the partnership between the Assembly and local government to create strong and vibrant communities in Wales. Emphasis on the important role local government has to play in community leadership.

2.COMMUNITY LEADERSHIP BY LOCAL GOVERNMENT

Role of local government as community leaders, community planning, service delivery partnerships (other local authorities, voluntary sector, business). Focus on local authorities role in health and collaboration with Local Health Boards including local authority membership. Focus on local authorities as community leaders for education and training, economic development and sustainable development. Crime reduction cross cutting themes, housing strategy and cross cutting housing themes. Role of community councils and option to join Wales Programme for Improvement for larger councils.

3. WORKING TOGETHER IN LOCAL GOVERNMENT

This section of the paper will analyse the need for local authorities to collaborate much more closely with other local authorities in planning and delivering services than is the case at present, recognising that there are services which require a larger population than that found within unitary authority area for efficient delivery ; and propose mechanisms for assisting and encouraging such collaboration.

4. CONTINUOUS IMPROVEMENT OF PUBLIC SERVICES BY LOCAL GOVERNMENT

Emphasis on local authorities developing their own solutions for improvement. The Wales Programme for Improvement, development of policy agreements, rewards and safeguards. Improving the performance management framework for local authorities (Including the development of the Local Government Data Unit Wales and the Equal Opportunities Unit). Increased choice and a fair playing field re options for delivery of services. Role of e-gov in procurement, procurement policy for Wales. The development of 'Improvement Contracts'. Links to resourcing and service delivery partnerships/joint working.

5. REDUCING THE BUREAUCRATIC BURDEN ON LOCAL GOVERNMENT

General section on reducing red tape. Plan rationalisation, including integration of financial planning with Wales Programme for Improvement. Reducing the burden of audit and inspection. Restatement of policy on ring fencing, specific grants, non-hypothecation. Freedom over fees and charges, local authority companies. Sunday opening polls. Miscellaneous provisions relating to community councils working to reduce audit burden, e-payment, s137 indexation and guidance on double taxation.

6. RESOURCING LOCAL GOVERNMENT

Aims of good finance system as introduction link with Simplifying the System. Revenue funding of local government including line for retaining newly reviewed formula, merging of RSG/NDR. Powers over congestion charging etc.

Outline of new capital system, changes to investment and borrowing regulations.

Local taxation- outline of plans for council tax, format of council tax bills and consultation on council tax levels. Future of business rates (links to partnerships/ role of local govt as a community leader).

Resourcing the housing function of local authorities and confirmation of policy on police, fire and education funding.

7. DEMOCRATIC AND ACCOUNTABLE LOCAL GOVERNMENT

Rekindling community involvement in the democratic process, representative democracy, constitutions and the electoral commission. Accessibility to local government role of e-gov in delivery of local govt. services and information. Local Voices. Commitment to review the operation of the Local Government Act 2000. Support for the development of the scrutiny function.

Powers to hold local referenda and consultation on the level of council tax set and local bandings.

Bellwin schemes responsibility to provide for emergencies through reserves.

Accountability frameworks- published accounts, duty to monitor finances, changes to s114, role of CFO, long term strategy on capping, (change to audit financial year, Audit Commission officer's powers of delegation, independent inspection rather than audit?)

(Careful balance in this section with the reducing the burden section)

8. THE PARTNERSHIP BETWEEN THE NATIONAL ASSEMBLY AND LOCAL GOVERNMENT

Commentary on progress of the Partnership Council and subgroups to date. Role of Policy agreements in delivering agreed Assembly/local priorities. Input here from WLGA on way forward. Balance of funding and the balance of control.

9. TECHNICAL ANNEX ON LOCAL GOVERNMENT FINANCE

Further detail on the Chapter 6 proposals.

Outline Timetable for Consultation Paper

Timing	Event
Early December	NafW Cabinet clearance for content of Consultation Paper
December	Publication of DTLR White Paper
December/January	On-going consultation with local government and other parties on content of Consultation Paper
End January	Final clearance of Consultation Paper
February	Translation and Printing
March 1st	Publication

My officials have set up a Project Board which will meet weekly to oversee the development and publication of the Consultation Paper. They will also liaise with other colleagues across the Assembly and DTLR.