



Report to: Cabinet

Subject: Localism Bill

Date: 13 January 2011

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1. PURPOSE OF THE REPORT

To inform members of the publication of the Localism Bill and to provide an overview of its proposals.

2. BACKGROUND

The Localism Bill contains the powers to carry out many of the initiatives already contained in the previous policy announcements from the Government.

The Bill will now begin the process through Parliament and will be subject to change throughout that process however it is thought that the main principles within the Bill will survive.

The Bill is not likely to receive Royal Assent until the autumn of 2011.

2.1. Contents of the Bill

2.1.1 Local Government Functions and Accountability

2.1.2 The Bill introduces a general power of competence for local authorities. Currently a local authority must be able to point to a statutory power to act before it can do anything; the power of general competence gives a Council “power to do anything that individuals generally may do”. The Bill goes on, however, to set out various exceptions to this so may not be as far reaching as was originally thought.

- 2.1.3. The Bill allows local councils to return to the Committee system rather than the executive arrangements now in place. It also gives effect to the commitment to introduce directly elected mayors in 12 cities.
- 2.1.4. The Standards Board for England will be abolished as will the national code of conduct. It is also made clear that a member who has expressed views on a particular matter is not to be taken to have a closed mind on the matter just because of that fact.
- 2.1.5. Councils will be required to publish annually a senior pay policy. This would deal with pay levels on recruitment and subsequent, pay increases and other terms and conditions of employment.

2.2. Finance

- 2.2.1. The Bill contains a requirement for councils to hold a referendum if they seek to set a level of council tax that is above the threshold considered excessive by the Government. It includes reforms to the Housing Revenue Account Subsidy system and Non Domestic Rates.

2.3. Community Rights

- 2.3.1. There is a new duty on councils to hold a local referendum if it receives a petition signed by 5% of electors and it is a local matter.
- 2.3.2. A Community Right to Buy and a Community Right to Challenge is introduced. The Right to Buy requires councils to draw up a list of assets of community value. When these assets are disposed of communities would be given the opportunity to buy the asset. The Right to Challenge gives community organisations and council employees the right to bid to the Council to take over the running of a service.

2.4. Planning

- 2.4.1. Regional Spatial Strategies are to be abolished and there will be a new duty to co-operate on Councils and other key partners.
- 2.4.2. The Community Infrastructure Levy allows local authorities to set charges which developers must pay when bringing forward new development in order to contribute to new infrastructure. The Bill introduces three changes.
 - It provides for some of the funds to be passed directly to the neighbourhood where the development has taken place.

- It clarifies that funds can be spent on ongoing costs of the infrastructure.
- It gives Councils greater powers to set their charges.

2.4.3. The Bill enables communities to draw up plans for their neighbourhood. A qualifying body (a town or parish council or a neighbourhood forum) could propose a Neighbourhood Development Order. This would be subject to a referendum. The Neighbourhood Development Plan would set out the policies in relation to the development and use of land in the Neighbourhood.

2.5. Housing

2.5.1. Councils will be required to produce a tenancy strategy. Social landlords in their district must be consulted on the strategy and will have to have regard to the strategy when formulating their policies on the kinds of tenancies they will grant and the circumstances in which they will grant a new or further tenancy. Councils will be permitted to discharge their homelessness duties via a private sector tenancy without the express permission of the tenant.

2.5.2. The Bill contains provisions to reform housing allocations, to introduce greater flexibility for social landlords to introduce fixed term tenancies and to give tenants greater housing mobility.

3. PROPOSAL

It is proposed that members note the contents of the Bill and await further reports as consultation is carried out and further regulations and guidance are issued on the detailed working of the proposals within the Bill.

4. RECOMMENDATION

That members note the contents of the Localism Bill.