

Subject: Localism Bill
Date of Meeting: 1 February 2011
Report of: Strategic Director, Resources
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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Localism Bill (the Bill) was published on 13th December 2010. The Bill has been described as the most radical piece of legislation in the Coalition's programme for government and is a key element in the government's Big Society and decentralisation agendas.
- 1.2 A preliminary report on the anticipated remit of the Bill came to Governance Committee on 16th November 2010 and a further report was requested once the Bill was published.

2. RECOMMENDATION:

- 2.1 That Governance Committee notes the key provisions of the Localism Bill and requests further reports as the Bill progresses, including proposals for implementation in Brighton & Hove;

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 This briefing summarises the main provisions of the Bill. The Appendices set out each of the measures in detail. The Bill can be grouped into four key areas, considered below:-

- **Local Authority Governance arrangements**
- **Community empowerment**
- **Planning**
- **Housing**

3.2 Local Authority Governance (Appendix One)

The arrangements for different models of Local Authority Governance and changes to general local government powers and duties are set out in **Appendix One**. The changes include:-

- **Local authority governance** - the Bill sets out new provisions as to the governance arrangements which authorities may adopt and the mechanisms

(including timing) for changing governance arrangements. Provisions include a new power for the Secretary of State to require authorities to carry out referendums on a move to a mayoral system.

- For the Governance Committee the proposals in Appendix One will be particularly significant, falling as they do within the Committee's decision making remit
- **The general power of competence** - this new power is intended to free local authorities from the existing restrictions on their ability to undertake activities outside their specific functions and matters incidental to those functions. It will give local authorities the very wide power to "do anything that individuals generally may do".
- **Clarification on predetermination rule** - the Bill aims to clarify that members are not prevented from voting on a matter where they have previously given indications of their view on that issue, as long as at the point the decision is taken this is done with an open mind and taking account of all that is said.
- **Abolition of existing standards regime**- the existing regime, including the Standards Board, the requirement to have a Standards Committee and the model Code of Conduct, is abolished. In its place is a broad requirement for authorities to "promote and maintain high standards of conduct by members", with an optional power for an authority to operate its own code of conduct and a mandatory requirement to operate a list of members' interests.
- **Policy statements on senior staff pay** - these will have to be published annually.

3.3 Community Empowerment (Appendix Two)

The Community Empowerment provisions are considered in detail in **Appendix Two**. The key provisions include:-

- **Assets of community value** - a new regime will require authorities to keep lists of "assets of community value" and prevent owners from disposing of such land until community groups have had the opportunity to bid for it.
- **Community right to challenge** - authorities will be required to consider expressions of interest from specified groups who wish to take over the provision of services which are provided by or on behalf of the local authority.
- **Referendums on local issues** - authorities will be required to hold referendums on local issues, either for the whole of their area or a smaller part of it, when this is requested by 5% of residents or at the request of local authority members. The existing provisions prescribing how local authorities deal with petitions are repealed.
- **Annual Council Tax Referendum** – if authorities propose a Council Tax increase in excess of the specified threshold, they will be required to hold a referendum seeking agreement to the proposal for that financial year.

3.4 Planning (Appendix Three)

The planning proposals are set out in detail in **Appendix Three** and include:-

- **Plans and strategies** - Regional Spatial Strategies are to be abolished and Councils are to be given greater flexibility in relation to the statutory examination of their development plans.
- **Pre-application consultation** - developers will be required to engage in pre-application consultation on major schemes (within a centrally determined threshold).
- **Neighbourhood planning** – a radical new system of planning and development at neighbourhood level is introduced, incorporating the ability of qualifying neighbourhood bodies to make Neighbourhood Development Orders and Community Right to Build Orders.
- **Community Infrastructure Levy (CIL)** - reporting requirements in relation to the CIL are reduced and the Secretary of State will have the power to require local authorities to pass CIL onto other bodies.
- **Enforcement** - local planning authorities will have the power to decline retrospective planning applications once an enforcement order has been served. The Bill also creates a “Planning Enforcement Order” which will allow local authorities to take enforcement action against a planning breach even where the standard time limits have expired.
- **Nationally Significant Infrastructure projects** – national infrastructure decisions are transferred from the Infrastructure Planning Commission to the Secretary of State.

3.5 Housing (Appendix Four)

Significant reforms to the social housing sector are included in the Bill and these are considered in more detail in **Appendix Four**. The measures set out in the Bill include:-

- **Social housing allocation and homelessness** - the Bill gives greater powers to local authorities to develop their own allocations policies and flexibility in terms of dealing with their homelessness obligations.
- **Social housing tenure reform** - there will be a new flexibility for social landlords to introduce fixed term tenancies of two or more years in place of the current lifetime tenancy, and to limit succession rights to a spouse or partner. This will be a flexibility rather than a requirement.
- **Housing finance** - the current centralised Housing Revenue Account system will be replaced with a locally run, self-financing system. Provisions are made for a one off payment to each council to enable them to support their stock from their own income.

- **Housing mobility** - a National Home Swap Scheme will be introduced with the intention of making it easier for social tenants to move to a new home.
- **Social housing regulation** – the Tenant Services Authority is to be abolished and replaced by a statutory committee of the Homes and Communities Agency.
- The above provisions are those that currently appear on the face of the Bill. There are other significant proposals in relation to housing which are being progressed through separate consultation mechanisms, such as the New Homes Bonus and affordable rent schemes, as discussed at Appendix Four.

The Localism Bill - next steps

- 3.6 The Bill passed its second reading in the House of Commons on 17th January 2011 and will now be considered by a Public Bill Committee. The intention is for Committee stage to be completed by 10th March 2011. Royal Assent is expected by November 2011. The implementation dates for the provisions in the Bill will vary and be subject to the progress of necessary secondary legislation and guidance.
- 3.7 Officers will ensure that any key amendments and the stages of the Bill's progress are brought to Members' attention.
- 3.8 In anticipation of the significant number of new powers and duties introduced in the Bill, officers will need to bring forward draft proposals for implementation in Brighton & Hove in relation to each area. This will need to include proposals and implications for the Council where previous statutory obligations are set to be repealed - such as the Standards regime and the duty to respond to petitions – as well as proposals to take forward new responsibilities such as neighbourhood planning arrangements, other community empowerment proposals and new housing policies. These will be brought to the appropriate Member forum for each issue.

4. CONSULTATION

- 4.1 No specific consultation was undertaken in relation to this report which is for information. Previous briefings have been taken to Governance Committee and Leaders Group. The Bill is now at Public Committee stage, where written representations from interested parties are invited.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications

- 5.1 It is too early to assess the financial implications arising from the Localism Bill, which is still in draft form. There are likely to be significant resource implications relating to individual proposals as they are taken forward and these will need to be carefully considered, quantified and reported back at a later date.

Finance Officer consulted: Mike Bentley

Date: 19/01/11

Legal Implications:

- 5.2 The legal implications are addressed within the body of the report.

Lawyer consulted:

Elizabeth Culbert

Date 19/01/11

Equalities Implications:

- 5.3 Equalities implications will be addressed as part of a formal Equality Impact Assessments in relation to the provisions of the Bill and this is anticipated to be published shortly.

Sustainability Implications:

- 5.4 There are no direct sustainability implications arising from this report. Any implications in relation to specific proposals for decision locally will need to be reported on as proposals are brought forward.

Crime & Disorder Implications:

- 5.5 There are no direct crime and disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 5.6 There are no direct risk and opportunity management implications arising from this report. Any implications in relation to specific proposals for decision locally will need to be reported on as proposals are brought forward.

Corporate / Citywide Implications:

- 5.7 None at this stage. Any implications in relation to specific proposals for decision locally will need to be reported on as proposals are brought forward.

SUPPORTING DOCUMENTATION

Appendices

1. Local Authority Governance arrangements
2. Community Empowerment
3. Planning
4. Housing

Documents in Members rooms:

None

Background Documents

None

