

REGULATORY APPRAISAL

LOCAL GOVERNMENT, WALES

THE REVENUE SUPPORT GRANT (SPECIFIED BODIES) (WALES) (AMENDMENT) REGULATIONS 2006

Purpose and intended effect of the measure

1. The intended effect of these Regulations is to remove Syniad and the Public Private Partnerships Programme Limited (the “4Ps”) from the list of specified bodies that receive revenue support grant and to add the Welsh Local Government Association (WLGA).
2. This will allow the WLGA to receive revenue support grant in accordance with sections 84E, 84F and 84H of the Local Government Finance Act 1988. Section 84E provides that revenue support grant may be paid to a specified body, being a body which provides services for local authorities and is specified in Regulations.
3. Syniad was integrated into the Welsh Local Government Association in April 2002 and the specified bodies Regulations were not amended at the time to reflect this change. As a result of the announcement that the Minister for Finance, Local Government and Public Services has no plans to introduce further bidding rounds for local government Private Finance Initiative credits the current funding provided to the “4Ps” through the revenue support grant will no longer be required and the “4Ps” will be funded through the WLGA for work undertaken on the remaining local authority schemes.
4. The inclusion of the Welsh Local Government Association, at their request, would enable the WLGA to use top slice monies for projects which encourage efficiency and improvement in local government specifically through joint working between councils and across the Welsh public sector, and to provide services equivalent to those provided by the former top slice bodies but in a way which is more appropriate to Welsh local government.
5. Without these Regulations, the Welsh Assembly Government cannot pay any revenue support grant to the WLGA.

Risk assessment

6. These draft Regulations amend the Revenue Support Grant (Specified Bodies) (Wales) Regulations 2000. These amendments are required to remove Syniad and the “4Ps” from and to add the WLGA to the list of bodies that may receive revenue support grant.

7. If the order were not approved the WLGA would not be able to receive revenue support grant as a specified body to use top slice monies for projects which encourage efficiency and improvement in local government specifically through joint working between councils and across the Welsh public sector, and to provide services equivalent to those provided by the former top slice bodies but in a way which is more appropriate to Welsh local government.

Options

Option 1: Do Nothing

8. If the Regulations were not amended then the list of specified bodies would continue to be incorrect and includes Syniad, which no longer exists and should have been removed at an earlier date. Also, the WLGA would not be able to receive top slice revenue support grant in the future for the purposes in paragraph 7.

Option 2: Make the legislation

9. The Regulatory option is the only option available to allow the WLGA to become a specified body for the purposes shown in paragraph 7.

Benefits

10. The main benefits are that the Revenue Support Grant (Specified Bodies) (Wales) Regulations 2000 will be updated to allow the WLGA to use top slice monies for projects which encourage efficiency and improvement in local government, specifically through joint working between councils and across the Welsh public sector, and to provide services equivalent to those provided by the former top slice bodies but in a way which is more appropriate to Welsh local government.

Costs

11. There are no additional financial implications to the Assembly as a result of these Regulations. The proposed allocations of revenue support grant to specified bodies are set out in the local government finance report each year, which is approved by the whole Assembly in accordance with Standing Order 21.
12. There are no financial implications to local authorities or any other sector.

Consultation

With Stakeholders

13. Details of the draft Regulations were sent to all Welsh local unitary authorities (all Chief Executives, Chief Financial Officers and Legal Officers) and the Welsh Local Government Association as part of the consultation exercise. The consultation exercise began on 14 December 2005 and finished on 9 January 2006.

14. Two responses were received. A list of the respondents together with a short note of the main comments on the consultation exercise is at Annex 1.
15. The only issue raised was that consultation arrangements should be put in place giving advance notification of the amount to be top sliced. However, it is for the WLGA co-ordinating committee to decide on the amount of top-slice money each year and this forms part of the consultation on the local government settlement. This response was copied to the WLGA and as a result no amendments to the draft Regulations were required.

With Subject Committee

16. These Regulations were notified to the Local Government and Public Services Committee on 30 November 2005 (Paper No: LGPS 08-05(p.1), item No: LG079), and have remained on the list ever since but were not identified for detailed scrutiny.

Review

17. Local Government Finance Division will continue to review the efficacy of these Regulations and supporting mechanisms with the WLGA and local authorities.

Summary

18. The aim of these Regulations is to introduce changes to the current Regulations governing the payment of revenue support grant to specified bodies. This will allow payment of top-slice monies to be made to the WLGA in future years and for the WLGA to undertake projects, which encourage efficiency and improvement in local government specifically through joint working between councils and across the Welsh public sector. This will enable the WLGA to provide services equivalent to those provided by the former top slice bodies but in a way which is more appropriate to Welsh local government.

RESPONSES TO THE CONSULTATION ON THE REVENUE SUPPORT GRANT (SPECIFIED BODIES) (WALES) (AMENDMENT) REGULATIONS 2006

1. Denbighshire County Council - Chief Executive Ian Miller - 14 December 2005

- We support these regulations.

2. Wrexham County Borough Council – Chief Finance and Performance Officer Mark Owen - 9 January 2006

- The only comment that I have regarding the proposed changes is that the Council would want to be certain that consultation arrangements would be put in place giving us advance notification of the amount to be top sliced.

Response – The WLGA co-ordinating committee decide on the top sliced amount each year and once this has been received this forms part of the consultation on the provisional local government settlement. This response has been copied to the WLGA.