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In response to your letter of 16 November 2017, we are pleased to provide you with the additional information you requested following our attendance at the Equality, Local Government and Communities Committee on 15 November 2017.

LOCAL GOVERNMENT MEG

Inspectorates

Could you explain your decision to reduce the allocation for the three inspectorates (CSSIW, HIW and Estyn) within the MEG by 2.3% in cash terms in 2018-19 and 5.4% in 2019-20?

The reductions to the allocations of the three inspectorates are consistent with the reduction to Welsh Government running costs. It is important that these bodies are required to make the same level of efficiency savings as other parts of Welsh Government. This is not to underplay the important roles these bodies play.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The inspectorates are already taking action to secure efficiencies and target their resources more effectively. This will mitigate the impact of these budget reductions and ensure these inspection services continue to provide the necessary assurance that absolute priority is given to the safety of people using our services.

Specific grants

What consideration did you give to transferring other grants that currently sit outside the RSG?

I will be encouraging my Cabinet colleagues to continue to review the grants within their portfolios. As a Cabinet, we agree that the available funding should be managed as efficiently as possible to minimise the costs of administration and maximise the funding reaching frontline services. This includes looking at opportunities to amalgamate or streamline the relevant grants as well as considering the option of transferring them into RSG.

For the 2018-19 Draft Budget, the then Cabinet Secretary for Finance and Local Government looked at all specific grants across all Ministerial portfolios, with a view to seeking the transfer of as many of these as appropriate into the settlement, in order to free up funding that is currently used in administering the grants and to increase flexibility for local authorities across the funding streams.

The WLGA referred in its evidence to the Wales Audit Office's estimate of the potential for up to 10% administrative savings that could be realised through dehypothecation.

In addition to the funding transferring into the settlement, policy areas are also aggregating existing grants with a view to reducing administration and providing greater flexibility.

Are you considering allocating grants in the RSG in the future at the level seen this year? [£91.7 million worth of grants have been included in the RSG for 2018-19]

Local Government has continually asked for the dehypothecation of specific grants and, in line with the direction of travel of previous Ministers, I will be looking to work with my Cabinet colleagues to transfer further funding into the settlement in the future. This will involve looking in detail at the funding currently delivered through specific grants and assessing the most appropriate delivery mechanism to provide the desired outcomes.

Council tax and council tax reduction scheme

Can you confirm that funding for the CTRS will be maintained at the existing level for 2019-20?

The Cabinet Secretary for Finance announced the plans for the council tax reduction scheme on 9 October. We intend to maintain full entitlements to support for eligible households for 2018-19. There are no plans to reduce the support for low-income households. We will be looking at the longer term options for the scheme as part of the work to meet our commitment to make council tax fairer.

Local government reserves

What is your view on the WLGA's concerns that the costs attributable to the workforce are likely to result in further cuts to frontline services? [In its paper the WLGA highlights workforce costs as a key cost pressure. It refers to the "inescapable costs attributable to the workforce" and states that, if realised, these will result in "inevitable cuts to frontline services".]

The UK Government policy on public sector pay has created real and significant issues for local government staff and their families. Governments across the UK have a responsibility to treat public servants with fairness and equity. This must be funded by the UK Government.

The Welsh Government's priority continues to be to protect public services from the worst effects of austerity. This includes working with local government to protect vital frontline services such as schools and social care. However, reform is essential if local authorities are to be financially resilient and able to maintain and improve the quality of services to meet the needs of the citizens of Wales into the future. This is not just about money, it is also about a new way of working. We want to build resilience and support renewal in local government so that it is representative, efficient, effective, prudent, resilient and integrated.

COMMUNITIES

Financial inclusion and advice services

How the Financial Inclusion Delivery Plan and Information and Advice Action Plan has influenced the draft budget allocations?

The actions set out in the Financial Inclusion Delivery Plan and Information and Advice Action Plan (both published in December 2016) focus on tackling financial exclusion and ensuring strong and well integrated advice services. Both have strongly influenced the draft budget allocations.

Financial Inclusion has a vital part to play in improving the well-being of people living in Wales by, for example, giving them access to affordable finance and access to trusted and independent information and advice services. These are central to giving everyone in Wales a fair chance in life, by helping them to understand and exercise their rights and make informed choices.

We know from Citizens Advice and others that the full service roll-out of Universal Credit will place further challenges on our most vulnerable people. Many may find themselves at crisis point, so an additional £1m has been included in next year's budget to ensure we can continue to provide support to those who need it most.

At Annex 2 you will find a copy of the letter sent by the Minister for Housing and Regeneration to the Secretary of State for Work and Pensions on 7 November 2017 on the subject of Universal Credit.

How much additional funding has been allocated to the Asylum Rights Programme to address the issues raised in the Committee's inquiry around improvements to legal advice, health screenings and mental health support?

The Asylum Rights Programme (ARP) is funded through the Welsh Government's Equality and Inclusion Programme 2017-20. The ARP is delivered by a Welsh Refugee Council led consortium which includes Tros Gynnal Plant, EYST, Bawso, Asylum Justice, City of Sanctuary and Displaced People in Action. The new service commenced on 1 April 2017 for a period of 3 years, and has an indicative value of £1.065m.

This figure is an increase of £225k over three years on the amount originally allocated for this programme. The increase was agreed by the former Cabinet Secretary for Communities and Children in 2016, following engagement with stakeholders. The budget for the ARP has not been increased further following the publication of the Committee's report. However, the programme is now being shaped in the light of that report to ensure that resources are targeted as far as possible to address issues highlighted by the Committee, where the ARP is the best means to do so, alongside other provision.

The pan-Wales programme is inclusive of all asylum seekers and refugees in Wales as well as those in the four dispersal areas (Cardiff, Wrexham, Newport and Swansea). The ARP focuses on practical support issues, including advice with asylum claims, helping people to avoid destitution, access to health care and counselling, and encouraging integration. This joined-up approach helps to maximise the considerable contribution of community organisations in supporting refugees and asylum seekers.

The Welsh Government is working with stakeholders including local government, health services and the Welsh Refugee Coalition to develop a new refugee and asylum seeker delivery plan, with reference to the Equality, Local Government and Communities Committee report, "I used to be someone." As part of that work, officials are reviewing what more can be done to support refugees and asylum seekers.

We recognise the need for support in relation to physical and mental health but the Asylum Rights Programme is not the most appropriate means of providing this. We will work with the Cardiff Health Access Practice (CHAP), the UK Government and the asylum accommodation provider to ensure asylum seekers receive appropriate health appointment reminders.

The Welsh Government has recently published a mental health care pathway through Welsh Health Circular (2007) 009. We have recently made £40,000 available to support local health boards to train child and adolescent and adult mental health clinicians in treating PTSD in child and adult refugees and asylum seekers and have published a mental health care pathway to support more efficient and effective diagnosis and treatment.

The UK Government has recently indicated that it wishes to invest in training around these issues for front line staff in local authorities, aiming to develop a consistent UK-wide approach. We are in discussion with the Home Office, Wales Strategic Migration Partnership and Welsh Local Government Association, regarding what would be appropriate for Wales.

When the provisions in the UK Government's Financial Guidance and Claims Bill regarding devolving funding for debt advice are expected to take effect?

It is expected that the devolved debt advice funding will take effect from April 2019, but it is possible it could take effect sooner, possibly in late 2018 early 2019. My officials continue to work closely with Her Majesty's Treasury and DWP officials on this. We have emphasised the need to be involved in Transition Groups in advance of the Single Financial Guidance Body being established.

Third sector

Prosperity for all includes a commitment to 'build a sustainable relationship with the voluntary sector [based on] the right funding model'. What does this mean and how is it reflected in your allocations?

Prosperity for All refers to the need to consider carefully which funding model best suits effective outcomes, while being sensitive to the challenges many voluntary sector organisations face. Short term funding, insufficient notice of continuation or cessation of funding are all issues which can have a negative impact on the sustainability of third sector organisations. Procurement by public services rather than grant funding can also have an impact on smaller third sector organisations.

The right funding model will vary depending on the desired outcome and it is important funders think carefully about this. The Code of Practice for Funding the third Sector includes a sections advocating careful consideration of the right model.

Funding for the Third Sector Partnership Council is included in the support for volunteering and the voluntary sector support budget and we will work with the Third Sector Partnership Council and WCVA to identify the issues around sustainability of funding for the third sector.

Welsh Government are not the only funders of third sector organisations and alongside the work of the Partnership Council, my officials are working with stakeholders to prepare guidelines on local Compacts between local authorities and third sector organisations which will support sustainable funding.

Community Facilities Programme

How will you ensure that the additional investment in the Community Facilities Programme provide value for money?

As part of the assessment process, applicants are asked to evidence the anticipated costs, providing three business quotes, with an explanation of the reasons for their preferred choice. We also ask they demonstrate need, community support, long-term sustainability, as well as, where possible, match funding towards the total costs of the proposed project. In this way we look to achieve the balance between supporting projects that have great potential to improve opportunities within communities, against the need to protect the public purse.

Community safety

How much was the Violence Against Women, Domestic Abuse And Sexual Violence (Wales) Act estimated to cost the Welsh Government when it was passed in 2015, and how much has it actually cost per year, and why there are any differences?

The estimated total cost of the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act was £1,406,800 over four years (2014-2015 to 2017-2018). The actual cost of the Act, without staff costs, is approximately £927,292 (including allocated funding for this financial year). These costs include development and delivery of the National Training Framework, Ask and Act, and the recruitment and role of the National Adviser.

Spend on the National Training Framework was higher than forecast in 2014-2015. Opportunity to utilise funding from elsewhere in the VAWDASV budget was taken to speed up delivery of the Framework and begin detailed development of particular parts of it.

Early adoption of “Ask and Act” began in 2015-2016 and a phased national rollout of “Ask and Act” has been undertaken, rather than full national rollout as forecast in the RIA. This has led to less spend on this policy per year than forecast. The reason for the phased roll out is:

- to ensure the learning of early adoption informed future work;
- to support relevant authorities to adopt “Ask and Act” at the same time as they regionalise service delivery; and

- to support relevant authorities to adjust to the requirements of legislation being adopted alongside other legislation (Social Services and Wellbeing Act and the Wellbeing of Future Generations Act).

What are your views on Charlie Taylor's Review of the Youth Justice System in England and Wales, particularly the recommendation to roll out funding for youth justice services into local government funding?

We continue to engage with the Ministry of Justice as they take forward the Youth Justice Reform Programme across England and Wales. Any change in the funding formula to the Youth Offending Teams in England will invariably have an impact in Wales.

In principle, we would support any recommendation to provide local authorities with greater flexibility proposed with the Charlie Taylor review. We would however need to consider carefully any change in policy as any change in funding cannot be looked at in isolation from the policy particularly within the non-devolved context.

Separate negotiations would be required regarding any change in funding arrangements and/or transfer of funds as an identical approach which may be developed for England cannot be assumed to be suitable within Wales. Officials will therefore continue to liaise closely with MOJ officials on all aspects of the reform particularly where there are impacts on devolved services.

Supporting People

What progress has been made in ensuring that funding for Supporting People is distributed on the basis of need, and what impact merging grants will have on this?

The Aylward Review proposed redistribution for Supporting People funding and this was progressing until budget reductions required the work to be paused. This pause was proposed by the Supporting People National Advisory Board, at which key stakeholders are represented, and accepted by Welsh Ministers. The Supporting People budget has been flat lined since 2015-16 no further work on redistribution has taken place since. If budgets are merged the amount going to each local authority will equate to this year's allocation.

In 2018-19 the terms and conditions for SP for the pathfinder authorities will remain broadly as per this year; Local Authorities will be held to account in the same way and expected to deliver the same outcomes.

We have committed to working with pathfinder and other stakeholders to ensure that if the decision is made to move to a single combined grant it is supported with suitable terms, conditions and accountability that ensures the combined grant continues to deliver the desired outcomes. This work with stakeholders has already commenced.

Housing Supply and Standards

What evaluation has been undertaken of the Housing Finance Grant in terms of value for money?

Each scheme approved under the Housing Finance Grant is required to meet the Welsh Government criteria on value for money which is published in our Acceptable Cost Guidance Figures. The Housing Finance Grant has an additional value for money measure in relation to how it is calculated. The borrowing rate for individual Registered Social Landlords is used. However, the rate is capped by Welsh Government in order to ensure value for money. The cap was determined as the best price that could be achieved in the market at the time the funding was sourced.

Legislation

Given over one million people will be affected by the implementation of the Renting Homes (Wales) Act 2016, what assessment has been made of the costs required to communicate the changes to affected parties?

In line with the Explanatory Memorandum that accompanied the Bill, the Welsh Government has allocated a total of £160,000 to the cost of communicating the changes to tenants, landlords and other stakeholders. £100,000 has been allocated in 2018-19 in preparation for implementation, with £20,000 in each of the following three years to continue to promote awareness and understanding.

A broad range of social and private landlords sit on our Renting Homes Stakeholder Group, together with tenant representatives and organisations such as Shelter Cymru and Citizens Advice. We will continue to engage closely with our stakeholders regarding implementation, including ensuring joined-up arrangements for communication.

Action points from the Scrutiny Committee

On 17 November, the Clerk of the Committee wrote to you with six action points. These were:

- The overall reserve figures for all local authorities for 2017 (please see response at **Annex 1**);
- An analysis of the reserves drawn upon by local authorities over the last few years (please see response at **Annex 1**);
- Detail of the terms of the specific grants to focus on homelessness, within the communities and children MEG;
- Any further information about the new publicly funded Gypsy and Traveller sites to be delivered in 2018-19, when available;
- The findings from the future analysis of data collected on all home adaptations, when available; and,

- The money allocated to the enforcement of Rent Smart Wales and, specifically, what it will be used for.

Detail of the terms of the specific grants to focus on homelessness, within the communities and children MEG

We are not yet able to provide the detailed terms of each of the grant programmes for 2018-19 as these are now under development, however, the primary focus will be on prevention of homelessness.

Other objectives to be pursued via the additional funding are expected to include sharpening the focus on ending youth homelessness, reducing rough sleeping, strengthening mental health responses and improving access to the private rented sector.

Any further information about the new publicly funded Gypsy and Traveller sites to be delivered in 2018-19, when available

Each year the Welsh Government undertakes at least one open bidding round for local authorities to apply for the Gypsy and Traveller Sites Capital Grant. The next bidding round will open in the coming weeks and conclude at the end of February 2018. Grant awards will be made in April 2018 for projects beginning in the 2018-19 year. We will write to you in April to notify you of the successful projects.

A site extension project in Gwynedd and a major site refurbishment in Pembrokeshire have already been approved for the 2018-19 financial year, as these projects have already begun.

Between 2017-21, we expect to have funded between 150-200 new pitches, with the remaining identified demand of 70-120 pitches being met by private site development. We know that the majority of Gypsies and Travellers would rather develop their own private sites but this is not always affordable. In 2017-18 alone, we know that 36 private pitches have received planning permission. Therefore, we are confident that our projected budget and the Housing (Wales) Act 2014 duties to support site development will fully meet demand.

The findings from the future analysis of data collected on all home adaptations, when available

We have received a considerable number of individual feedback reports relating to adaptations undertaken through our programmes. We are currently working to codify and analyse the rich data they provide.

Once this exercise has been completed we can, over time, use the information to inform our policy development, assess what constitutes a small, medium or large adaptation, how quickly the adaptation should be delivered, how the process should work, and, identify and address any bottlenecks in the delivery system.

The money allocated to the enforcement of Rent Smart Wales and, specifically, what it will be used for

Enforcement against non compliance with Rent Smart Wales is, in the main, funded by the fees payable for registration and licensing. The £275,000 being made available in 2018-19 helps with the continued promotion of the legislation. This money will be spent in a variety of ways. Some local authorities use the resource to pay for local advertising and mailshots, reminding agents and landlords of their obligations, and also notifying tenants how to check their landlord and/or agent is properly registered and/or licensed. Others will use the money to make direct contact with landlords and agents either by personal visits by staff or holding landlords and agents' forums.

We trust these address the additional points raised.



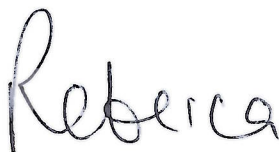
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