

The Localism Bill – getting it “Right”

Briefing Note

June 2011

The Implications for the Voluntary and Community Sector and the North East.

A new proposal which will dramatically affect the way services are delivered to the public and how individuals and communities engage in public service delivery at a local level is currently going through parliament. The localism bill was presented to the House of Lords by the Department of Communities and Local Government. The bill undergoes public consultation, committee review and royal assent to create the “Localism Act” later this year.

Proposals in the bill focus on reducing bureaucracy and increasing powers and freedoms to councils and communities. Decentralising powers from Whitehall to local authorities and encouraging planning and spending to be managed locally with local people included in planning and delivery of services. The bill opens up processes so that people can scrutinize and influence how services are delivered. It improves the democratic process by taking decisions through elected ministers who are publically accountable rather than current boards and bodies that are not elected.

This package of measures follows strong criticism by Prime Minister David Cameron, that the last ten years of governance has been over centralised and has not solved social problems, engendered trust in democracy or created a successful public sector.

As the bill is currently going through parliament the contents of this briefing may well change, but the principles of the bill focus on four main areas:

1. Local Government

The role of local government is central to the bill which acknowledges the key part it plays in delivering services to the public. Local government ensures democracy at a local level and provides leadership through elected councillors. The bill proposes general **powers of competence** to allow councils to have more choice over what they do, within reason, staying within the law and duties placed on them. The aim of this is to encourage creativity, partnerships and efficiencies.

The bill suggests a way to improve safeguarding behaviour of councillors. A new process will criminalise misconduct, which replaces the current standards board which has been criticised for being lengthy and ineffective. New rules will encourage councillors to freely debate in local “planning” discussions without fear of bias or reproach. The bill also encourages more mayoral cities.

However an unpopular proposal to give council leaders **shadow mayor** status has been removed following concerns raised around the blurring of political roles and potential conflicts. Local authorities will be required to be more proactively transparent in spending, staffing and decision making, and data will be available online.

2. Communities and Individuals

There is a crucial part in the bill which is set to encourage Voluntary and Community Sector (VCS) engagement in public service delivery and general community life. The bill introduces the **Right to Challenge** and the **Right to Buy**. These rights now enforce local authorities to promote any opportunities to take over community



assets, and allow community organisations to express an interest in running services or actually buy public property.

Concerns were raised during the consultation period around the capacity and lead in time for VCS organisations and groups to prepare for asset purchase, and VONNE acknowledges the importance of support and capacity building required for this kind of community venture. The bill will allow freedom for individuals to initiate local level voting on issues that concern them without waiting for councils to take the lead. Under the new Act citizens will have the power to have their views heard via “**referendums**”, and councils will be required to take this into account, although it’s not clear just how much influence resident’s views will have in practice. One area suggested in the bill for local people to influence is council tax rates, and this will allow residents to approve or veto increases. The implications on these changes place the onus on councils to provide more information to residents and groups, and to also listen and respond to public views.

The bill requires a high level of engagement and collaboration between authorities and communities and at VONNE we have been working closely over the last few years with local authorities and community groups to collaborate and share good practice on engagement and empowerment. Concerns are being aired that this bill may lend itself to privatisation or big organisation takeover, rather than the opportunities for the VCS that the procurement promise currently holds.

Further issues need unpicking in the detail of the bill around challenging at times which include complications. Some complications may arise when TUPE regulations apply to staffing or when services are parcelled together in a package of a range of services. The barriers to challenging could deter groups from taking action.

The timing for challenging is another important aspect considered in the consultation of the bill. Community groups will need adequate time to develop a case and organise action, in some cases a group may actually form from the concerns around the challenge. Individuals cannot challenge so if the impetus to develop a group comes from the campaign then sufficient forming and developing time will be crucial.

3. Planning

The bill aims to improve involvement in planning at all levels through a more democratic and clear system, which they hope will reduce the current “them and us” confrontational issues which often arise between residents and developers around plans for local developments. Planning will no longer be considered strategically at a regional level. This means that local authorities will have more influence and ability to deliver what local communities want.

The bill encourages “**neighbourhood development plans**” so that residents can have input into planning at all levels. For large scale developments which impact on a local community there a “**community infrastructure levy**” will be introduced to bring a financial incentive to benefit the area.

Some developments cannot be decided at neighbourhood or local level. To ensure a joined up approach to planning on large scale and national levels the “**Duty to Cooperate**” requires that all public agencies work together. In a move towards greater democracy in planning at a national level, elected ministers will take a stronger role and the current **Infrastructure planning Commission which will be abolished**. The “**Right to Build**” allows community groups to take part in creating and managing new physical developments such as housing and community venues.

As with previous initiatives where individuals are encouraged to influence, these will work if there is a fair and transparent process for involvement, and as budgets are squeezed and networks diminish there is a real concern in the VCS that these elements of the bill will impact on the loudest voices and the usual suspects. The areas with deprivation or low engagement levels will need support in getting on board with local decision making and service delivery.

Pressure increases on the VCS to be responsive to the changes to support those voices hardest to capture, so as not to create an unfair distribution of services or as popularly referred to as a postcode lottery. VONNE’s regular surveys of the sector track the decline of support and frontline organisations, with nearly half facing closure resulting in less coordination and networking with communities.

4. Housing

The bill proposes a total rethink on the way social housing is managed. With changes to tenancy allocations, individual's housing mobility, residents say in regulations and the way local authorities manage the revenue from housing.

The bill will introduce more flexible tenancies to ensure property is available for the people in most need of social housing. The bill will allow councils to set their own social housing policy and manage expectations of hopeful applicants, enabling a system which serves the most vulnerable and in urgent need rather than the current one which results in excessive waiting lists. This will also enable more flexible collaboration with councils and social housing providers to manage need in a locality.

The bill alludes to opportunities for the voluntary sector to play a key role in delivering flexible housing support at a local level and with around 100 social housing providers and over 4500 general charities in the region the impact is great. Concerns have been expressed by homeless charities that the changes in the bill on shorter term tenancies could backfire. Some people may experience a disincentive to move into employment or generally improve their circumstances for fear of losing their tenancy. Worries are that such fragmentation in housing provision could increase homelessness. For home owners the bill will abolish the **Housing Improvement Pack** currently required.

Summary

The bill lends towards greater consultation with the general public, involvement of individuals, action from citizens and groups. Bringing people together to share ideas, plan and deliver, is core business for many of the VCS. The sector is often well placed to consult with communities around planning and commissioning services, and some organisations are ready to deliver public service contracts, therefore this bill will impact on the increasing interdependency of the councils to link with the community based experts.

In the consultation, concerns were raised that the decentralisation movement serves as a cover up for the national and local spending cuts. However the bill promises simplification of central funding streams and

devolved budgets to communities. Place-based budgets will be piloted to engage individuals and organisations in holistic cross sector planning. The right to challenge local authority led services and the right to buy local buildings will provide the legislation to ensure the VCS ideas are heard and considered and there is a role for the VCS in public engagement agenda.

Further information

Follow the bill on its journey through Parliament:
<http://services.parliament.uk/bills/2010-11/localism.html>

Further detail on the principles of the bill:
www.communities.gov.uk/decentralisationguide

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