

## NORTH YORKSHIRE COUNTY COUNCIL

### CORPORATE AND PARTNERSHIPS OVERVIEW AND SCRUTINY COMMITTEE

31 January 2011

#### Decentralisation and the Localism Bill – Briefing

##### **Purpose of Report**

1. The Localism Bill will have implications for the work of this Committee. This briefing note outlines the main areas of the Bill so the Committee can determine the relevance of the proposals for its work programme.

##### **Background**

2. The Bill is due for its second reading at the House of Commons on 17 January 2011. Together with the Bill the Government has produced an essential guide in advance of a progress report due to be published next year. Guidance on the Bill is intended to be a stimulus to help policy makers within Whitehall and further afield to develop areas for further decentralisation.
3. In terms of decentralisation the Government sees local authorities as having two vital roles. They will:
  - Be the beneficiaries of decentralisation as power is passed to them through the Localism Bill; and
  - Have a vital role in passing power to communities and individuals.
4. The Bill is long and complex (405 pages, 208 clauses and 24 schedules) and includes around 140 powers for the Secretary of State to make regulations and/or publish statutory guidance for local authorities. Much of its content was widely trailed prior to launch, so it contains few surprises. Second reading in the House of Commons is on 17 January 2011.

##### **Part 1: Local Government**

5. **General power of competence:** local authorities will have a general power of competence, so that they may do anything that an individual generally may do, other than that which is specifically prohibited.
6. **Local authority governance arrangements:** local authorities will be allowed to return to the committee system. The Secretary of State will be able to create elected mayors, subject to confirmatory referendums. The Secretary of State will also be able to transfer to an elected mayor any function of any public body in relation to the local authority's area or inhabitants - this opportunity will not be available to local authorities who do not have elected mayors.

7. **Predetermination:** a decision-maker will not be 'predetermined' just because the decision-maker had previously done anything that directly or indirectly indicated what view the decision-maker took, or would or might take, in relation to a matter.
8. **Standards:** the Standards Board for England will be abolished, but a new duty on local authorities to promote and maintain high standards of conduct with provision for local authorities to adopt a voluntary code of conduct.
9. **Pay accountability:** councils will have to prepare annual senior pay policy statements which they will then be required to follow when setting pay for chief officers and deputy chief officers.
10. **Various repeals:** repeals the duties relating to the promotion of democracy, the provisions about petitions to local authorities, and schemes to encourage domestic waste reduction by payments and charges.

## **Part 2: EU Fines**

11. A new power to recover funds from local authorities and other public authorities in England in order to pay all, or part of, a European Court of Justice financial sanction imposed for a failure of the United Kingdom to comply with an obligation under the EU treaties.

## **Part 3: Non-Domestic Rates**

12. Automatic small business rate relief. Introduction or variation of business rate supplements will require a ballot.

## **Part 4: Community Empowerment**

13. Local **referendums:** electors (through a petition from at least 5% of registered voters) and councillors will have the power to instigate a local referendum on any local issue for one or more electoral wards or divisions. Although these referendums will be non-binding, local authorities and other public authorities will be required to take the outcomes into account in decision making.
14. Council **tax referendums:** any local authority (including police and fire authorities) and larger parishes setting an increase above a threshold proposed by the Secretary of State and approved by the House of Commons will have to hold a binding referendum of registered electors in their area.
15. Community **right to challenge:** voluntary and community bodies, charities, parish councils and public sector employees will be able to express an interest in running a local authority service. Where it accepts an expression of interest, the local authority must carry out an open procurement exercise for the running of that service.

16. **Assets of community value:** local authorities (district councils) will have to maintain a list of public or private assets of community value put forward for consideration by communities. When listed assets come up for disposal (either the freehold or a long lease), communities will be given the chance to develop a bid and raise the capital to buy the asset when it comes on the open market.

## **Part 5: Planning**

17. This part is of greatest relevance to district councils in their capacity as local planning authorities. However, it is still of importance to the County Council as it will shape and determine the processes surrounding planning and housing policy development across North Yorkshire and have implications for how the County Council engages and works with its partners. Key headlines are:
- Abolition of regional strategies.
  - A new duty to cooperate in the preparation of development plans and planning for sustainable development will be placed on councils and other key partners.
  - Continued support for the Community Infrastructure Levy, which can be spent on the ongoing costs of infrastructure as well as the capital costs.
  - Any qualifying body (a town or parish council or a body designated as a neighbourhood forum) will be entitled to initiate a process to require the local planning authority to make a Neighbourhood Development Order (NDO). A NDO grants planning permission in relation to a particular neighbourhood area for specified types of development. The NDO must be examined (in accordance with regulations) and subject to a referendum. The Bill contains provisions that exclude certain types of developments from being included within NDOs, for example county council planning matters, waste developments, and nationally significant infrastructure projects.
  - After a referendum yielding more than 50% support, neighbourhoods and parishes will be able to require a Local Planning Authority to prepare a Neighbourhood Development Plan. This will set out the policies in relation to the development and use of land in that neighbourhood. Although principally a District matter this may have significant implications for planning across the County.
  - There will be a new requirement for the developers proposing to make an application for planning permission for the development of any land in England, including of a description specified in a development order, to consult communities affected by the proposal prior to submission of a planning application. They will be required to demonstrate how any views received have been taken into account in the design process within the formal planning application. Initially it is expected that this will only apply to major planning applications (residential developments of over 200 units, and other developments providing 10,000 square metres or more of new floorspace).

- The Infrastructure Planning Commission will be abolished and decision making on planning applications for national infrastructure proposals (such as airports and power stations) will be transferred to the Secretary of State.

## **Part 6: Housing**

18. This part is of greatest relevance to district councils in their capacity as local housing authorities. Key headlines are:
- A power for local housing authorities to determine what classes of persons are or are not qualifying persons to be allocated housing and enables authorities fully to discharge the main homelessness duty by arranging an offer of suitable accommodation from a private landlord, without requiring the applicant's agreement.
  - Greater 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.
  - A new requirement for Councils to introduce a local tenancy strategy.
  - Abolition of Home Information Packs.

### **Recommendation**

19. The Committee is asked to note the report and decide whether it requires further information.

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Background Documents: None