

**SOUTH EAST ENGLAND COUNCILS
ALL-MEMBER PLENARY MEETING**Date: 19th November 2010Subject: **Decentralisation and Localism Bill**

Report by: Aidan Shutter, SEEC Policy Officer

**Recommendation:**

SEEC Executive is asked to note and comment on the contents of the report and discuss whether any action is required in the light of the recent Cala Homes case

1. Background

1.1 The Decentralisation and Localism Bill is set to be a large and complex piece of legislation which will form one of the cornerstones of the Coalition Government's agenda to establish more devolved, transparent and accountable public services.

1.2 The Bill will devolve greater powers to councils and neighbourhoods and give local communities control over housing and planning decisions. The main benefits of the Bill are described as:

- Empowering local people.
- Freeing local government from central and regional control.
- Giving local communities a real share in local growth.
- A more efficient and more local planning system.

1.3 At the time of writing this report, the Bill had not been tabled although it is expected imminently and may have been published by the date of the Plenary Meeting.

2. Expected content of the Bill

2.1 The Bill brings together many of the commitments outlined in the Coalition Agreement covering localism, housing and planning. The following provides a brief summary of the expected content:

- The formal abolition of Regional Spatial Strategies.
- A new, simplified National Planning Framework
- Returning decision-making powers on housing and planning to local councils.
- Abolish the Infrastructure Planning Commission and replace it with an efficient and democratically accountable system that provides a fast-track process for major infrastructure projects.

- Abolition of the Standards Board regime and councils will no longer be required to have a councillor code of conduct nor a Standards Committee.
- To establish directly elected Mayors to be established in the largest 12 cities in England from 2012, subject to confirmatory referendums and full scrutiny by elected councillors.
- Power to allow councils to return to the committee system, should they wish to.
- Power for councils to merge the role of the Chief Executive and Leader.
- Give councils a general power of competence – this would allow a council to do anything it considers likely to benefit its area/residents, which would only be restricted where there is explicit limitation created by statute
- Require public bodies to publish online the details of all expenditure over £500 and the salaries and expenses of senior officials by January 2011.
- Give residents the power to instigate local referendums on any local issue and the power to veto excessive council tax increases.
- Powers for local people to save local facilities threatened with closure and to take over local state-run services.
- Greater financial autonomy to local government and community groups.
- Create Local Enterprise Partnerships (to replace Regional Development Agencies) – joint local authority-business bodies brought forward by local authorities to promote local economic development.
- Form plans to deliver a genuine and lasting Olympic legacy.
- Outright abolition of Home Improvement Packs.
- Create new trusts that would make it simpler for communities to provide homes for local people.
- Review Housing Revenue Account.

2.2 Clearly, with the wide-ranging content of the Bill, it will impact on every local council across the south east. With such a complex piece of legislation it could also take many months to progress through Parliament to Royal Assent. This is already causing issues in respect of Regional Strategies as set out below.

3. The Impact of the Cala Homes case.

3.1 A recent judgement in the case brought by Cala Homes in the High Court, considered that the powers set out in section 79 [6] of the Local Democracy, Economic Development and Construction Act 2009 could not be used to revoke all Regional Strategies in their entirety.

3.2 As SEEC Members will recall, the Secretary of State wrote to Local Planning Authorities and to the Planning Inspectorate on 27 May 2010 informing them of the Government's intention to abolish Regional Strategies in the Localism Bill and that he expected them to have regard to this as a material

consideration in planning decisions. However, the effect of this recent decision effectively re-establishes Regional Strategies as part of the development plan until the Decentralisation and Localism Bill becomes law.

- 3.3 On 10th November, CLG wrote to all Local Planning Authorities to explain the position (wording of letter attached as Appendix A). This letter says that the Bill should commence its passage through Parliament before Christmas however it could be weeks or months (or longer) before the Bill actually receives Royal Assent. The letter also adds that the New Homes Bonus scheme should be implemented by April 2011 but that any new homes delivered now will be rewarded under the scheme
- 3.4 Clearly, the High Court decision and subsequent CLG letter will have implications for Councils, particularly in relation to LDF and Development Control functions, as a raft of previously deleted regional and sub-regional policies will effectively live again until such a time as the new Localism Bill is enacted.

11th November 2010

Chief Planning Officer Letter:

10th November 2010

ABOLITION OF REGIONAL STRATEGIES

I am writing to you today following the judgement in the case brought by Cala Homes in the High Court, which considered that the powers set out in section 79 [6] of the Local Democracy, Economic Development and Construction Act 2009 could not be used to revoke all Regional Strategies in their entirety.

The effect of this decision is to re-establish Regional Strategies as part of the development plan. However the Secretary of State wrote to Local Planning Authorities and to the Planning Inspectorate on 27 May 2010 informing them of the Government's intention to abolish Regional Strategies in the Localism Bill and that he expected them to have regard to this as a material consideration in planning decisions.

I am attaching the proposed clause of the Localism Bill that will enact that commitment. The Bill is expected to begin its passage through Parliament before Christmas, and will return decision-making powers in housing and planning to local authorities. Local Planning Authorities and the Planning Inspectorate should still have regard to the letter of the 27 May 2010 in any decisions they are currently taking.

I should also draw to your attention that Ministers have signalled they are moving ahead with the New Homes Bonus, which will reward councils for building homes and working with their local communities. A consultation paper on the detail will be published very shortly with the new scheme coming into effect next April, and new homes delivered now will be rewarded under the scheme.

STEVE QUARTERMAIN

Chief Planner