

Subject: Update on implementation of the Local Democracy, Economic Development and Construction Act 2009

Date of Meeting: 9 March 2010

Report of: Director of Strategy and Governance

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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report is an update on the implementation of those parts of the Local Democracy, Economic Development and Construction Act 2009 of most relevance to the council.

2. RECOMMENDATIONS:

- 2.1 That the Committee notes the report.

3. RELEVANT BACKGROUND INFORMATION / CHRONOLOGY OF KEY EVENTS:

Background

- 3.1 The Local Democracy, Economic Development and Construction Act 2009 ('the Act') received royal assent in November 2009.
- 3.2 The principal aims of this legislation are to:
- strengthen community leadership
 - create more active citizens
 - increase community engagement and empowerment
 - increase local authority involvement in economic development and regeneration

Implementation Timescale

- 3.3 A decision on when to introduce the duty on local authorities to **promote their own democratic arrangements and those of specified public bodies** has been deferred until the next Comprehensive Spending Review. In a House of Commons written reply, Local Government Minister Rosie Winterton stated this was due to concerns over the cost to councils of implementing the duty.

- 3.4 Independently of the impending legal duty to promote local democracy, the council is taking a range of measures to strengthen community engagement. Members are referred to the separate report on this matter at agenda item 83 – *Community and Neighbourhood Engagement*
- 3.5 A consultation exercise over the duty on local authorities to **respond to petitions** has recently ended. Once the Government has considered responses, it will make a decision on when to bring the duty into effect.

Members are referred to the separate report at agenda item 81 on the council's pilot exercise to enable e-petitions.

- 3.6 The duty on local authorities to appoint an officer to **promote the role of, and provide support to, their overview and scrutiny committees** comes into force on 1 April 2010.

It was agreed at Governance Committee in January that this role would be performed by the council's Head of Overview and Scrutiny. He and his team are already meeting the statutory requirements of the role, with output which includes:

- Support to scrutiny committees and panels
- Regular meetings with Directors, Cabinet Members and Committee Chairs
- Research, data analysis and reports for scrutiny panels
- Developing links with partners and the LSP
- 1 to 1 Member training sessions to be offered from May 2010

- 3.7 The power to enter into **mutual insurance arrangements** with other public bodies will not be available until after the Government has prepared and consulted on draft regulations and guidance. There is no timescale for this at present.
- 3.8 The duty to prepare an **assessment of the economic conditions** of Brighton & Hove comes into force on 1 April 2010. Before embarking on the assessment, however, the council must have regard to statutory guidance, which itself is preceded by a consultation exercise ending on 15 March.
- 3.9 The Act provides for each region outside London to have a **regional strategy** setting out policies on:
- (i) sustainable economic growth, and
 - (ii) the development and use of land in the region

Although these provisions come into force on 1 April, the Government has only recently (December 2009) issued guidance on the duty on local authorities to establish '**Leaders' Boards**'. These Boards are to consist of senior elected members drawn from district and county councils in the region, enabling them to act collectively at regional level.

Together, the Leaders' Board for the region and the relevant Regional Development Agency will be responsible for:

- keeping their regional strategy under review
- revising the strategy as directed by the Sec of State or in accordance with regulations
- producing and publishing a plan for implementing the strategy in their region

Regulations associated with these provisions have yet to be issued.

- 3.10 Under the Act, the Secretary of State has power to establish an '**economic prosperity board**' (EPB) covering two or more local authority areas, with functions relating to local economic development and regeneration. If expedient, the Secretary of State may also establish a **combined authority** consisting two or more local authority areas, with functions similar to those of EPBs.

The power commenced in December 2009, and in February 2010 the Government consulted on draft guidance; the consultation ends on 29 April.

4. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 The financial impact of complying with the duty to promote democracy will be assessed once the Government has announced an implementation date (see 3.4 above).
- 4.2 CLG have advised that any net additional cost of meeting the duty in relation to petitions, when in force, will be funded by Government in line with their 'new burdens' doctrine.
- 4.3 In the meantime it is proposed to continue managing the pilot e-petition scheme within existing resources.
- 4.4 The duty to appoint a Scrutiny Officer with specific responsibilities is not expected to lead to any additional costs.
- 4.5 Through area-based grant, funding of £65,000 is available in 2010/11 to carry out an economic assessment of the local area

Finance Officer Consulted: Anne Silley

Date: 23/02/10

Legal Implications:

- 4.6 The report is for noting only; there is no substantive decision to be made. References to the relevant legislation are contained in the body of the report.
- 4.7 The council's Corporate Law team will continue to track commencement dates of relevant provisions in the Act and advise members accordingly.

Lawyer Consulted:

Oliver Dixon

Date: 23/02/10

Equalities Implications:

- 4.8 None arising directly from this report

Sustainability Implications:

- 4.9 As stated in 3.10 above, the regional strategy for the region is to include policies in relation to sustainable economic growth. Further, the Leaders' Board for the region, together with the Regional Development Agency, must exercise their functions in relation to the regional strategy with the objective of contributing to the achievement of sustainable development. In doing so, they must in particular have regard to the desirability of achieving good design – section 73 of the Act refers.

Crime & Disorder Implications:

- 4.10 None arising directly from this report

Risk and Opportunity Management Implications:

- 4.11 The council is already complying with certain duties the Act imposes; with respect to other key provisions, the council has measures underway to meet those duties when they come into effect.

Corporate / Citywide Implications:

- 4.12 The duty to promote local democracy includes a requirement on the council to promote not only its own democratic arrangements but those of other public bodies in the city, such as NHS trusts, the fire authority, police authority and the governing body of maintained schools. The council has well established links with some but not all of these bodies. In certain cases therefore the council will need to develop links which enable all the relevant bodies to provide us with the necessary information to fulfil our statutory duty.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents In Members' Rooms

None

Background Documents:

1. Government White Paper *Communities in Control: real people, real power*
2. The Government's *Review of Sub-National Economic Development and Regeneration*