



LOCALISM BILL: HOMELESS LINK BRIEFING JANUARY 2011

The Decentralisation and Localism Bill constitutes by far the most comprehensive and extensive changes to local government in recent memory. The Bill has a wide scope. However it is housing that will undergo the most fundamental reforms and is consequently the area of most importance for Homeless Link and its members.

The stated aim of the Bill is to initiate ‘a power shift away from central government to the peoples, families and communities of Britain’¹. Although the aim of decentralisation has interesting potential, Homeless Link is concerned that there are numerous considerations that have been neglected and which may result in a lack of representation for some community members. There is insufficient acknowledgement of different groups’ capabilities and opportunities to represent their own interests. As such there is a need to build in a duty to hear the voice of more marginalised groups and to support excluded community members so that their voices can be heard, and benefit from this power shift.

Homeless Link’s two most pressing concerns regarding this Bill are the:

- 1) Changes to how Local Authorities (LAs) are permitted to exercise their legal duty to homeless people (addressed in Part 6 Chapter 1 of the Bill); and
- 2) Changes to the existing social housing safety net (addressed in Part 6 Chapter 2 of the Bill).

These principal concerns have been addressed in considerable detail and recommendations proposed in our consultation response to [‘Local decisions: a fairer future for social housing’](#).

SIX ACTIONS OF DECENTRALISATION

The coalition government has proposed six actions of decentralisation. This briefing provides a summary of the key points included in each action with analysis of some of the challenges and opportunities this presents for the homelessness sector. The proposed changes to social housing and the homeless duty have been covered in the consultation response mentioned above. As such they are not included in this briefing.

ACTION 1: LIFT THE BURDEN OF BUREAUCRACY

The assumption underpinning this action is that excessive bureaucracy has resulted in inefficient services and prevented voluntary and community sector involvement in the design and delivery of public services.

¹ Department of Communities and Local Government (2010) “Decentralisation and the Localism Bill: an essential guide” <http://www.communities.gov.uk/documents/localgovernment/pdf/1793908.pdf>

The government aims to redress this through:

- **Abolition of the Regional strategies** to be replaced with a duty for LAs to cooperate to develop a building strategy for their region.
- **Abolition of the Standards Board** regime with councils trusted and empowered to monitor their own behaviour and more power given to local communities to hold local councillors to account.
- **Revision of the Predetermination rules** allowing councillors to act on local issues without the risk of a challenge of bias.

These interventions are designed to build on Department of Communities and Local Government's (DCLG) decision to scrap Comprehensive Area Assessments, the Local Area Agreements, the Audit Commission and other quangos such as the Tenants Services Authority.

Challenge

The abolition of regional spatial strategies in favour of Local and Neighbourhood plans may have a detrimental effect on the rate of house building, in turn increasing pressure on social housing and the Private Rented Sector (PRS). Last year Eric Pickles MP (Secretary of State for Communities and Local Government) removed the regional spatial strategies and as a result numerous house building developments ceased until a court overruled the decision and reinstated the strategy.

ACTION 2: EMPOWER COMMUNITIES TO DO THINGS THEIR WAY

The assumption underpinning this action is that excessive state involvement in everyday local issues acts to disempower LAs and communities, which subsequently has a negative effect on individual willingness to get involved and stifles initiative.

The government aims to redress this mainly through planning reforms:

- **General Power of Competence** will provide LAs and some Parish Councils the authority to act with the same freedom afforded any individual citizen. This will provide new freedom to run locally tailored services without central government interference and hopefully stimulate confidence and innovation.
- **Community Right to Build** will give local communities the power to take forward development in their area without the need to apply for planning permission, subject to meeting certain safeguards and securing the support of 50% of the community through a referendum.
- **Neighbourhood Plans** are intended to enable communities to permit development - in full or in outline - without the need for planning applications.
- **Local Plan Reform** affords greater choice and control to LAs and communities by removing the ability of the Planning Inspectorate to re-write local plans - and by removing procedures on timetabling and monitoring.
- **Duty to Cooperate**- LAs have a new duty to cooperate with neighbouring authorities to ensure sufficient development to meet regional needs.
- **Strengthening Enforcement Rules** by enabling LAs to more effectively deal with planning abuses.
- **Community Consultation on Large Planning Applications**- developers are required to consult local communities prior to making a planning application.

To facilitate the community empowerment implicit in the Community Right to Build and the Neighbourhood Plans civil servants will act as 'bureaucracy busters' to

smooth out any obstacles to achieving local ambitions. However, it is not clear exactly how, or how far, civil servants will embrace this new responsibility.

Challenges

With more power afforded to local communities over planning, homelessness services may experience increasing problems siting and developing services. In areas where there is a concern about what impact a new homeless service will have on property values or quality of life the Bill provides increased opportunities to deny planning permission to unpopular development.

Opportunities

If voluntary organisations are able to generate sufficient local support for new developments the Neighbourhood Plans and the Right to Build has the potential to streamline any new project.

ACTION 3: INCREASE LOCAL CONTROL OF PUBLIC FINANCE

The assumption underpinning this action is that central government control of funding streams demoralises frontline services. Likewise, that centrally prescribed targets for specific streams prevent localities developing and implementing tailored strategies.

The Bill aims to address this through:

- **Council Tax Referenda** where any LA seeking a council tax increase above a threshold set by the Secretary of State is required to hold a local referendum.
- **Business Rate Discounts** where LAs are given a new power to discount business rates.
- **Reform of the Community Infrastructure Levy** - the Bill affords three new powers to LAs regarding the Levy: 1) the LA is required to pass part of the payment to the neighbourhood where the development took place; 2) levy payments can be spent on the ongoing costs of local infrastructure; and 3) LAs are given more authority to set the charging levels for the Levy.

These proposals build on changes made in the Spending Review that removed ringfences on many funding streams, similar to the removal of the Supporting People ringfence by the previous government. Overall the number of discrete funding streams is being aggregated from over 90 to under 10.

Challenge

Affording LAs and communities more freedom to choose where to spend their money is potentially problematic for unpopular causes such as homelessness. We may find that LAs and communities divert funding from excluded groups. For example the removal of the SP ring fence, allowing LAs more flexibility to choose where to spend their money, has caused significant problems for many homeless service providers.

Opportunity

The Coalition proposes that these new financial freedoms facilitate the creation of 'pooled budgets to tackle difficult cross cutting issues'. These 'Community Budgets' will be pioneered by 16 areas and then made available across the country by 2013. This may present opportunities for addressing homelessness issues in a fresh way. However there has been no guidance as to which issues can or should be addressed in this way.

ACTION 4: DIVERSIFY THE SUPPLY OF PUBLIC SERVICES

The assumption underpinning this action is that public sector monopolies limit the choice available to service users and crowd out the voluntary sector. Increasing the provider base will permit innovation, efficiency and the flexibility to move away from a one size fits all models.

The Bill aims to address this through:

- **Community Right to Challenge** where communities, voluntary agencies, social enterprises, parish councils and public sector workers have the right to express an interest in 'a service provided by or on behalf of the local authority'². This challenge can prompt a procurement process in which the challenging organisation can put in a bid to run the service in question.
- **Community Right to Buy** that requires LAs to maintain a list of public and private assets of community value. Communities are subsequently allowed to bid for these assets if they come on to the market.

These new rights are an essential component of the Coalition's Big Society project and complement other initiatives such as free schools and the Rights to Provide recently given to public service employees.

Challenge

The Community Right to Challenge applies to voluntary sector organisations that are providing a service on behalf of a LA. Therefore community groups or other voluntary sector organisation could potentially challenge not only LA run services but third sector contractors.

Opportunity

The Right to Challenge and the Right to buy may allow voluntary sector organisations to bid for or run services previously provided by the council.

ACTION 5: OPEN UP GOVERNMENT TO PUBLIC SCRUTINY

For the public to effectively engage in local politics they require access to all the information sources available to government. It is assumed that by promoting transparency and public access to data the public will be better equipped to challenge decisions, coordinate community action and make informed choices.

The Bill aims to address this through:

- **Pay Accountability** - this Bill places a requirement on LAs to publish an annual statement clearly stating their policy on remuneration of their chief officers.

This requirement is part of a wider drive towards transparency including a new LA requirement to publish every item of expenditure over £500. In addition to this financial information, raw data regarding the outcomes of LA and national government spending will be made available.

² Department of Communities and Local Government (2010) 'Localism Bill Explanatory Notes' <http://towns.org.uk/files/Decentralisation-and-Localism-Bill-Explanatory-Notes.pdf>

Challenge

Contextualising and interpreting data will become increasingly important if organisations are going to make use of this new resource, as such organisations may have to develop their capacity and skills for data analysis. Although the guide to the Bill acknowledges that too much information can act to obscure real outcomes, the proposed solution is to release data in its raw form, which may limit the number of people able to interpret it.

Opportunity

Properly contextualised and interpreted outcome data from both local and national government monitoring can provide valuable information concerning what works in a given area, as well as define key issues which require more attention.

ACTION 6: STRENGTHEN ACCOUNTABILITY TO LOCAL PEOPLE

Accountability is important for communities to feel connected and involved in government. It is assumed that the current centralised and bureaucratic system of accountability is not suitably responsive to local needs and that bureaucracy discourages people from getting involved in running their community. By providing more opportunities for local voters to express their opinion, accountability can be refocused to a local level encouraging service providers to be more responsive to local needs and promoting community engagement.

The proposed techniques for achieving this aim are:

- **Local Referenda** - the Government is committed to give residents the power to instigate local referendums on any local issue. The results of any referendum are non-binding but LAs must take it into consideration when formulating policy.
- **Elected Mayors** - the Bill includes measures to provide for elected mayors in 12 English cities and increases opportunities for other cities to choose this form of local governance.
- **London** - the Bill passes greater power to the London Mayor to carry out housing investment and economic development.

These changes are part of a wider programme to increase accountability at a local level such as the introduction of locally elected Police Commissioners. They are also evident in a move towards the personalisation of services and individual budgets for social care and health.

Opportunity

Being able to instigate referenda may allow community and voluntary organisations to challenge LA decisions on funding cuts. However, this decision would require caution as the desired outcome is dependent on widespread local support for the challenge.

Recommendations for amendments

If you are considering lobbying around the Localism Bill, we would urge you to lobby for the following amendments:

- A preservation of the existing homeless duty (as outlined in our response to the Local Decisions consultation).
- The unsuitability of flexible and affordable tenancies.

- A private rented sector accreditation scheme to ensure quality of accommodation in this section of the market.
- Provision to ensure marginalised populations can participate in the style of self rule proposed in this Bill.
- A greater appreciation of the need to protect support for necessary causes that may be unpopular locally such as homelessness or drug treatment.

This Bill received its second reading in the House of Commons on the 17th January 2011. The Bill has now been sent to a Public Bill Committee for scrutiny and there is a call for written evidence. You can submit your views in writing to the House of Commons Public Bill Committee or via email to scrutiny@parliament.uk. Guidance on written evidence can be found on the [Parliament](#) website.

Homeless Link will be working with partners to represent the views of the sector in the Bill's discussion.

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