



## Japan Local Government Centre, London

### Monthly Report for January 2011 – (UK) Localism Bill

#### **Background and Summary**

The *Localism Bill 2010-11* was introduced in the House of Commons on 13 December 2010. The Bill covers a large number of areas affecting local government and contains 207 clauses and 24 schedules. Much of the Bill is enabling and therefore the detail of many of the provisions in the Bill will subsequently be specified in powers given to the Secretary of State to make regulations. The majority of the Bill extends to England, although certain provisions relate to Wales. The Bill is expected to complete its passage through Parliament by November 2011.

The Bill will implement the Coalition Government's policy of decentralisation of power to local authorities and local communities and is part of the 'Big Society' agenda. The Bill would give effect to the Government's commitment to localism by devolving greater freedoms to local authorities and communities. The Bill is divided into two volumes for publication: the first covers local government and community empowerment, while the second largely covers housing, planning and London governance.

#### **Main Parts of the Bill**

The Bill introduces a 'general power of competence' for councils. This would allow them to take any action provided it is legal. This new power would replace the 'well-being' powers available to local authorities under the Local Government Act 2000. The Bill will also make changes to the governance arrangements of local authorities, by allowing them to return to the committee system of governance abolished by the Local Government Act 2000, and also providing for mayoral referendums in the 12 largest cities in England.

The Bill would abolish the requirement for local authorities to adopt a model code of conduct, instead introducing a voluntary code; and also abolishes Standards for England (previously the Standards Board for England) which oversees the current code. Instead, the Bill will introduce a requirement for local authorities to introduce a register of interests for members, as well as a new criminal offence of failing to declare a relevant interest.

The Bill will introduce a requirement for local authorities to prepare and publish a pay policy for senior officers. The Bill will also introduce a new power to pass on the cost of EU sanctions to local authorities (including the Greater London Authority) in cases where the authority's actions have led to such sanctions. The Bill would make changes to the business rates regime in the areas of business rate supplements, *Any opinions expressed in this report are solely those of the author and do not necessarily represent those of JLGCC or CLAIR.*

discretionary reliefs and small business rates relief, as well as confirming the Government's commitment to waive substantial and unexpected backdated business rate liabilities suffered by certain port businesses.

The Bill will introduce a number of measures designed to empower communities. The current power to hold local referendums on issues of local interest will be enhanced, although the result of such a referendum will not be binding on the council. A new requirement to hold council tax referendums when the local authority introduces an excessive council tax will also be introduced. The Bill will provide for a community right to challenge, which will allow community groups to challenge the way in which their local authority runs and delivers its services. Councils will also be required to prepare a list of community assets, which will not be able to be sold until community groups are given the opportunity to prepare a bid for such assets. However, the statutory duty imposed by the previous Government to promote democracy and accept petitions will be repealed.

The Bill will abolish regional planning, introduce a neighbourhood planning regime and abolish the Infrastructure Planning Commission, along with other changes. The planning measures in the Bill apply to England and Wales only, except that Clause 107, relating to abolition of the Infrastructure Planning Commission, affects pipelines crossing the Scottish border.

It will abolish regional strategies and introduce a duty to co-operate for local authorities and public bodies. It will increase the freedom of a local planning authority in adoption of development plan documents. It will amend the Community Infrastructure Levy, introduced by the last government just before the General Election. The Bill will require a significant proportion of the money charged to developers to go to local projects.

It will introduce a neighbourhood planning regime, allowing both neighbourhood plans and neighbourhood development orders to be prepared in draft by a parish council or similar body, which are then submitted to independent examination. The results would have to be adopted if favoured by 50% of those voting in a referendum, provided that certain international obligations are not infringed. It will also introduce new requirements for consultation for large planning applications other than major infrastructure projects of national importance. It will increase enforcement powers, particularly in relation to development undertaken without planning consent. It will abolish the Infrastructure Planning Commission, restoring to the Secretary of State the final decision. Other changes are made to the consent procedures for nationally significant infrastructure projects.

The Bill will make significant changes to the way in which social housing is provided and will also repeal the legislation governing the provision of Home Information Packs (HIPs). The current requirement to have a HIP was suspended at the end of May 2010. It will give housing authorities additional discretion to determine who can apply for social housing within their areas and will enable them to discharge their

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duty to secure suitable accommodation for unintentionally homeless households by using privately rented housing.

It will give local housing authorities and registered providers of social housing (housing associations) discretion to offer 'flexible tenancies' with a minimum term of two years to new tenants. The circumstances of these tenants would be reviewed prior to the end of the fixed-term in order to assess whether the tenancy should be extended or not. It will provide a framework for the introduction of a new 'self-financing' system of council housing finance which will enable councils with a Housing Revenue Account (HRA) to keep the rent received from their tenants. It also contains measures aimed at improving the mobility of social housing tenants, while it will also abolish the existing regulator of social landlords, the Tenant Services Authority (TSA). The TSA's functions will be transferred to the Homes and Communities Agency (HCA). It will extend the powers of the National Assembly for Wales in regard to housing matters and will provide for a single Ombudsman service to deal with all complaints about social housing.

The final Part of the Bill will make changes to London housing and regeneration functions as well as to London governance. It will provide for the devolution of executive powers over housing investment from the HCA to the Greater London Authority (GLA) so it can be fully aligned with the Mayor's own funding pot and the London Housing Strategy. It will also abolish the London Development Agency and provide for an economic development strategy for London. It will give the Mayor of London the power to designate Mayoral development areas in which a Mayoral Development Corporation will be the local planning authority. It will allow ministers to delegate certain functions to the Mayor. Six environmental strategies will be consolidated into one London Environment Strategy. The London Assembly will be given an enhanced role in the development of the mayoral strategies.

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