

Cabinet

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Localism Act 2011



Report of Corporate Management Team

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Purpose of the Report

- 1 On 21 April 2011, Cabinet considered a report which summarised the main provisions of the Localism Bill, together with an initial action plan for how the Council could prepare for the legislation, based on the proposed provisions at that time.
- 2 The Bill received Royal Assent on 15 November 2011 and this report updates Cabinet on the final provisions of the Localism Act 2011, considers the implications for the Council and revisits the action plan in the light of the final outcome of this important piece of legislation.

Executive Summary

- 3 When it was introduced to Parliament on 13 December 2010, the Localism Bill was billed as one of the most significant pieces of legislation affecting local government in recent years, which set out to shift the balance of power between local communities and the state. Overall, the Government intended that the measures in the Bill would provide:
 - a) new freedoms and flexibilities for local government;
 - b) new rights and powers for local communities;
 - c) reforms to make the planning system clearer, more democratic and more effective;
 - d) reforms to ensure that decisions about housing are taken locally.

- 4 During the course of 2011, the Bill was subject to significant debate and amendment in both Houses, before it finally received Royal Assent on 15 November 2011.
- 5 The Localism Act 2011 as it is now known, retains many of the initial features of the original Bill in relation to community empowerment and additional powers and responsibilities for local government, but is now more focussed.
- 6 A number of the additional general powers to be conferred on the Secretary of State and directly elected Mayors have been curtailed and the definitions involved in the provisions relating to neighbourhood planning and 'community rights' have been tightened up.
- 7 However, it should be noted that the Act still contains several provisions which enable the Secretary of State to direct what local government does through regulation and secondary legislation and that the Government has defended its stance on 'guided localism', whereby Ministers express a view about how local authorities should act, reinforced by the prospect of statutory direction if councils fail to respond to Ministers' 'reasonable expectations'.
- 8 In several areas, the practical detail and commencement orders for different parts of the Act have yet to be published and the Government's timetable for when they can be expected is still awaited.
- 9 The Council nevertheless has to plan ahead and as such, has revisited the initial action plan for anticipating and responding to the proposed legislation, as agreed by Cabinet last year.
- 10 In order to respond to the Localism Act, Cabinet is therefore recommended to:
 - a) note the contents of this report and the implications of the final legislation;
 - b) note the timetable for implementation of the legislation;
 - c) agree to the proposed action plan for how the Council can prepare for the commencement of the legislation, as outlined in Appendix 3;
 - d) delegate authority to the relevant members of Corporate Management Team in consultation with the relevant portfolio holders to respond to subsequent consultations on draft regulations and supplementary guidance to the Act.

Background

- 11 On 13 December 2010 the Localism Bill was introduced to Parliament, alongside a Government guide to Decentralisation and Localism which set out the Government's proposed direction of travel in bringing about a radical shift of power from the state to local communities and individual citizens.
- 12 The Bill contained eight parts, six of which relate to English local authorities outside of London. Overall, the Government intended that the measures in the Bill would:

Provide new freedoms and flexibilities for local government:

- a) give local authorities everywhere the formal legal ability and greater confidence to get on with the job of responding to what local people want;
- b) cut red tape to enable councillors everywhere to play a full and active part in local life without fear of legal challenge;
- c) encourage a new generation of powerful leaders with the potential to raise the profile of English cities, strengthen local democracy and boost economic growth;
- d) reform the governance of London so that more power lies in the hands of elected representatives who are democratically accountable to London's citizens.

Provide new rights and powers for local communities:

- e) make it easier for local people to take over the amenities they love and keep them part of local life;
- f) ensure that local social enterprises, volunteers and community groups with a bright idea for improving local services get a chance to change how things are done;
- g) give people a new way to voice their opinions on any local issue close to their heart;
- h) enable local residents to call local authorities to account for the careful management of taxpayers' money.

Provide reform to make the planning system clearer, more democratic and more effective:

- i) place significantly more influence in the hands of local people over issues that make a big difference to their lives;
- j) provide appropriate support and recognition to communities who welcome new development;
- k) reduce red tape, making it easier for authorities to get on with the job of working with local people to draw up a vision for their area's future;
- l) reinforce the democratic nature of the planning system – passing power from bodies not directly answerable to the public, to democratically accountable Ministers.

Provide reform to ensure that decisions about housing are taken locally

- m) enable local authorities to make their own decisions to adapt housing provision to local needs, and make the system fairer and more effective
- n) give local authorities more control over the funding of social housing, helping them to plan for the long term
- o) give people who live in social housing new ways of holding their landlords to account, and make it easier for them to move

13 During the course of 2011, the Bill was subject to significant debate and amendment in both Houses and as reported to Cabinet on 14 December 2011, the Government accepted a number of changes to get final agreement to the Bill, including:

- a) reversing the initial provisions proposed relating to standards, so as to require councils to adopt a code of conduct, publish arrangements for investigating complaints about councillor conduct and involve an independent person in the investigation of complaints;
- b) removing provisions relating to the creation of 'shadow mayors' in cities where referenda are to be held on directly-elected mayors and removing the provisions which would enable an elected mayor to take on the role of council chief executive;
- c) enabling Ministers to devolve additional powers to eight 'core cities' and other areas without the need for further primary legislation;
- d) amending the provisions relating to the publication and approval of senior pay policies to include the publication of low pay statements and the differential between the highest and lowest paid posts;
- e) removing the provisions relating to community-led referenda;
- f) excluding increases made by other levying bodies or arising from decisions already determined by referenda from the calculation of whether a council tax increase is excessive and therefore subject to a referendum;
- g) asserting the primacy of needing to support sustainable development in neighbourhood plans;
- h) broader definitions of neighbourhood fora in relation to neighbourhood planning, with the number of people constituting a neighbourhood forum increased from three to 21 and the introduction of 'business neighbourhoods' to enable local businesses to vote in neighbourhood planning referenda in local business districts or commercial areas;
- i) removing local authorities' discretion to define what constitutes 'land of community value' and to nominate and designate such land themselves;

- j) safeguards relating to the Community Infrastructure Levy to ensure that the requirement on developers to contribute does not compromise the economic viability of schemes;
 - k) amended provisions relating to succession tenancies in housing;
 - l) amended provisions on compulsory purchase orders (CPOs) to protect against disproportionate compensation;
 - m) enabling any councillor to refer a matter to scrutiny and increasing the scope of scrutiny to hold partners to account for a broader range of issues that relate to the local authority area.
- 14 The Bill received Royal Assent on 15 November 2011. Some provisions came into effect straight away but the majority are subject to further commencement orders and the development of supplementary regulations and guidance.
- 15 Below, we provide a recap of the principal provisions of the Localism Act 2011, as it is now known and outline for the implications for the Council.

Part 1: Local Government

- 16 Chapter 1 of the Act provides local authorities with a general power of competence, so that they may do anything that an individual generally may do, other than that which is specifically prohibited. The power includes the ability to do something for a commercial purpose or otherwise with or without a charge. There are limitations on the power to charge, for example, the activity in question is one required by a statutory provision. Section 5 enables the Secretary of State to disapply a statutory provision that which restricts a local authority from exercising this power.
- 17 Chapter 2 introduces a general power for relevant Fire and Rescue Authorities (FRAs). It also extends the ability of FRAs (in England, but not in Wales) to charge for services without an enabling statutory instrument, while specifying certain functions and services for which they may not charge.
- 18 Chapter 3 extends the general powers of integrated transport Authorities and economic prosperity boards.
- 19 Chapter 4 gives the secretary of state, by order, power to transfer a local public function to a "permitted authority". The Secretary of State can only do so he or she considers that it is likely to promote economic development or wealth creation or increase local accountability in relation to each local public function transferred. An order may only be made if the secretary of state considers that the relevant local public function can be appropriately exercised by the permitted authority and the permitted authority has consented to the transfer. The Secretary of State must consult such persons as he or she considers appropriate before making an order.
- 20 Chapter 5 makes provision about local authority governance arrangements in England. It allows local authorities to return to the committee system, if they choose to do so, and create new mayoral management arrangements. It also provides for the creation of directly elected mayors. Under provisions set out

in schedule 2, the secretary of State is empowered to make provision requiring local authorities to hold a referendum on whether they should have a specified governance arrangement.

- 21 Chapter 6 clarifies the rules on bias and having a mind closed to argument, to ensure that councillors can freely discuss issues and then speak or vote on those issues.
- 22 Under Chapter 7 the Authority will be obliged to adopt a code of conduct covering certain prescribed issues and which is based upon the Nolan Principles. It will be required to appoint an independent person or persons whom it must consult before making a decision in the event of a complaint that a member has breached its code of conduct. The member subject to the complaint also has the right to seek the views of the independent person. Failure to declare a relevant pecuniary interest can in extreme circumstances result in prosecution of the member concerned. The power of a Standards Committee to impose sanctions not otherwise available to the Authority in the event of a breach of the code will cease to exist
- 23 Chapter 9 sets out requirements for councils to prepare senior pay statement statements which they will then be required to follow when setting senior pay. The pay statement must be approved by the 31st March 2012
- 24 Chapter 10 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

- 25 This part creates a power to require public authorities to make payments of amounts determined by a Minister of the Crown in respect of an EU financial sanction. The chapter obliges the ministers to publish a policy statement and follow procedures set out in the chapter.

Part 4: Non-Domestic Rates

- 26 This Part contains four provisions in relation to business rates including changes to business rate supplements and non-domestic rates.

Part 5: Community Empowerment

- 27 Chapter 1 sets out a power for local residents to approve or veto council tax rises that exceed limits set by the Secretary of State and approved by parliament. 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 would trigger a referendum of all registered electors in their area.
- 28 Chapter 2 enables voluntary and community bodies, charities, parish councils or public sector employees delivering the service, to express an interest in running a local authority service. Where it accepts an expression of interest, the local authority must carry out a procurement exercise for the running of that service.

- 29 Chapter 4 provides an opportunity for local community groups to bid to buy buildings or land which are listed, by the local authority, as assets of community value. The local authority will be required to maintain a list of assets of community value in response to nominations. Inclusion on the list places a moratorium on disposing of the land concerned

Part 6: Planning

- 30 This Part makes provision for reforms to the planning system.
- 31 Chapter 1 enables the abolition of regional strategies, places a duty to cooperate on local planning authorities and other bodies and makes changes to the processes for adopting, examining and publishing development plan documents.
- 32 Section 110 provides for a duty on local planning authorities, county councils and other bodies with statutory functions to co-operate with each other. Those other bodies will be defined in regulations. Co-operation includes constructive and active engagement as part of an ongoing process to maximise effective working on the preparation of development plan documents, other local development documents and marine plans in relation to strategic matters including sustainable development that would have significant wider impacts.
- 33 Chapter 2 limits the binding nature of Planning Inspectorate recommendations on Community Infrastructure Levy charging schedules, provides for requiring charging authorities to pass Community Infrastructure Levy funds to other bodies and clarifies the definition of infrastructure for the purposes of the Community Infrastructure Levy.
- 34 Chapter 3 provides for the creation of neighbourhood development orders and plans, sets out the requirements they must meet and provides for appropriate charges and financial assistance. This Chapter also sets out how community right to build assets will be managed.
- 35 Chapter 4 provides for compulsory pre-application consultation for developments above certain thresholds.
- 36 Chapter 5 allows local authorities in England to decline to determine retrospective planning applications where enforcement action is being taken. It also allows authorities to apply to a Magistrate's Court to enable enforcement action after statutory time limits have been exceeded, where there is evidence of deliberate deception and it increases some penalties and adjusts certain time limits with respect to enforcement. Finally, it provides powers relating to unauthorised adverts and the defacement of premises.
- 37 Chapter 6 makes provision in relation to nationally significant infrastructure, particularly the abolition of the Infrastructure Planning Commission.

Part 7: Housing

- 38 This Part makes provision for reforms to the way social housing is provided as well as the repeal of Home Information Packs.

- 39 Chapter 1 provides for 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.
- 40 Chapter 2 requires every local housing authority to publish a tenancy strategy and makes provision for local housing authorities and Private Registered Providers (social landlords) to offer flexible tenancies for new social tenants.
- 41 Chapter 3 provides for a new system of council housing finance through the termination of the Housing Revenue Account Subsidy System and the introduction of a self-financing system which will allow councils that operate a Housing Revenue Account to keep the rent received from their tenants.
- 42 Chapter 4 gives the social housing regulator the power to set a standard for registered providers in respect of assisting tenants with regard to mutual exchanges. It also provides that tenants who are shareholders of their landlord may benefit from payments which assist the tenant to move out of their social rented property into owner occupation of another dwelling.
- 43 Chapter 5 provides for the reform of regulation of social housing providers through abolishing the Tenant Services Authority and transferring its functions to the Homes and Communities Agency. It also provides for changes in the role of the regulator in relation to consumer matters.
- 44 Chapter 6 provides for the abolition of Home Information Packs and makes changes to the way in which a tenant may make a complaint about their social landlord to a housing ombudsman through introduction of a referral process.

Commencement

- 45 Different parts of the Act will come into effect at different times. In many cases, the Government will need to set out further details, some of which will be subject to further consultation and consideration by Parliament.
- 46 When the Act received Royal Assent, the Government said it could not give a cast-iron guarantee about timing but based on current estimates (as of November 2011), it was aiming for many of the major measures in the Act to come into effect in April 2012, including the general power of competence for local authorities, the community right to build, planning reforms including the changes to planning enforcement rules and reforms to social housing tenure and council housing finance.
- 47 The Government said that it will publish a timetable for when it expects to be able to implement different parts of the Act. At the time of writing, this is still awaited.
- 48 Analysis of the Act however, identifies which provisions have specified commencement dates and which will be subject to further commencement orders (Appendix 2).

Implications

- 49 The Act has many implications for the Council, which principally impact upon the council plan themes of developing an 'altogether better council' and an 'altogether wealthier' and 'altogether greener' Durham.

Altogether better council

General power of competence

- 50 The general power of competence will allow a local authority to do anything a private individual can do, in other words to act freely, within the law.
- 51 It will replace the existing 'ultra vires' principle whereby councils can only do things they are specifically permitted to do, and the broadly defined power of wellbeing under the Local Government Act 2000. Some local authorities became reluctant to use the power after a widely reported case involving the establishment of a mutual insurance scheme which appeared to undermine the wellbeing power.
- 52 The more broadly defined general power of competence in theory should reduce the risk and cost associated with legal challenges to the authority and is intended to change the way local government behaves, giving local authorities the same capacity to act as an individual generally has, which will enable them to do anything apart from that which is specifically prohibited. The Government envisages that this will result in 'greater innovation and a new, more confident and entrepreneurial approach which should, in turn, lead to greater efficiencies, improved partnership working and the ability to help their communities in ways previously outside their remit.'
- 53 Existing restrictions to the exercise of specific powers will still apply and new restrictions can be introduced if Parliament agrees to legislation brought forward by the Secretary of State. In addition, the Secretary of State will have the power to prevent or restrict local authorities from exercising their general power, if he so chooses.
- 54 Although the general power is intended to give local authorities more confidence in charging for and trading services, the power cannot be used to charge for services which statute requires a local authority to provide and any activities undertaken for a commercial purpose have to be carried out through a company as defined through existing legislation.
- 55 Of particular note for County Durham which has 104 town and parish councils, is the proposal that the general power will also apply to 'eligible parish councils', where they meet conditions to be defined by the Secretary of State. At this stage we do not know when Government proposes to consult on the conditions it proposes to apply, however the general principle of conferring the general power on town and parish councils could enable them to provide more services and act more freely than they currently do. This underpins other proposals in the Act such as town and parish councils being recognised as 'relevant bodies' who can express an interest in making a case to provide a service and the right to nominate and attempt to buy an asset of community value. It will also have significant implications for the Council's relationship with town and parish councils, which will need to be worked through our

charter arrangements with the sector and the service devolution model we are currently developing with the County Durham Association of Local Councils.

Local authority governance

- 56 The Act outlines permitted forms of governance for local authorities in England, which include retaining the Mayor and Cabinet, and Leader and Cabinet models and re-introducing the 'committee system' where a local authority sees fit. It also simplifies the process for changing governance arrangements by a simple resolution of the authority or direction by the Secretary of State.
- 57 The Act allows the Secretary of State to prescribe or impose governance arrangements through regulation and to make orders to allow for transitional arrangements to different forms of governance.
- 58 The Government intends that referendums on directly-elected Mayors will be held in the 12 largest cities in England outside London in May 2013, which could potentially see the introduction of a directly elected Mayor in Newcastle, alongside the existing Mayors in the region in Middlesbrough, Hartlepool and North Tyneside.
- 59 Whilst the proposal to simplify the process for changing governance arrangements is to be welcome, it should be noted that the Secretary of State is granting himself significant power to direct how local authorities should be governed, which is somewhat at odds with the stated principles of shifting power from Whitehall to local government.

Overview and Scrutiny

- 60 The Act consolidates a range of existing scrutiny legislation covered by various Acts and introduces new powers in relation to flooding. The new powers to review and scrutinise the flood risk management functions or coastal erosion risk management are particularly welcomed, given the damage caused to properties and infrastructures in County Durham as a result of flooding.

Predetermination

- 61 The Act includes provision which states that prior indications of a view on a matter will not amount to predetermination. This will enable councillors to campaign or publicly express views on issues without prejudicing their ability to take part in council decision-making. This will allow councillors to act more freely in their community leadership role and will reduce the risk of legal challenge to council-decision making, particularly in relation to planning and similar regulatory matters.

Standards and conduct

- 62 The Act abolishes the Standards Board regime and the Council will now need to put in place its own code of conduct and process for dealing with standards.

- 63 It will be optional for the Council to have a standards committee or its own voluntary standards regime but the Council will still be expected to carry out a standards function for parish councils.
- 64 The Monitoring Officer will be responsible for the provision of disclosure and registration of Members' and Co-opted Members' interests. At this stage we do not know the detail of what Members will be required to disclose, as this is to be prescribed by future regulations to be issued by the Secretary of State, however the Act makes it clear that failure to disclose interests or participating in business whilst having such interests will be an offence.
- 65 The Council will need to amend its constitution to reflect the new legislation and to consider the local approach it wishes to take to upholding and maintaining high standards of conduct.

Pay accountability

- 66 From 2012/13, the Council will be required to prepare an annual senior pay policy statement, which sets out its policies relating to the remuneration of chief officers and the publication of information relating to chief officer pay and how it compares to that of staff on the lowest grades.
- 67 The first senior pay policy statement must be approved by a resolution of Council by 31 March 2012 and by the end of March each year after, although it can be amended by a resolution of the Council during the year.
- 68 The Act allows for the Secretary of State to issue statutory guidance relating to pay accountability. The draft guidance which has been issued for consultation includes proposals that councillors should vote on any senior officer pay over £100,000 and that councils should determine specific policy statements on their stance towards hiring individuals who are already in receipt of retirement or severance packages funded by the public purse.

Promotion of local democracy

- 69 The duty on the Council to promote local democracy and to facilitate and respond to petitions under the Local Democracy and Economic Development Construction Act 2009 will be rescinded, which will require the Council to amend its constitution and determine what approach it wants to take to promote local democracy in the county.

EU fines

- 70 The Act allows for local or public authorities to be required to make payments in respect of EU financial sanctions, where the European Court of Justice imposes a fine for a breach or infringement of European Law and the Secretary of State concludes that the local or public authority caused or contributed to the breach or infringement.
- 71 Currently, the UK Government is responsible for any fines as a member state of the European Union. The prospect of the wrong-doer pays only serves to emphasise the importance of robust governance, scrutiny and legal advice of actions by public authorities.

Council Tax Referendums

- 72 The Act amends the Local Government Finance Act 1992 to require local authorities to hold a referendum on the level of Council Tax or precept where the proposed amounts are deemed to exceed limits set by the Secretary of State for the type of local authority concerned.
- 73 Where an 'excessive' precept is proposed, a referendum must be held and a lower alternative 'substitutive' precept calculated in line with the principles issued by the Secretary of State. The substitutive precept would take effect if the referendum concluded against the higher level of precept proposed.
- 74 Members may wish to note that on 8 December 2011, the Secretary of State announced that any local authority that proposes to increase Council Tax by more than 3.5 percent in 2012/13 would need to hold a referendum on the proposed increase.
- 75 In addition, the Secretary of State will have the power to suspend the requirement to hold a referendum in situations where a local authority is in financial difficulty and unable to discharge its functions effectively without setting an excessive level of Council Tax. In such circumstances, the Secretary of State will be able to determine the level of precept for the local authority concerned.

Community right to challenge

- 76 The Community Right to Challenge allows 'relevant bodies', such as town and parish councils, voluntary organisations and council staff to express an interest in taking on and running a service or part of a service on behalf of the local authority. The process involves the group concerned expressing an interest, the Council coming to a view on the proposal and if it does, then running a procurement exercise in which the group can take part, alongside other interested parties which may come forward during the procurement process.
- 77 The proposal also gives effect to the Government policy of encouraging public sector staff to form cooperatives or mutuals to take on the running of services.
- 78 As stated above, the key context for the Council is the challenge set by Government to deliver a medium term financial plan within the spending reductions it has imposed.
- 79 Given the imperative of effective planning and implementation, the Council will need to consider when during the service planning and commissioning process, it is required to consider expressions of interest, and its criteria and process for considering such expressions if submitted, in line with regulations.
- 80 It will also be important to identify what help and support, community interests will need to prepare expressions of interest and tender proposals, without prejudicing procurement procedures and exposing the Council to risk of legal challenge. In this regard, Members may wish to note, that one of the very first provisions in the Act to be commenced, empowers the Secretary of State to provide assistance to those interested in taking on services. It remains to be seen how he proposes to do this.

- 81 Helping communities and interested parties to understand where the right to challenge can be used and what is involved in the process and running a public service under contract to the Council, will be key. To a certain extent, the Government has raised expectations around the right to challenge, whereas interested parties need to understand the operational detail of the process. For example the right to challenge cannot be used to express an interest in providing a service which the Council has decided to withdraw and because the process involves open competitive procurement, there is no guarantee that communities invited to submit proposals will ultimately be successful.

Assets of community value

- 82 The provisions relating to assets of community value, or the 'community right to buy' as it has been promoted, allow 'relevant bodies' as defined by the Secretary of State to nominate a building or land (including those in private ownership) in their area to be listed as an 'asset of community value' in a local register maintained by the local authority. If an owner looks to dispose of or demolish a registered property, they have to notify the local authority so that it can inform the local community, in order to provide them with an opportunity to raise the necessary funds to acquire the asset and retain it for the benefit of the area concerned (see Appendix 3).
- 83 The Act defines an asset of community value as being one which in the opinion of the local authority has the 'ability to further the social interests or social wellbeing of the local community'. However, the Act also allows the Secretary of State to make regulations which specify what is not an asset of community value.
- 84 As outlined above, the Council would be responsible for considering community nominations and for maintaining a register of designated properties including those in private ownership. This places an additional responsibility upon the Council at a time when its core funding and ability to raise additional income is being reduced. It is further proposed, that the Council would be responsible for meeting compensation claims from affected property owners and as yet it is not clear, to what extent the Government will fund local authorities for this additional burden.
- 85 Designation as an asset of community value lasts for up to five years, when the inclusion of a property on the register has to be reviewed, if nothing else has changed in the meantime. If a property owner looks to sell or demolish a registered property, it is proposed that an 18 month protection period would commence. A community group would have an initial window of opportunity of six weeks in which to express an interest in bidding for the property and up to six months to finalise their bid.
- 86 If a community group is able to submit a bid, it does not necessarily follow that it would be successful as the property owner is free to sell to whomever they chose, notwithstanding the obligations on public sector property owners to ensure that any disposals achieve best value and or are in the best interests of County Tax payers and the local area.
- 87 The Council will need to help community groups to understand the detail of the proposals and what is involved in acquiring and running a building, in

order to manage community expectations around the new right. For example, local communities would need to form a corporate body in order for them to acquire property. In many cases, people who become involved in local community activities do so because they have an interest in a particular issue, and voluntarily give up their free time to support and work with others with similar interests, whereas taking on and running a building would require a permanent commitment, contractually and in time. It may also require detailed knowledge of strategic plans and policies of the local authority and in particular the Local Development Framework as to what can and cannot be done with the property concerned. As with the community right to challenge, it should be noted that the Act empowers the Secretary of State to provide assistance to groups interested in protecting assets of community value and it remains to be seen how he proposes to do this.

Altogether wealthier

Non-domestic business rates

88 The Act amends Section 47 of the Local Government Finance Act to give local authorities the power to grant Non Domestic Rates relief in any circumstances, if it is reasonable to do so, having regard to the interests of Council Tax Payers. In the past, the County Council has provided 'rates-related' financial incentives to industry in the form of 'Rates Equivalent Grant' reimbursements and development and business investment have been attracted to the county by the business rates holidays available in the 'enterprise zones', such as at Dawdon and Bracken Hill Business Parks. Being able to grant discretionary rates relief gives the Council another option to attract employment and development to particular areas. However, the proposal that local authorities retain the Non Domestic Business Rates collected locally, as opposed to receiving a pro rata share of the national pot, means that granting rates relief would directly impact upon the Council's income and budget.

89 In addition to the above, the Secretary of State will be granted the power to make provision for a new small business rates relief scheme, which does not require ratepayers to apply for small business relief in all cases. It is unclear why the Secretary of State is looking to grant himself the power to offer such relief, when the thrust of his proposals elsewhere is to empower local authorities to act more freely in the interests of their area.

Regional planning

90 A key measure of the Act is the abolition of Regional Strategies. This removes top-down targets for housing delivery that have been unpopular with some local authorities and other key strategic policy areas, such as transport and other infrastructure.

91 In some policy areas such as renewable energy the absence of regional spatial strategies leaves a policy vacuum. In others it brings opportunities for local authorities to determine their own approach. The removal of the housing figures although providing more flexibility will lead to additional work justifying the county's housing target and significant debate at the Examination in Public for the County Durham Plan. This may cause some uncertainty in

development prospects in the county and possibly affect the pace of housing development and delivery overall.

Duty to cooperate in Planning

- 92 In the absence of regional planning, a new duty is placed on the Council and other public bodies to cooperate with each other on issues that cross local government boundaries, with a focus on sustainable development. This may offer the potential for a strategic planning framework across local authorities.
- 93 Co-operation is not the same as reaching consensus on key cross-boundary issues and in some instances it may be difficult to resolve differences between local authorities. It is possible however, that decisions on strategic issues could be reached via the new Local Enterprise Partnerships, as envisaged in the Government White Paper on Local Growth.

Community Infrastructure Levy

- 94 The Community Infrastructure Levy is a locally-set charge which the Council can levy on developers to contribute to new infrastructure. The Act changes the way this works in three ways:
- a) Some of the funds will be able to be passed to neighbourhoods where the development has taken place.
 - b) Funds will be able to be spent on the ongoing costs of infrastructure, as well as the initial capital costs.
 - c) While independent examiners will still consider whether the charging schedule is reasonable, it will be for the Council to decide how to make it so.
- 95 Being able to use income generated by the levy for the on-going maintenance of infrastructure is to be welcomed, as is the principle that the Council can pass some of the income to neighbourhoods affected by the development.

Local Plan reform

- 96 Local Development Frameworks are being replaced by Local Plans, with councils encouraged to prepare one Local Plan document rather than the suite of documents that made up the Local Development Framework. Changes suggested by Planning Inspectors at examinations in public will no longer be binding on the Council, although the Council will still only be able to adopt plans judged 'sound' by the Inspector. This should give the Council more freedom and flexibility in determining its own planning policies, as will the new limitations placed on central Government powers to direct the Council to make changes.

Neighbourhood Planning and Community Right to Build

- 97 The Localism Act introduces rights for communities to prepare 'neighbourhood plans'. These will enable communities to identify classes of permitted development – in full or in outline – in their area. The Act is not entirely clear on the relationship between the Neighbourhood Plan and the Council's Local Plan but it does appear that it may be able to depart from local

authority plans and housing targets, potentially allowing development on land not identified in the Council's allocations. However, Neighbourhood Plans cannot propose less development for a community than the Council's Local Plan.

- 98 More specific 'neighbourhood development orders' can also be produced by local groups which will enable specific types of development (such as extensions) to happen without the need for applying planning permission. Conversely they can also be used to prevent certain types of development. Whether in reality a community will be able to reach consensus on changes to existing permitted development rights is difficult to predict.
- 99 In addition, local communities will also have the power to take forward development in their area without the need to apply for planning permission, subject to meeting certain safeguards and securing 50 percent support of the community through a referendum. Communities will be able to identify suitable land, sources of finance and secure support for their proposals.
- 100 This move aims to allow communities themselves to provide new housing and other facilities, such as schools, in areas where there is presently resistance to change or community-determined need for such facilities. This is meant to strengthen the resilience of local economies, particularly in rural areas. In a sense, this could be seen as a modern adaptation of the planning exemptions allowed for agricultural uses and buildings, and recognising that rural economies must diversify to survive.
- 101 It does however, run contrary to the principle of current local development planning and potentially allows for development which is at odds with locally determined plans including the school organization plan.
- 102 Whilst the principle of neighbourhood planning is to be welcomed, it has implications for large and diverse areas such as County Durham. The sheer potential number of neighbourhood bodies in the county will make it difficult for the Council to respond and operate within the spirit of the proposals, which appear to be designed with smaller more compact local authority areas in mind. As the Council is expected to support the preparation of Neighbourhood Plans, this will have staff and resource implications. The Act states in the section "financial assistance in relation to neighbourhood plans", that the Secretary of State may make "the provision of financial assistance (or the making of arrangements for its provision) to any body or other person". Unfortunately, there is no clarity on what this means and there have been no announcements on funding support from the Government. As such, the issue of funding has still to be addressed.

Pre-application Consultations

- 103 The Act introduces a new requirement for developers to consult local communities before submitting planning applications for very large developments. Opinions raised during this consultation will have to be taken on board by developers when making changes before submitting their planning applications. This is to be welcomed as it will give local people more chance to comment on proposed developments, and to have an input on issues such as design at an early stage.

Housing

- 104 The Act includes clauses to reform legislation on the allocation of social housing which are intended to make it easier for councils to fulfil their housing duties but may limit choice and options available to people in housing need. The Council will be able to determine who qualifies for its housing waiting list, based on eligibility rules set centrally.
- 105 The Council will also be able to discharge its duty to the homeless by offering people who are homeless suitable accommodation in the private rented sector, without having to secure their agreement. Private sector tenancies will be for a minimum fixed term of 12 months.
- 106 Whilst making it easier for councils to discharge their responsibilities to the homeless, making it mandatory for homeless applicants to accept a private rented property, raises the issue of affordability, as in most cases private sector housing would only be affordable to those in receipt of benefits. In addition, the new local housing allowance caps and the shared room rate may in fact limit access to private rented sector housing for the homeless.
- 107 The Government's proposals create a particular issue for vulnerable applicants under the age of 35, because the restriction on Single Room Rent Benefit to those under 35 means that it is unlikely that the Council would ever be able to identify suitable private rented sector housing that was affordable for a single person of that age who presents themselves as being homeless.
- 108 The proposal for fixed term 12 month tenancies may exacerbate the risk of homelessness by providing less secure housing options for vulnerable people. Arguably, it may lead to 'revolving door homelessness' as 12 months is insufficient time for families and individuals to regroup, access support and recover from the negative impact homelessness can have.
- 109 There is also a risk that formerly homeless households may become concentrated in particular areas, where private rented accommodation is the cheapest. This could concentrate deprivation in particular areas and create social and economic problems for the areas concerned.

Social Housing Tenure Reform

- 110 The Act will place a new duty on the Council to publish a tenancy strategy setting out the 'high level' matters to which all registered providers of social housing should have regard when framing their own tenancy policies.
- 111 The Act also sets out the procedure the Council must follow when preparing its strategy or making major modifications to it. It includes in particular, an obligation to consult private registered providers on a draft of the strategy and also allows the Secretary of State to direct regulated social housing, to set a standard on tenure.
- 112 The Council will be given the power to offer flexible tenancies to new social tenants, in the form of a fixed term secure tenancy of not less than five years and exceptionally not less than two years. The Act provides for councils to determine when a new tenancy will be a flexible tenancy and the process by which a landlord may offer and terminate a flexible tenancy. It also provides a

tenant's right to terminate a tenancy or request a review of the landlord's decision with regard to the offer or termination process.

- 113 The Act also provides that the right to improve and be compensated for improvements will not apply to a flexible tenancy and that subject to certain conditions, existing secure tenants will be able to retain a similar level of security on exchanging their property with a social tenant with a less secure tenancy.
- 114 The statutory right of those other than spouses and partners to succeed to a secure tenancy is removed. Landlords will also be given discretion to grant succession rights in addition to the statutory minimum of one succession to a spouse or partner. Landlords will be enabled to grant additional succession rights for short tenancies.
- 115 The Act provides that a court cannot make an order for possession of a property let by a privately registered provider of social housing with a fixed term of at least two years unless the landlord has given the tenant at least six months notice that they do not intend to grant another tenancy and informing the tenant of how they can obtain help and advice.
- 116 Tenants of private registered providers with a short hold tenancy will have the right to acquire their property on the same terms and conditions applicable to other tenants and repairing obligations on the landlord will be extended to include flexible tenancies and assured short hold tenancies with a fixed term of seven years or more.
- 117 Moving away from lifetime tenancies to flexible tenancies is a radical shift in thinking and social housing management practice and the Council will need to be careful when using its new duty to publish a strategic policy on tenancies, to ensure it protects our older and more vulnerable tenants.
- 118 There is some discussion about the legality of introducing flexible tenancies given that under current legislation, landlords are not permitted to end tenancies on the basis of time. In addition, concerns about the implications of Human Rights legislation on the flexible tenancy proposals have been raised and there is a risk that the proposals contained in the Act could place social housing providers at greater risk of challenge when seeking to end tenancies.
- 119 As mentioned above, the shorter-term tenancies could work against community cohesion and risk creating 'sink estates' over time.
- 120 Flexibility of tenure requires landlords to demonstrate value for money and best uses of resources, which can be beneficial in high demand areas. However, in communities of low demand, this will create a situation whereby tenants are regularly having their tenancy renewed (as allowed in the proposals) and are less stable within their local community, conflicting with our overall housing strategy objectives.
- 121 Managing shorter term tenancies will require substantial additional resources and additional appropriately skilled staff, which the Council will struggle to afford unless additional resources can be identified.

- 122 In a county like Durham, it is important that social rented housing remains a positive tenure of choice, whereas under some of the Government's proposals it may become solely a backstop for people, who have no other housing options.

Housing finance

- 123 The Act has abolished the housing revenue account subsidy in England, replacing it with a new system that will require the Council to apply its own rental income and to maintain its own homes. A one off payment between Government and the Council will be made to reduce housing revenue account debt.
- 124 Currently, local authorities collect rent from their social tenants, which goes into a central national pot with Government determining how much should be reallocated back to each council for the upkeep, renovation and repair of its social housing. In the future, councils will be able to retain the rent collected locally and use it to maintain their social homes. This will give the Council a more predictable and stable basis upon which to plan for the long term.
- 125 The implications of this part of the Act have been the subject of a separate report to Cabinet on 14 December 2011.
- 126 The move to provide authorities with greater local control over their finances is to be welcomed including the ability to retain local rental income. However, the key issue for the Council is the impact on the Housing Revenue Account Business Plan and whether the proposals will provide sufficient resources to fulfil tenant aspirations for maintenance and modernisation of the Council's housing stock.

Altogether greener

- 127 Proposals in the Act seek to tackle abuses of the planning system, such as making deliberately misleading planning applications, and running retrospective planning applications and enforcement appeals simultaneously.
- 128 The Act also clarifies a number of enforcement issues which should make it easier for the Council to control unauthorized advertising, fly-posting and the defacement of premises, which can affect the quality of the local environment.

Action plan

- 129 On 21 April 2011, Cabinet agreed to an initial action plan for how the Council should respond to the proposed legislation, based on our knowledge at that time. The plan focused upon what the Council may need to do to meet anticipated statutory requirements; what it may wish to do to realise opportunities presented by the proposed legislation and what help and support it may wish to provide to community organisations and partners to help them understand the opportunities presented by the Act. A key element of this was increasing understanding and managing community and stakeholder expectations around the Act and the new ways of working proposed.

130 Appendix 3 provides a revised action plan, updated in the light of the final legislation and our current understanding of the Government's intentions. As stated above, the implementation of the Act is contingent on commencement orders and subsequent regulations and guidance which have yet to be published. The Council will therefore need to keep the action plan under review and respond accordingly.

Conclusion and recommendations

131 During the course of 2011, the Localism Bill was subject to significant debate and amendment in both Houses, before finally receiving Royal Assent.

132 The Localism Act 2011 as it is now known, retains many of the initial features of the original Bill in relation to community empowerment and additional powers and responsibilities for local government, but is now much more focussed.

133 A number of the additional general powers to be conferred on the Secretary of State and directly elected Mayors have been curtailed and the definitions involved in the provisions relating to neighbourhood planning and 'community rights' have been tightened up.

134 However, the Act still contains several provisions which enable the Secretary of State to direct what local government does through regulation and secondary legislation and that the Government has defended its stance on 'guided localism', whereby Ministers express a view about how local authorities should act, reinforced by the prospect of statutory direction if councils fail to respond to Ministers' 'reasonable expectations'.

135 In several areas, the practical detail and commencement orders for different parts of the Act have yet to be published and the Government's timetable for when they can be expected is still awaited.

136 The Council nevertheless has to plan ahead and as such, has revisited the initial action plan for anticipating and responding to the proposed legislation, as agreed by Cabinet last year.

137 In order to respond to the Localism Act, Cabinet is therefore recommended to:

- a) note the contents of this report and the implications of the final legislation;
- b) note the timetable for implementation of the legislation;
- c) agree to the proposed action plan for how the Council can prepare for the commencement of the legislation, as outlined in Appendix 2;
- d) delegate authority to the relevant members of Corporate Management Team in consultation with the relevant portfolio holders to respond to subsequent consultations on draft regulations and supplementary guidance to the Act.

Background papers

Cabinet, 21 April 2011, Localism Bill

Localism Bill

Decentralisation and the Localism Bill: an essential guide

Localism Act 2011

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Appendix 1: Implications

Finance – the proposals in the Act and in particular those relating to financial incentives for permitting housing growth and the granting of Non Domestic Business Rates Relief will have financial implications for the Council.

The provisions relating to Council Tax referenda place a veto on local authorities' ability to increase Council Tax and the costs and practicalities of holding a referendum during the budget-setting process, will in effect dissuade many local authorities from considering increases above limits set by the Secretary of State.

The proposal that communities should be able to designate land and property which is about to be sold, as an asset of community value may impact upon the Council's ability to realise the commercial value of land and property which it deems to be surplus to requirements. The inability to dispose of assets as quickly as it might, may incur additional cost and may impact upon Council's ability to invest in service improvements and achieve the savings proposed in the Council's medium term financial plan. In addition, as the regulatory body for assets of community value, the Council would be responsible for meeting compensation claims from private property owners where appropriate; the Government proposes to fund councils to do this through its 'New Burdens Assessment', although at this stage we do not know how this will work.

The ability for relevant bodies (principally local councils, community organisations and council employees) to bid to run council services and facilities may provide the Council with opportunities to achieve cost savings, improve value for money and ensure ongoing provision of services in the county through alternative providers. At the same time, the right to challenge may increase the Council's procurement costs, as the Council has to respond to expressions of interest, more services are 'challenged' and procurement exercises undertaken. The ability to challenge to provide only part of a service may diminish the Council's economies of scale in service provision and potentially could leave the Council responsible for higher cost and less commercially viable services which community groups do not want to provide.

Staffing – the Act requires the introduction of a published senior pay policy which has to be agreed by Full Council on an annual basis. Where alternative providers express an interest and secure council contracts to run services under the 'right to challenge', there may be TUPE implications for the staff affected. In addition, responding to new community rights around 'challenge', assets and neighbourhood planning, will involve more work for the Council, which may mean that we need to review staff structures to ensure that we have the capacity to meet the new statutory requirements.

Risk – the Act has been identified as a strategic risk to the Council’s MTFP in the corporate risk register. The specific impact of the proposed provisions, once implemented will need to be taken into account in the assessment of risks for individual projects and proposals.

Equality and Diversity – the Government has undertaken impact assessments of its proposals, the details of which are available at <http://www.communities.gov.uk/localgovernment/decentralisation/localismbill/> The Council will undertake its own impact assessments as it implements elements of the Act.

Accommodation - the proposal that communities should be able to designate land and property which is about to be sold, as an asset of community value for up to five years may impact upon the Council’s ability to realise the commercial value of land and property which it deems to be surplus to requirements and wants to divest. This may impact on the Council’s accommodation and asset management strategies, as the inability to dispose of assets and realise capital receipts as quickly as initially envisaged, may incur additional cost and impact upon the Council’s ability to invest in service improvements and achieve the savings proposed in the Council’s medium term financial plan.

Crime and Disorder – there are no specific crime and disorder implications, although the Council may need to make efforts to encourage property owners (including itself) to protect and secure assets which have been prevented from being disposed of or re-developed while designated as assets of community value for a period of up to five years.

Human Rights – there are no specific Human Rights implications, but it should be noted that the Act proposes a number of ‘rights’ which seek to empower communities and council employees who may wish to take on and deliver services on behalf of the Council.

Consultation – the provisions in the Act relating to referenda on Council Tax increases, the designation of assets of community value and neighbourhood development orders have significant implications for the Council’s approach to consultation and community empowerment and its on-going relationship with town and parish councils and community and voluntary organisations in the county.

Procurement – the provisions in the Act relating to the community right to challenge have significant implications for the Council’s approach to procurement and commissioning.

Disability Discrimination Act – there are no specific implications.

Legal Implications – the Act will have a number of implications for what the Council is able to do freely within the law including the selling and trading of services. The constitution of the Council will need to be revised to incorporate new provisions and amendments relating to political governance, codes of conduct, regulatory functions, Council Tax referenda and procurement. Specific provisions will have implications for the conduct of elected Members including legal sanctions in relation to failure to declare interests. In addition, the Act has implications for the Council's regulatory and enforcement functions in relation to misleading planning applications and environmental issues such as fly-posting and the defacement of premises.

Appendix 2: Localism Act 2011 commencement

Section	Power/Provision	Detail
Upon Royal Assent (15 November 2011)		
Section 23	Transitional Provisions – Changes to Local Authority Governance.	These are the provisions enabling the Secretary of State to make transitional provisions as part of the new arrangements regarding Governance and amendments to the Local Authority Governance.
Paragraphs 57 and 58 of Schedule 4 and Section 26	Standards	This deals with power to make provisions and give directions in connection with the abolition of the Standards Board.
Section 37	Transitional Provisions regarding the Standards Board	We can therefore expect a number of Orders and Regulations to be made, dealing with the removal of the Standards Board.
Chapter 2, part 5	Community right to challenge	This deals with the community right to challenge – thus the Secretary of State will be making regulations defining the bodies that can bid, etc., and about consideration of an expression of interest.
Section 86	Community right to challenge	Relates to powers to the Secretary of State to do anything that he considers appropriate for the purpose of giving advice and assistance to a relevant body in preparing its expressions of interest, participating in procurement and providing a relevant service in relation to community right to challenge.
Chapter 3, part 5	Assets of community value	This confers powers to make regulations and orders, covering such things as: <ul style="list-style-type: none"> • timings for land to stay on the Register (default 5 years); • form of list; • contents; • modifications; • what is land of community value (other than the default provisions in the Act);

Section	Power/Provision	Detail
		<ul style="list-style-type: none"> • what is not land of community value; • whether land can be added onto the list of assets of community value, other than through community nomination; • procedures for inclusion in the list; • procedures for review of decisions to include land in the list; • compensation.
Section 103	Assets of community value	This deals with the power which would allow the Secretary of State to give advice and assistance to groups wishing to take steps under assets of community value.
Section 109(1)(b) and (2) to (6), paragraphs 1(13)(1), 18 plus 19 of Schedule 8 and Section 109(7) so far as relates to provisions in the Schedule.	Regional strategies	This relates to the abolition of regional strategies and repeals parts of the Local Democracy Act relating to that.
Section 110	Planning	This deals with the duty to cooperate in relation to planning and sustainable development.
Sections 116 and 121 and Schedules 9 to 12	Neighbourhood planning	This relates to neighbourhood planning and the making of guidance and regulations implementing the neighbourhood planning regime.
Section 117 to 120	Neighbourhood planning	This also relates to neighbourhood planning and the making of guidance and regulations implementing the neighbourhood planning regime.

Section	Power/Provision	Detail
Section 122	Planning development orders	This relates the making of provisions in relation to a development order and pre-consultation application before applying for planning permission for a development order.
Section 144	Planning legislation	This relates to amendments made in the Act to various Planning Acts binding the Crown.
Section 168 to 175	Housing Revenue Account	This grant the Secretary of State power to make a determination for a settlement payment to each housing authority that keeps a Housing Revenue Account.
Section 233 and Schedule 24	Land and asset transfers	Confers powers on the Treasury to make regulations and orders regarding tax in connection with certain transfers and transfer schemes.
Sections 234, 235, 236, 238, 239, 240 and 241	Planning	All deal with pre-commencement consultation – legitimising pre-implementation consultation, powers to make regulations, powers to make different provisions for different authorities, implementing powers and covering commencement.
Part 15 of Schedule 25	Regional strategies	Repeals regional strategies.
The day after Royal Assent (16 November 2011)		
	Community Infrastructure Levy	Amendments to the Planning Act 2008 in relation to the community infrastructure levy, which require the charging authority to use appropriate available evidence to inform the charging authority's preparation of a charging schedule and the power to make Regulations that make provision for evidence of what is appropriate and what is not for this purpose.

Section	Power/Provision	Detail
Two months after Royal Assent (15 January 2012)		
Section 25	Pre determination	This relates to the relaxation of previous restrictions relating to Members' involvement in debates relating to planning and licensing applications.
Chapter 8	Pay accountability	This relates to the provisions regarding pay accountability and the requirement that by 31 March 2012, local authorities determine and publish policies on senior pay in line with the requirements of the Act.
Section 44	Commission for local administration.	Not sure
Section 45	Local democracy	Repeal of duties relating to promotion of democracy.
Section 47	Refuse and waste collection charges	Repeal of schemes to encourage waste reduction under Climate Change Act.
Section 71	Non-domestic rates	Cancellation of liability for backdated non-domestic rates.
Section 111 to 113	Planning	Planning legislation covering local development schemes and adoption and withdrawal of development plan documents with local development monitoring reports.
Section 143	Planning	'Other planning matters'.

Section	Power/Provision	Detail
Section 177	Social housing	Assisting tenants of social landlords to become home owners.
Section 183 and Schedule 18	Housing	Abolishing home information packs and consequential amendments.
Parts 6, 8, 14, 17 and 29 of Schedule 25 and Section 237	Various	Repeals and revocations including the duty to promote democracy, waste reduction schemes, local development documents, and housing information packs.
Subject to separate commencement orders		
All other provisions in the Act		
Commencement number 1 and Transitional Provision		
Section 8(2)	General power of competence and transfer of public functions and governance.	General power of competence for the County Council. A parish council is eligible if it meets conditions prescribed by the Secretary of State.
Sections 15, 19 and 20	Transfer of public functions and governance.	The section which empowers the Secretary of State to make Orders transferring local public functions to permitted authorities.

Section	Power/Provision	Detail
Sections 21, 22 and Schedules 2 and 3 in part		Ability of Council to change governance and the Secretary of State to prescribe additional governance arrangements. Scrutiny to take on new duties.
Section 69(8)	Non domestic rates and council tax Council tax calculations	Non-domestic rates, discretionary relief in relation to England only.
Sections 72 to 79 Schedules 5 to 7	Council tax calculations	Referendums relating to council tax increases. Transitional provisions in relation to council tax to ensure the calculations an authority must make under the new provisions of the Local Government Finance Act 1992 inserted by Schedule 5 to the Localism Act 2011 work appropriately for the financial year beginning 1 st April 2011

Appendix 3: Localism Act 2011 action plan

Localism Act Section	Action	Output / Outcome	Responsible Head of Service	Active as per Act	Completed by
Part 1 - Local government					
Chapter 1 – Local Authority general power of competence	Review the Council’s current use of trading powers in the light of the general power of competence	Trading that complies with the general power of competence and its limits in relation to commercial activity	Colette Longbottom/ Roger Goodes	November 2011	July 2012
Chapter 5 – Governance	Make necessary changes to the Council’s constitution. (Scrutiny / Executive / Code of Conduct)	Revised and compliant constitution agreed by Constitution Working group (and available for inspection by members of the public)	Colette Longbottom / Feisal Jassat (Scrutiny)	November 2011	May 2012
Chapter 6 - Predetermination	Ensure that members (and co-opted members) are aware of the Act’s clarification in relation to predetermination and subsequent participation in planning / licensing decision making.	Information to be incorporated into a relevant Members’ update /seminar / training session.	Colette Longbottom / Kim Jobson	15 January 2012	July 2012
Chapter 7 - Standards	Ensure that members and co-opted members maintain high standards of conduct	Relevant material to be incorporated into a relevant Members’ seminar / training session.	Colette Longbottom/ Kim Jobson	November 2011	July 2012

Localism Act Section	Action	Output / Outcome	Responsible Head of Service	Active as per Act	Completed by
Chapter 7 - Standards	Council to draw up a Code of Conduct (Co. Co) that is consistent with the seven 'Nolan' principles of standards in public life.	Co. Co developed and agreed by Council	Colette Longbottom	November 2011	July 2012
Chapter 7 - Standards	Establish and maintain a register of members' and co-opted members' interests	Register developed and published on the Council's website	Colette Longbottom	April 2012	July 2012
Chapter 8 – Pay Accountability	To prepare a statement setting out the authority's policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the two.	Compliance with a new Pay Statement that has been approved by Full Council, and published as appropriate.	Kim Jobson	15 January 2012	22 February 2012 (by 31 March annually thereafter)
Part 5 - Community Empowerment					
Chapter 2 – Community Right to Challenge	Develop relevant procedures to enable to the Council to consider and respond to Community Right to Challenge expressions of interest	A procedure in place to deal with requests from voluntary/ community bodies, charities, Parish councils, staff,	Gordon Elliott	October 2012	October 2012
Chapter 2 – Community Right to Challenge	Consider the procurement implications arising from Community Right to Challenge proposals.	Procurement processes reflect appropriate legislation	Jeff Garfoot	October 2012	October 2012

Localism Act Section	Action	Output / Outcome	Responsible Head of Service	Active as per Act	Completed by
Chapter 2 – Community Right to Challenge	Asset Management Plan reflects relevant provisions of the Localism Act.		Stuart Timmiss	To be confirmed	July 2012
Chapter 2 – Community Right to Challenge	Ongoing stakeholder liaison and support through a series of communications setting out the implications of the Localism Act.	Community groups are supported and understand what is involved in e.g. running a community building.	Gordon Elliott/Roger Goodes	October 2012	September 2012
Chapter 2 – Community Right to Challenge	Scope out the next stage of development work with: AAPs, Partners, Parish Councils	Planned and structured approach to engagement.	Gordon Elliott	October 2012	September 2012
Chapter 2 – Community Right to Challenge	Develop communication strategy to inform and engage stakeholders	Planned and structured approach to communication.	Gordon Elliott/Roger Goodes	October 2012	September 2012
Chapter 3 – Land of Community Value	Develop maintain and publish a list of assets of community value (including land) and a list of unsuccessful nominations.	Relevant lists maintained and published.	Stuart Timmiss	TBC Ongoing	In line with regulations
Part 6 – Planning					
Chapter 1 – Plans & Strategies	Establish and maintain a process so the Council can fulfil its new duty to co-operate with other authorities / bodies in relation to planning of sustainable development.	Process developed and embedded.	Stuart Timmiss	November 2011	April 2012

Localism Act Section	Action	Output / Outcome	Responsible Head of Service	Active as per Act	Completed by
Chapter 1 – Plans & Strategies	Local Development Monitoring reports – revise process so that these are provided to the public annually (rather than to the SOS)	Compliance with the Localism Act.	Stuart Timmiss	15 January 2012	April 2012
Chapter 2 – Community Infrastructure Levy	Revise processes in relation to approving Community Infrastructure Levy (CIL) charging schedules and use of CIL receipts to reflect the provisions of the Localism Act 2011.		Stuart Timmiss	November 2011	April 2012
Chapter 3 – Neighbourhood Planning	Implement any necessary changes to enable the Council to respond effectively to Neighbourhood Development Orders (including Community Right to Build orders) and Neighbourhood Development Plans	Effective processes for neighbourhood planning.	Stuart Timmiss	TBC	April 2012
Chapter 4 – Consultation	Amend Council procedures to ensure they comply with the Act in relation to consultation, enforcement	Compliance with the Localism Act.	Stuart Timmiss	November 2011	July 2012
Part 7 – Housing					
Chapter 1 – Allocation and Homelessness	Revise processes to reflect new duties in relation to allocation of housing and homelessness.	Compliance with the Localism Act.	Glyn Hall	April 2012	April 2013

Localism Act Section	Action	Output / Outcome	Responsible Head of Service	Active as per Act	Completed by
	Consider any ICT implications that arise in relation to the National Housing Swap Service.		Glyn Hall	TBC	In line with regulations
Chapter 2 - Social Housing Tenure Reform	Develop and publish a Tenancy Strategy setting out the matters to which all registered providers of social housing to have regard when setting their own tenancy policies	Tenancy Strategy agreed and published.	Glyn Hall	January 2013	April 2012
Chapter 2 – Social Housing Tenure Reform	Revise processes to ensure they comply with the Localism Act 2011 in relation to flexible tenancies, successions rights etc.	Compliance with the Localism Act.	Glyn Hall	January 2013	April 2012
Chapter 3 – Housing Finance	Following the abolition of the annual HRA system, we need to prepare for the self-financing system by developing and aligning a five year Capital Investment Plan with our Asset Management Plan.	5 year Capital Investment plan agreed by Cabinet Asset Management Plan agreed by Council.	Jeff Garfoot Glyn Hall	November 2011	22 February 2012
Chapter 6 – Other Housing Matters	To ensure complaints staff and relevant literature reflect that local housing authority complaints come under the jurisdiction of the Housing Ombudsman (rather than the LGO)	Housing complaints are handled by the appropriate Ombudsman.	Alan Patrickson and Glyn Hall	TBC	In line with regulations