

EAST HERTS COUNCIL

EXECUTIVE – 8 MARCH 2011

LOCALISM BILL – EAST HERTS COUNCIL LEADING THE WAY

REPORT BY THE LEADER OF THE COUNCIL

WARDS AFFECTED: ALL

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PURPOSE/SUMMARY OF REPORT:

- To provide an overview of the key proposals made in the publication of the Localism Bill and highlight how East Herts Council is already responding to these proposed changes and embracing the principles of the Bill.

<b><u>RECOMMENDATION FOR THE EXECUTIVE:</u> that</b>	
<b>(A)</b>	<b>the progress to date against some of the proposals contained in the Localism Bill, be noted; and</b>
<b>(B)</b>	<b>the scrutiny committees be invited to consider including aspects of the Bill in their work programmes as it progresses through Parliament.</b>

1 BACKGROUND

1.1 On 13 December 2010, the Government laid before parliament the Localism Bill. This Bill had its Second Reading debate on 17 January 2011 and was committed to a Public Bill Committee. The Committee last considered the Bill on 17 February 2011 and will sit again on 1 March 2011 and 3 March 2011.

1.2 **It is important to note that this is a Bill and it is still being debated and therefore has not been passed as legislation. This means that the proposals contained in the Bill, as summarised in paragraph 2.1 and 2.2, are not statute yet.**

- 1.3 Described as a 'landmark bill that heralds a ground-breaking shift in power to councils and communities overturning decades of central government control', the Bill proposes to devolve a range of new powers and freedoms to local government and local communities. It also proposes to overhaul the planning system and set out the framework needed to underpin the creation of the Big Society.
- 1.4 This report outlines the proposals within the Bill and highlights how East Herts Council is already responding to some of the changes and embracing some of the principles of it.

## 2 REPORT

- 2.1 The Localism Bill consists of 405 pages, 207 clauses and 24 schedules.

Key proposals include:

- Enabling councils to grant discretionary business rate discounts and giving affected businesses a greater say in rate supplements.
- A new general power of competence.
- A community right to challenge to take over the running of council services.
- A community right to bid which gives communities the opportunity to bid for local assets such as libraries, pubs and shops.
- A right for communities to instigate local referendums on any local issue.
- Replacing council tax capping with a new right to veto excessive council tax rises through a referendum.
- A community right to build where local people have the power to take forward development in an area without seeking planning permission if a local majority (over 50%) vote in favour in a referendum.
- Abolishing regional strategies and making neighbourhood plans the new building block of the planning system.

### **Six essential actions**

- 2.2 Alongside the publication of the Localism Bill, the Government outlined six actions central government will need to take if decentralisation is to be achieved. These are:

1. **Lift the burden of bureaucracy** - by removing unnecessary red tape and regulation which restricts local action:

The centrepiece of the Bill for councils is a new **general power of competence** which it is claimed will fundamentally change local government's relationship with the centre. Rather than needing to rely on specific powers, it is felt that this new power will give councils the legal reassurance and confidence to innovate and drive down costs to deliver more efficient services. **This is a proposal at this stage and it is not statute yet.**

**Alignment:** Following the abolishment of the National Indicator set we have taken the step to review our indicator set. This allows us to fulfil our commitment to deliver our priorities and to account to our residents for our performance. We have also introduced Hot Performance Indicators, published online monthly so our residents have regular information on how we are performing. Areas are topical and linked to residents' concerns/interests.

2. **Empower communities to do things their way** - by creating rights for people to get involved with, and direct the development of, their communities:

This involves promoting local democracy by:

- allowing councils to **return to the committee system** if they so wish
- providing a **new power to create directly elected mayors** in 12 cities
- **abolishing Standards for England**; and
- Providing councillors with clarity on the **predetermination rules**

It also establishes new rights for local people and communities - giving local people and communities a bigger say over their area through:

- a **community right to challenge** to take over the running of council services. Councils will be obliged to consider "expressions of interest" and, where they accept them, carry out a procurement exercise
- a **community right to bid**. Councils will be required to keep a List of Assets of Community Value such as libraries, pubs and shops which cannot be disposed of until community interest groups have been given the opportunity to bid to buy them

- a new right for councillors and communities to instigate **local referendums** on any local issue. These will not be binding but councils will be required to take the outcome into account in decision making; and
- replace council tax capping with a new right to **veto excessive council tax rises through a referendum**.

**These are proposals at this stage and therefore not statute yet.**

**Alignment:** We are embracing the concept of giving local people and communities a bigger say by reviewing how we undertake consultation and engage with the community as part of the Public and Community Engagement Task and Finish Group.

3. **Increase local control of public finance** - so that more of the decisions over how public money is spent and raised can be taken within communities (including making community budgets available to all by 2013):

This will include making housing fairer and more democratic through returning decision-making powers on housing to local councils and communities by:

- putting councils in charge of the **allocation and tenure of social housing**;
- creating a new **National Homeswap Scheme**, which will enable (the accommodation between) two or more tenants to permanently exchange their properties;
- enabling councils to be more flexible in the way they respond to those at risk of **homelessness**;
- formally abolishing **Home Information Packs**;
- reforming **council housing finance** by replacing the Housing Revenue Account Subsidy System with a more transparent, locally run system; and
- reforming the **regulatory system for social housing**; including abolishing the Tenant Services Authority (TSA) and transferring its remaining functions to the Homes and Communities Agency.

**These are proposals at this stage and therefore not statute yet.**

**Alignment:** Although the Bill may not be passed until later in the year this particular area is looking to be progressed sooner. We have already started conversing on this with the local Registered Social Landlords (Riversmead and South Anglia) who have differing opinions on the anticipated success of the changes.

We already have an existing house swap scheme but are unsure whether going forward we will do this through the existing choice based lettings scheme or through a separate scheme.

We are also already offering flexible housing options.

It also looks to create powerful incentives for economic growth: giving local government a stronger financial stake in the local economy by:

- allowing local authorities to grant discretionary business rate discounts; and
- requiring all **business rate supplements** to require a ballot of businesses.

4. **Diversify the supply of public services** - by ending public sector monopolies, ensuring a level playing field for all suppliers, giving people more choice and a better standard of service:

This looks to reform planning through returning the planning system to democratic and local control by:

- **abolishing regional strategies**
- making **neighbourhood development plans** the new building blocks of the planning system with a new duty to cooperate on councils and other key partners.
- creating a **Community Right to Build** where local people have the power to take forward development in an area without seeking planning permission if a local majority (over 50%) vote in favour in a referendum; and
- **abolishing the Infrastructure Planning Commission** and transferring its functions to the Secretary of State.

**These are proposals at this stage and therefore not statute yet.**

**Alignment:** Our existing Local Development Framework will continue. The Government has asked for Pilot authorities to test

the Community Right to Build system, however on this occasion we have chosen not to volunteer.

In regard to enforcement, there is a proposed non-key decision to devolve powers to remove flyposting to the Town Councils in East Herts.

5. **Open up government to public scrutiny** - by releasing government information into the public domain, so that people know how their money is spent, how it is used and to what effect; and requiring councils to publish an annual senior pay policy statement, approved by Full Council, setting out its policies relating to the remuneration of its chief officers (i.e. Chief Executive, Monitoring Officer, Directors and those reporting directly to Directors).

The Government is currently consulting on a new Code of Recommended Practice for local authorities on the publication of data ('the proposed Code'). The proposed Code is concerned with making data generated by authorities available and accessible to the public. It is intended to set out the requirement to publish data and minimum expectations and considerations.

**This is a proposal at this stage and it is not statute yet.**

**Alignment:** We already publish *all* payments on a weekly basis. This exceeds the Government's request to report spending values over £500.

In addition, we have made details of senior staff salaries available and publish our annual report so we are clear on what our spending achieves. Going forward we will continue to make information easily available to the public through the Council's website.

Under Section 5 of the Local Government and Housing Act 1989 it is the duty of the Council's Monitoring Officer to report to the Executive if it appears that the Executive or any person acting on behalf of the Executive has made a decision which is contrary to law. The Council has responsibility for responding to Freedom of Information Requests (FOI) promptly and within 20 working days. It has not always been possible to respond to all requests within this timescale.

The Council has taken action to improve its speed of response to FOIs. An important element of that plan is to shift the Council from waiting for FOI requests to proactively reducing the

need for individuals to request information by making a wider range of information more easily available through the Council's website. This will include designing improvements to the website front page and more clearly signposting enquirers to the most used information. An action plan to better facilitate easy access to information and the management of freedom of information has been agreed.

With reference to the proposed Code on the publication of data, we are amending the publication of spending details and making it available in a range of different formats e.g. csv and pdf to increase its accessibility.

6. **Strengthen accountability to local people** - by giving every citizen the power to change the services provided to them through participation, choice or the ballot box.

**This is a proposal at this stage and it is not statute yet.**

**Alignment:** We have introduced webcasting at Full Council and Development Control Committee.

We are embracing the concept of giving local people and communities a bigger say by reviewing how we undertake consultation and engage with the community as part of the Public and Community Engagement Task and Finish Group.

We are also looking at new ways to consult e.g. we introduced an online survey tool 'Zoomerang' and conducted part of our 2011/12 budget consultation exercise using the Delib online simulator. We have implemented a variety of mechanisms to help engage and communicate with local people and communities, such as Twitter, MySpace and the launch of Network. The new ways of working are not just restricted to the work we do, for example the Community Safety Partnership made use of the Council's Community Voice meetings last year to engage the public and this year the partnership is holding its meeting as a public question and answer session that is also being web cast.

- 2.3 In addition to these measures, the Bill proposes to repeal the recently enacted duties to respond to petitions and promote democracy and the powers to pilot incentive charging for waste collection. Moreover, a general power is proposed to enable the Secretary of State to **order councils to contribute to the UK's obligation to pay a fine**, if an act or omission of the council can be

shown to have contributed to the fine being imposed.

- 2.4 The Government sees decentralisation as the action and Big Society as the outcome which brings with it challenges as well as opportunities, for example, provisions which will devolve further power and responsibility down to local government, in particular the new general power of competence which will enable the Council to pursue initiatives, trading opportunities and alternative ways of working it has previously been unable to consider and removing some regulations and initiatives such as Regional Spatial Strategies and Standards for England. In terms of the Big Society aspects of the Bill, what is proposed will provide local communities with a far greater opportunity to get involved in issues that are affecting their local area.
- 2.5 All of the reforms included in the Bill need to be responded to at a time of significant financial constraint. The Government has enabled councils to have a greater say over how they spend their money by reducing the number of ring fenced grants that local government receives. Council tax capping will also be abolished.

#### Background Papers

<http://services.parliament.uk/bills/2010-11/localism.html>

Local Government and Housing Act 1989

Code of recommended practice for local authorities on data transparency - Consultation

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## ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives:	<p><b>Promoting prosperity and well-being; providing access and opportunities</b> <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Fit for purpose, services fit for you</b> <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p><b>Pride in East Herts</b> <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Caring about what's built and where</b> <i>Care for and improve our natural and built environment.</i></p> <p><b>Shaping now, shaping the future</b> <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p><b>Leading the way, working together</b> <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
Consultation:	N/A
Legal:	There are no legal implications.
Financial:	There are no financial implications.
Human Resource:	There are no human resource implications.
Risk Management:	There are no risk implications.