

Cabinet's Proposals for Primary Legislation, 2006-07

Statement to Plenary

Standing Order 33.11 requires the Cabinet annually to put to plenary its proposals for Westminster primary legislation. The proposals will be debated on 29 March.

Proposals

Housing (Suspension of Right to Buy) (Wales) Bill

The Right to Buy has resulted in a reduction of around 45% in the social housing stock in Wales. In some areas, very few properties remain available for rent by people in housing need.

Under the proposal, areas of housing pressure (rural or urban) would be considered for designation following application to the Assembly Government by local housing authorities, which would need to provide supporting evidence. If approved, suspension would be for a period of 5 years, but could be renewed for a further period(s).

The Housing Act 1985 permits landlords disposing of properties in rural areas to impose a covenant limiting the freedom of the purchaser (and his successors in title) to re-sell the property. In 2003 the Assembly made an Order extending the list of rural areas where covenants on re-sale may be imposed. The Housing Act 2004 has given landlords a "right of first refusal" to repurchase properties offered for sale within 10 years of the original disposal under the RTB. However, repurchase must be at current market value.

The Assembly has also used its secondary legislative powers to reduce the maximum discount allowed under the RTB to £16,000 in all parts of Wales. However, there is no provision in the Act allowing the RTB to be suspended in areas of 'housing pressure'. Primary legislation is therefore required.

There would be no significant financial implications for the Assembly in this proposal. Where the RTB was suspended, landlords (mainly local authorities but also some registered social landlords) would not receive any sale receipts, but would continue to receive rents. Hence the financial outcome for them should be broadly neutral.

Local Government (Town and Community Councils) (Wales) Bill

The Bill would enable the Assembly Government to implement those recommendations of the Aberystwyth research study on the role and functions of community and town councils which require amendments to legislation. The policy objective would be to enable local councils in Wales to deliver a wider range of services and actions locally, and increase the effectiveness of

their representational role and their ability to work in partnership with other bodies.

The Bill would among other things amend the provisions in the Local Government Act in 1972 to put in place more rigorous requirements which would need to be met before community councils could be disbanded; introduce a lower threshold for establishing new community councils; provide a power enabling the Assembly Government to introduce an accreditation procedure for individual or groups of local councils (local councils would be required to meet certain minimum standards before taking on additional functions); require councils to advertise vacancies to be filled by co-option; provide powers to amend the list of functions on which local councils would have a statutory right to be consulted; require principal authorities to review their community areas every 10-15 years and report to the Local Government Boundary Commission; and give local councils a new power to enable them to promote or improve the economic, social and environmental well-being of their areas; and provide a power for the Assembly Government to fund local councils directly or provide them with special grant.

There could be some limited financial implications for the Assembly's Budget arising from this Bill, if it was decided in later years to make use of the powers to provide direct grant assistance to councils. Local councils' increased service responsibilities would be undertaken with the agreement of, and funding from, their county or county borough councils. The increased localisation of service provision should result in an increase in the range and quality of local services.