

THE LOCALISM ACT

The Localism Act (the Act) received Royal Assent on 15 November 2011.

This briefing confirms the key measures contained in the Act and the new powers for local (parish and town) councils which were set out in previous Briefings on the passage of the Act. One significant change to the Act is on standards and codes of conduct which has been secured as a result of intensive lobbying and intervention by the National Association.

The Act represents a significant achievement for the local council sector and concludes the first phase of work at national and county level to increase the powers of, and give greater recognition to, the first tier of local government. These are among the key ambitions set out in our manifesto and strategic plan.

Work will obviously continue on the range of subsequent regulations, ongoing consultations and discussion with Government which will inform and support the Act going forward.

In his introduction to the *Plain English guide to the Localism Act*¹, the Minister of State for Decentralisation, Greg Clark MP, writes: “The Localism Act sets out a series of measures with the potential to achieve a substantial and lasting shift in power away from central government and towards local people.”

The key measures within the Act are highlighted under four headings:

- new freedoms and flexibilities for local government;
- new rights and powers for communities and individuals;
- reform to make the planning system more democratic and more effective;
- reform to ensure that decisions about housing are taken locally.

New Freedoms

General Power of Competence: As explained in previous briefings, the National Association supports and welcomes the introduction of a general power of competence and its application to local councils. This power will give local councils the chance to deliver more for their communities based on residents’ needs. We are continuing to work with Government and other stakeholders to agree suitable and appropriate eligibility criteria for the power reflecting existing training and qualifications and based on reductions in red tape.

¹<http://www.communities.gov.uk/publications/localgovernment/localismplainenglishupdate>.

Standards: The Act abolishes Standards for England, however local councils will still be required to draw up a code of conduct. Such a code of conduct must be consistent with a set of principles set out in the Act and based on the Nolan principles. Local councils will be able to revise their existing code of conduct or adopt a code of conduct to replace its existing code of conduct. As this is a matter of particular interest to county associations and local councils, further guidance will obviously follow in due course.

Predetermination: The National Association welcomes the measures aimed at reducing the risk of pre-determination against councillors. The proposed provisions should increase the scope for local councillors to represent the views of their residents and to vote on these issues.

New rights

Community right to challenge: The National Association is pleased that the Act provides local councils with the right to express and interest in taking over the running of a local authority service and that a principal authority is obliged to consider and respond to this challenge.

Community right to bid: The Act requires that principal authorities maintain a list of assets of community value. When listed assets come up for sale or change of ownership, the Act gives community groups and local councils the time to develop a bid and raise the money to bid to buy the asset when it comes on the open market.

Planning

Neighbourhood Planning: The National Association welcomes the significant reforms to the planning system and a new enabling role for local councils in the development of Neighbourhood Plans and Neighbourhood Development Orders. We support measures contained in the Act to require prospective developers to consult communities before submitting applications for some developments. ***County associations and local councils are strongly encouraged to respond to the current consultation on neighbourhood planning regulations.***

Community right to build: The Act gives groups of local people the power to deliver the development that their local community wants. Community organisations, including local councils, will be able to bring forward development proposals which, providing they meet minimum criteria and can demonstrate support, can go ahead without a separate planning application.

Community Infrastructure Levy: The National Association welcomes provisions to allow funds from a community infrastructure levy to be transferred to an agency – specifically local councils where they exist – other than the local planning authority. We are pressing for regulations which properly support this measure and also allow for a meaningful proportion of funds going to local councils. Related infrastructure could then be supported regarding developments in these corresponding areas. ***County associations and local councils are again strongly encouraged to respond to the current consultation on these regulations.***

Housing

Reform of council housing finance: Under the Act, rent raised from social housing can now be kept by principal authorities to be used locally to maintain social housing.

Other Measures

The proposed reforms to parish poll legislation have not been enacted. These were part of a wider package of measures regarding referendums and were removed from the Bill prior to Royal Assent. However the National Association will continue to press for reforms to the current rules.

Different parts of the Act will come into force at different times. As explained above, the Government still needs to determine specific rules and regulations on how the community rights will work. These rights are expected to come into effect in April 2012.

The National Association will continue to work with the Government and the Department for Communities and Local Government on the development of regulations and on implementation of the Act. Further Briefings will also be issued in due course.

A copy of the Act is available at:

http://www.legislation.gov.uk/ukpga/2011/20/pdfs/ukpga_20110020_en.pdf

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