



## ***Sustainable Communities Act 2007 (Amendment) Bill***

**[Bill 21 of 2009-10]**

**RESEARCH PAPER 10/16** 24 February 2010

This briefing on the *Sustainable Communities Act 2007 (Amendment) Bill* has been prepared for second reading debate on the Bill in the House of Commons scheduled for Friday 26 February 2010. This Private Member's Bill was introduced by Alistair Burt and follows a series of early day motions on the same subject which have attracted substantial cross-party support. The Bill has received Government support.

The Bill seeks to amend the 2007 Act by setting a deadline for the Secretary of State to initiate the next round of proposals for enhancing the sustainability of local communities from local authorities under the Act. It provides for regulations to be made specifying the rules for this process. These are also to cover parish council involvement and the role of local petitioning. There is also provision for greater flexibility in decision-making on proposals.

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## Research Paper 10/16

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## Summary

The *Sustainable Communities Act 2007 (Amendment) Bill 2009-10* is a Private Member's Bill introduced by the Conservative backbencher Alistair Burt. It amends the Act of 2007 which established a mechanism whereby local authorities could formally request government action on proposals that they considered would enhance the economic, social or environmental well-being of their areas. The 2007 Act, also Private Member's Bill in origin, also provided for the production of local spending reports which are reports on expenditure by public authorities in each local area.

The Secretary of State's invitation to local authorities in October 2008 under the Act for enhancing the sustainability of local communities led to the submission of just over 300 proposals by 100 local authorities. A short-list of 199 proposals was prepared by the Local Government Association (designated the "selector"). These are now being considered by the Secretary of State in consultation with the LGA.

The sponsors of the 2007 Act expressed concern during this period about certain aspects of its operation. These included: (1) the absence of any follow-up arrangements for future generation of proposals beyond the first round, (2) the lack of an explicit requirement to involve parish councils in the process, and (3) concerns about the comprehensiveness of the first local spending reports to be published. These matters were the subject of various early day motions which attracted significant cross-party support, and also featured in the unsuccessful amending Bill which was introduced in session 2008-09.

The main provisions of the present Bill are as follows:

- The Secretary of State must specify a date on which the next invitation to local authorities to submit proposals is to be made. Notice of the date must be given before 1 January 2011. It also provides for regulations to be made (following consultation) which will set out the rules for the ongoing process. Regulations may specify that parish councils are to be consulted and involved in the proposals process.
- The regulations may specify the manner in which local people can petition their authority to require it to make proposals.
- The Secretary of State is given extra flexibility in dealing with proposals, but must specify the reasons for his decision. He may part-implement a proposal rather than simply having to decide to implement or not.

The Bill does not make provision in relation to local spending reports (unlike the 2008-09 Bill) and an explanatory note on this issue is provided in this paper.

## 1 Introduction

The *Sustainable Communities Act 2007 (Amendment) Bill 2009-10* is a Private Member's Bill introduced by Alistair Burt, who drew seventh place in the 2009-10 ballot for Private Members' Bills. It was introduced in the House of Commons on 16 December 2009 and was published on 19 February 2010. The Bill is scheduled to have its second reading on 26 February 2010. The provisions of the Bill extend to England and Wales but have application in England only.

A *Sustainable Communities Act 2007 (Amendment) Bill*, covering some of the same ground as the present Bill, was introduced by David Drew (Lab), supported by Julia Goldsworthy (Lib Dem) and Nick Hurd (Con) during session 2008-09. It received its first reading on 3 June 2009 and was printed as Bill 104. It was not debated and made no progress but it served as the focal point for early day motions which attracted substantial cross-party support (EDM 1545 2008-09 and EDM 143 2009-10).

This Research Paper provides background information on the *Sustainable Communities Act 2007* and its early operation. It then discusses the key issues raised by the present Bill and outlines its main provisions. There is a summary of comment on the Bill by interested parties. Further sections discuss local spending reports and the situation in Wales.

## 2 Background: *The Sustainable Communities Act 2007*

The *Sustainable Communities Bill 2006-07* was introduced into the House of Commons on 13 December 2006 as a Private Member's Bill. The sponsoring MP was Nick Hurd, Conservative MP for Ruislip Northwood, who had come top in the ballot. In the Lords it was sponsored by Lord Marlesford. Various versions of a *Sustainable Communities Bill* had been introduced in earlier sessions by other MPs but had made no further legislative progress. However, successive early day motions expressing support for such legislation had been signed by an increasing number of Members from all parties.

The driving force behind the Bill was Local Works, a pressure group representing a sizeable coalition of organisations. The campaign began following the publication of studies by the New Economics Foundation entitled *Ghost Town Britain*. These highlighted, in particular, the decline in numbers of corner shops, grocers, banks, post offices and pubs which meant that communities and neighbourhoods no longer had easy access to "such essential elements of both the economy and the social fabric of the country."<sup>1</sup> Further background information is provided by a Library research paper on the Bill.<sup>2</sup>

Phil Woolas, then Local Government Minister, expressed serious reservations at second reading and in committee about the drafting of some parts of the Bill. However, he undertook to engage constructively in debate on it. Further information can be found in a Library research paper on its committee stage.<sup>3</sup> The Bill attracted cross-party support and received the Royal Assent on 23 October 2007.

### 2.1 Main features of the Act

The Act is a short one consisting of just ten sections and a schedule. There are two main elements within it: (1) action plans for achieving sustainable communities, and (2) local spending reports on public expenditure in local authority areas. The main features of the Act are as follows:

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<sup>1</sup> See webpages on '[Ghost town Britain](#)' and '[Clone town Britain](#)'

<sup>2</sup> *The Sustainable Communities Bill*, Research Paper 07/06, 15 January 2007

<sup>3</sup> *The Sustainable Communities Bill Committee Stage Report*, Research Paper 07/54, 12 June 2007

- The **principal aim** of the Act is to promote the sustainability of local communities. For local authorities this means encouraging the improvement of economic, social or environmental well-being of either the whole or a part of its area.
- The Secretary of State must **invite** local authorities to make proposals which will contribute to promoting the sustainability of local communities.
- Before proposals can be made, local authorities are required to establish or recognise a consultative **panel** of local representatives, and try to reach agreement with that panel on proposals.
- An authority must have regard to the **matters** listed in schedule 2 before making a proposal. Such matters include provision of local services (banks, hospitals, post offices, schools etc), availability of local goods and services, numbers of local jobs, measures to conserve energy and reduce road traffic, the degree of social inclusion, and so on.
- A proposal may include a request for a **transfer of functions** from one person to another. A Department of Communities and Local Government (DCLG) guide to the Act explains that this may be a transfer from a national body to a local body or a transfer from one local body to another. It may also request that responsibility for any funding linked to that function is also transferred.<sup>4</sup>
- The Secretary of State has to appoint a “**selector**” who represents the interests of local authorities. The selector is required to draw up a **short-list** of proposals in co-operation with the Secretary of State. The latter must decide which of the proposals on the short-list should be **implemented**. In doing so, he/she must consult the selector and try to reach agreement.
- The Secretary of State must publish his/her decisions (with reasons) on the proposals to be implemented. Each decision must be accompanied by a statement on how it is to be implemented (an ‘action plan’). Reports on progress in relation to **action plans** must be published and laid before Parliament at yearly intervals.

As to the provisions concerning local spending reports:

- The Secretary of State must arrange for the production of **local spending reports** which will provide information on public expenditure within a locality.
- The Secretary of State must consult over the arrangements but has discretion over the exact **detail** of what is to be included. For example, the expenditure of various types of public body may be included and the area covered may consist of one or more local authority areas or one or more parts of a local authority area. The Secretary of State can provide different reports for different areas.

The DCLG published a simple guide to the Act which is available on its website.<sup>5</sup>

### 3 The proposals process to date

#### 3.1 Secretary of State’s invitation

Hazel Blears, then Communities Secretary, announced by written ministerial statement on 14 October 2008 that she had written to local authorities inviting them to make proposals that

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<sup>4</sup> See DCLG, [Sustainable Communities Act 2007: a guide](#), February 2008, p6

<sup>5</sup> *Ibid*

would encourage the improvement of the economic, social or environmental well-being of their areas. The text of the formal invitation letter was reproduced in the statement and published on the DCLG website.<sup>6</sup> It stated that local authorities would have until 31 July 2009 to put forward proposals to the selector. An accompanying letter from Stuart Hoggan, Director of Communities Group at DCLG, outlined the Government's approach when making decisions on short-listed proposals.<sup>7</sup> It advised that:

- Proposals were more likely to succeed if they were specific about the action required of central government and also not already within the powers of local government;
- The Act was not a route for agreeing additional public expenditure. A particularly strong case would have to be made for proposals which required this;
- Cost-benefit analysis would take into account the likely costs of making arrangements which are specific to a particular area or group against the economies of scale that would arise from more uniform approaches;
- The Government would take into account its existing policy positions.

### 3.2 Regulations and guidance

A consultation paper containing draft regulations and guidance had been published in February 2008.<sup>8</sup> Final regulations were laid on 13 October 2008 and came into force on 3 November.<sup>9</sup> The regulations are succinct and cover the basic steps to be taken by a local authority and by the selector (the LGA) in regard to proposals. The local authority must establish or recognise a panel which (in the opinion of the authority) is representative of local opinion. It must consult that panel and try to reach agreement on proposals. The selector must prepare a written report on proposals received and give reasons for its decisions on both selection and rejection.

The guidance was published as an annex to the statutory guidance on the *Local Government and Public Involvement in Health Act 2007*.<sup>10</sup> It, too, is concise and concerned primarily with the inclusion of persons from under-represented groups on local panels (more than one panel may be established if desired). The guidance describes the "reasonable steps" which local authorities should take to ensure the representation of such groups.

### 3.3 First tranche of proposals

A parliamentary answer from October 2009 listed the 100 local authorities which had submitted proposals in round 1. There were 90 lead authorities and a further 10 included in joint proposals.<sup>11</sup> In all, the first round generated 301 proposals.<sup>12</sup> The LGA short-listed 199 of these proposals and, at the time of writing, these are being considered by the DCLG in consultation with the LGA.<sup>13</sup> When asked by Julia Goldsworthy, Liberal Democrat spokesperson, in 2010 to commit to a deadline for his initial response to these proposals, the Secretary of State, John Denham said:

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<sup>6</sup> DCLG, [Secretary of State's formal invitation](#), 14 October 2008

<sup>7</sup> [Director of Communities Group letter to accompany the Secretary of State's formal invitation](#), 14 October 2008

<sup>8</sup> DCLG, [Sustainable Communities Act 2007: consultation on draft regulations and statutory guidance](#), February 2008, p3

<sup>9</sup> The [Sustainable Communities Regulations 2008](#), SI 2008/2694

<sup>10</sup> DCLG, [Creating strong, safe and prosperous communities: statutory guidance](#), July 2008, Annex 1

<sup>11</sup> HC Deb 12 October 2009 c357W

<sup>12</sup> HC Deb 1 December 2009 c648W

<sup>13</sup> HC Deb 25 January 2010 c569W

The hon. Lady needs to understand that the proper consideration of 199 separate policy proposals, many of which would require changes to primary legislation, is not the sort of thing that can be done by a Minister just running down a list and saying, "I fancy that one", or "I don't fancy that one." I suggest to the hon. Lady that rather than having an artificial deadline, we need, as I said in response to my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), to look at the proposals on which we can make progress and practical advances as quickly as possible.<sup>14</sup>

## 4 The Bill

This section describes the issues surrounding key aspects of the Bill and outlines its provisions.

### 4.1 New round of proposals

The 2007 Act required the Secretary of State to issue the first invitation to local authorities within one year of Royal Assent (i.e. by 22 October 2008). The Act does not specify a time by which further invitations must be issued but a DCLG guide to the Act stated the following:

...the intention is to do so periodically. The Government will work with the local government sector to agree the frequency and timing of further invitations.<sup>15</sup>

The Amendment Bill, introduced by David Drew in 2008-09, sought to institute a rolling list of proposals with the selector in pole position. The latter would be able to submit as many proposals as it saw fit. There must always be a "reasonable number" under consideration by ministers and the selector must give reasons for rejecting any proposals. Local Works issued a note on the 2008-09 Bill which explained:

The rationale for this is that, if the suggestions put to the SoS [Secretary of State] – and acted on – are a one-off event, the enthusiasm for the process and thus for involvement in civic activity and democracy, will diminish and turn to cynicism ('oh, yes just another meaningless bogus attempt to involve people').<sup>16</sup>

The LGA had been "fully supportive" of this provision, adding that "the current delay in confirming future rounds risks stalling the momentum generated."<sup>17</sup>

Julia Goldsworthy called on the Communities Secretary in oral questions in January 2010 to "commit to a date for the next round of submissions."<sup>18</sup> John Denham had highlighted the unexpected size of the first short-list in his answers. He said:

I hope that the House will take me seriously when I say that some issues to do with the process have been brought to light by where we are at the moment, and we need to get them right in future to ensure that we have a cost-effective and efficient way of assessing realistic proposals. If we can do that, I see no reason why the Act will not form a permanent part of the local-national relationship in this country.<sup>19</sup>

### The Bill:

- requires the Secretary of State to **specify the date** on which an invitation to make proposals will be issued. Notice of this date must be given by 1 January 2011;

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<sup>14</sup> HC Deb 26 January 2010 c666

<sup>15</sup> DCLG, *Sustainable Communities Act 2007: a guide*, 2008

<sup>16</sup> Local Works, *Sustainable Communities Act Amendment Bill 2009: explanation and rationale*

<sup>17</sup> Local Government Association, *Sustainable Communities Act Amendment Bill – LGA Briefing*, 2009

<sup>18</sup> HC Deb 26 January 2010 c666

<sup>19</sup> *Ibid*, c667



- requires the Secretary of State to make **regulations about procedures** to be followed in regard to these proposals. These may include (1) requiring local authorities to consult and attempt agreement with parish councils and local people in regard to proposals (2) the steps to be taken by the Secretary of State in appointing advisers to assist with the consideration of proposals and specifying people who must be consulted, and with whom the Secretary of State must try to reach agreement.
- provides that the Secretary of State may **implement a proposal in part** rather than simply in total or not at all. Part-implementation may be appropriate in the case of complex, multi-faceted proposals. These measures are designed to speed up the considerations process.

Clause 1 makes amendments to the 2007 Act to allow for part-implementation of proposals. Clause 2 inserts new sections 5A to 5D in the 2007 Act. The regulations to be made under these sections would be subject to the negative procedure for statutory instruments. There is no time limit for the regulations to be made in the Bill, but it is expected that the regulations would be ready by 1 January 2011 to enable to new round of proposals to be made.

## 4.2 Parish representation

### **Background**

Early versions of the original *Sustainable Communities Bill* placed parishes in a key position within a 'bottom-up' process. A principal council was to take reasonable steps to obtain the views of any parish councils in its area on proposals to promote local sustainability. Further, the principal council should include any objectives, targets or indicators put forward by parish councils in its report to the Secretary of State, unless there was good reason not to.<sup>20</sup>

The Private Member's Bill introduced in December 2006, which was to become the *Sustainable Communities Act*, provided originally for principal councils to give notice to every parish or community council in its area of their intention to submit recommendations. A principal council was also required to have regard to any parish plan. However, the references to parishes were removed through amendments during the passage of the Bill through the Commons. New clauses introduced by the Government at report stage allowed for a less prescriptive approach. Local authorities wishing to make proposals must establish panels of local representatives and try to reach agreement with them. Only the statutory guidance referred to parish councils, stating that:

Local authorities will also want to consult parish councils in their area."<sup>21</sup>

Several Peers had expressed misgivings at what they perceived to be a downgraded role for parish councils when the amended Bill reached the Lords. Lord Marlesford (Con), who introduced the Bill in the Lords, said at second reading:

In the Bill, local councils mean county councils, district councils and London borough councils. In some ways, I regret that they do not mean parish councils, which are the real grass roots of local government. However, I recognise that already more than 400 councils would be consulted, and good local authorities do in general consult parish councils on many matters, particularly planning applications. I am therefore confident that, under the terms of the Bill, parish councils will be able to make effective representations on matters that affect their communities.<sup>22</sup>

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<sup>20</sup> See, for example: [Sustainable Communities Bill \[Bill 187 of 2005-06\]](#)

<sup>21</sup> *Op cit*, para 5

<sup>22</sup> HL Deb 12 July 2007 c1566

Lord Cameron of Dillington (Crossbench) said:

I was sorry to see that the earlier intention of giving more direct control to parish councils got squeezed out in the Bill's passage through the other place, and that it is now the principal councils that have control...<sup>23</sup>

The Amendment Bill introduced in session 2008-09 sought to lay down the following requirements:

- Where a panel of local representatives is established, it should include representatives from local parish councils;
- County associations of parish/town councils may make proposals.

The Local Government Association said that parish council engagement was worth highlighting as good practice. However, it regarded the statutory requirement as "further prescription" which "goes against the spirit of determination and accountability which underpins the Act."<sup>24</sup> The National Association of Local Councils (NALC), which represents parish and town councils, was in favour of these provisions, observing that a one line reference to parishes in government guidance was not a strong enough inducement for principal authorities to involve them in the process.<sup>25</sup>

**The Bill** requires the Secretary of State to make regulations (after consultation) concerning future procedures to be followed in relation to proposals. The regulations:

- Do not specify that **county associations** will be invited to make proposals. Instead, the Secretary of State may by order appoint persons to advise him and also persons with whom he must consult.<sup>26</sup> He may also specify persons or classes of persons in addition to local authorities who may make proposals directly to him;<sup>27</sup>
- may require local authorities to consult or involve parish councils or local persons within their boundaries in the production of proposals.

#### 4.3 Petitions and referendums

##### **Background**

Local authorities may choose whether or not to respond to the Secretary of State's invitation to submit proposals. Many have chosen not to and this has been a source of frustration to some local residents. Local Works, the pressure group which campaigned for a Sustainable Communities Act, wrote to local authorities urging them to opt in to the process. They also published maps showing areas covered by councils which had agreed to use the Act, and a sample letter that people could use to write to their councillors urging the council to opt in.

The Amendment Bill, sponsored by David Drew in session 2008-09, introduced the concept of a petition which, if signed by a sufficient proportion of local electors (5%), would force the authority to hold a referendum of all its electors on the proposals outlined in the petition. A majority vote in the referendum would force the authority to submit the desired proposals to the Secretary of State. The LGA called the proposed measure "disproportionate" and said it

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<sup>23</sup> *Ibid*, c1573

<sup>24</sup> Local Government Association, *Sustainable Communities Act Amendment Bill – LGA Briefing*, 2009

<sup>25</sup> Information received from staff at the National Association of Local Councils, 12 January 2010

<sup>26</sup> New section 5B (3) (g) and (h), inserted by Clause 2

<sup>27</sup> New section 5C (1), inserted by Clause 2

was likely to have “significant resource implications for local authorities particularly in the current financial climate”.<sup>28</sup>

A parallel example might be the petition for an elected mayor under the *Local Government Act 2000*. Here, again, a voting threshold of 5% (in England) can force a referendum whose result is binding. The Government indicated in the communities empowerment white paper – *Communities in control: real people, real power* - that it wished to make it easier for local people to demand a directly-elected mayor. It posited various reduced thresholds down to 2%.<sup>29</sup> The Local Government Information Unit commented that any threshold:

...must be set at a level that demonstrates sufficient interest to justify the cost and other disruptions of a referendum. This will be particularly important where it is possible for campaigners to organise a further petition after four years.<sup>30</sup>

It is worth noting in this context that “petition power” was discussed in the Government’s *Communities in control* white paper which promised to lay a duty on local councils to respond to petitions.<sup>31</sup> The result was the provisions in part 1, chapter 2 of the *Local Democracy, Economic Development and Construction Act 2009*. Local authorities will be required to establish petition schemes under which petitions signed by more than a specified number of local people will trigger some action by the council (for example an inquiry, a debate or a written response). Further information on this can be found in a Library standard note.<sup>32</sup>

**The Bill**, in new section 5B (3)(e) requires the Secretary of State to make regulations (after consultation) concerning petitions. In particular, the regulations will contain provision for “the making of petitions, in relation to a proposal or a suggestion for a proposal, to a local authority by local persons”. There is no automatic trigger for a petition, unlike in the 2008-09 version of the Amendment Bill.

## 5 Comments on the Bill

An **early day motion** (EDM 143 2009-10), tabled by David Drew in November 2009 and enjoying substantial cross-party support was worded as follows:

That this House notes the success of the Sustainable Communities Act 2007 as the first step towards building a bottom up democracy; further notes the enthusiasm shown by local authorities across England in deciding to use the Act, with 100 councils having already used that process and a further 50 councils having stated their intention to do so at the next available opportunity, showing that nearly half of all councils wish to use the Act’s process in the future; notes also the genuine cross-party support that the original Act commanded; and so supports the provisions of the Sustainable Communities Act Amendment Bill introduced in Session 2008-09 which would extend the 2007 Act by ensuring that the process of involvement established by the Act becomes an on-going process rather than a one-off event, by involving parish and town councils and their county associations in the process and by empowering citizens to petition their councils to use the Act if they are not already doing so.

The motion had attracted in excess of 346 signatures at the time of writing which represents more than half the membership of the House.

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<sup>28</sup> Local Government Association, *Sustainable Communities Act Amendment Bill – LGA Briefing*, 2009

<sup>29</sup> DCLG, *Communities in control: real people, real power*, Cm 7427, July 2008, para 5.17. These options were discussed in: DCLG, *Communities in control...changing council governance arrangements – mayors and indirectly elected leaders: a consultation*, December 2008

<sup>30</sup> LGIU, *Mayoral petitions: a consultation: (policy briefing)*, 19 December 2008

<sup>31</sup> *Communities in control* para 4.9

<sup>32</sup> *Local petitions and the Community Call for Action*, SN/PC/4856

The Department of Communities and Local Government has assisted in the drafting of the Bill and the Government has indicated that they will support the Bill on 26 February. This may increase the chance of the Bill achieving all its Commons stages in one sitting, despite the fact that it will be the second Bill to be debated that day. Two Private Members' Bills passed through all their Commons stages on 5 February 2010.<sup>33</sup>

The Local Government Association has previously expressed broad support for the principles, but are likely to have some concerns about extra consultation requirements for principal councils. The National Association of Local Councils (NALC) has welcomed the Bill, but would like to see a specific reference to involvement of the county associations of parish and local councils.

## 6 Local spending reports: a note

Part 6 of the *Sustainable Communities Act 2007* provides for the production of local spending reports (LSRs). The Amendment Bill, introduced in session 2008-09, included provisions which sought to maximise the amount of information contained in such reports. These provisions have not been included in the present Bill. However, the content and accessibility of LSRs have proved to be contentious aspects of the 2007 Act, and this section sketches out the issues involved.

In February 2009, the Government launched a two-part consultation exercise concerning firstly, arrangements for the first set of reports and, secondly, the Government's thoughts on future development of LSRs.<sup>34</sup> The first local report was published on 29 April and covered 2006-07 spending by local authorities (including police and fire authorities), health bodies and DWP spending on certain benefits and pensions.<sup>35</sup>

The Act's sponsors and other organisations such as the LGA and Centre for Public Scrutiny were critical of the limited scope of the initial reports and what they considered to be the Government's cautious approach. The consultation paper had emphasised the necessity for both robust data and cost-effectiveness in its collection and processing. An early day motion of March 2009, which was signed by 282 Members of all parties, referred back to the assurances of the former Local Government Minister, Phil Woolas, that an LSR would "...cover all public expenditure in each local authority area in so far as it is possible to define it" including money spent by all agencies in the area.<sup>36</sup>

On 28 October 2009, the House debated a Conservative opposition day motion couched in similar terms to the early day motion cited above. Caroline Spelman, for the Conservatives, spoke of a "fundamental breach of trust" by the Government in producing LSRs which were a "halfway house" and omitted the "huge chunk of public spending" channelled through non-departmental public bodies such as the regional development agencies.<sup>37</sup> John Denham, Communities Secretary, outlined some of the complexities involved in the exercise – "some very significant areas of public spending do not fit neatly into local spending reports" – but also his own commitment to publishing reports that would help to drive improvements in

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<sup>33</sup> *Anti Slavery Day Bill 2009-10* HC Deb 5 February 2010 c574; *Damages (Asbestos-Related Conditions) (No 2) Bill 2009-10* HC Deb 5 February 2010 c582

<sup>34</sup> DCLG, *Sustainable Communities Act 2007: Local Spending Reports – Consultation Document*, February 2009

<sup>35</sup> DCLG, *Sustainable Communities Act 2007: Local Spending Report England 2006-07*, 29 April 2009. See also: DCLG, "Sadiq Khan publishes first-ever Local Spending Report", *News release*, 29 April 2009

<sup>36</sup> EDM 1064 2008-09. PBC Deb 2 May 2007 cc46, 49. A similar EDM tabled the following session (EDM 78 2009-10) also attracted more than 200 signatures. The Minister's comments were made at committee stage of the Sustainable Communities Bill: PBC 2 May 2007 cc46, 49

<sup>37</sup> HC Deb 28 October 2009 c305

public services. The amended motion promised that ministers would report back to the House before the end of the year.<sup>38</sup>

A report on future development of LSRs was published in December 2009.<sup>39</sup> It pledged that LSRs would be made more practical and accessible by being web-based and forming part of the Local Data Exchange which was being developed by DCLG. It examined the main issues involved in trying to establish realistic public expenditure flows into a specific area. And it drew up a set of principles as a basis for LSRs.

The report stated that the Government would publish data for 2007-08, alongside data for 2008-09 where available, in Summer 2010. NDPBs and others have been asked if there is additional information that can be made available (LSRs will carry links to additional data available on corporate websites). Section 10 of the report lists the additional information that will (subject to consultation) be included in the second round of LSRs. This includes the following:

- **At local authority level** – expenditure by Homes & Communities Agency; grant expenditure by Arts Council for England; grants by HEFCE to higher education institutions; various government department grants; income and expenditure by higher education institutions; HMRC tax credit data.
- **At regional level** – estimated spend by Highways Agency; revenue and capital expenditure by the Environment Agency; expenditure by Regional Development Agencies, English Heritage, Natural England and other bodies; grants by Sport England; outturn expenditure by the Learning & Skills Council and HM Courts Service; expenditure by Job Centre Plus.

John Denham said in a speech entitled “Unlocking democracy” in January 2010 that “making public data public” had become a real priority across government because of the twin aims of democratic accountability and public service reform. He added:

...I hope you will also recognise that our ambitions and agenda now go well beyond what was originally conceived of in the Sustainable Communities Act.<sup>40</sup>

## 7 Wales

The *Sustainable Communities Act 2007* does not extend to Scotland or Northern Ireland. It extends to Wales in a formal sense only and does not apply to Welsh local authorities or their areas. The National Assembly can legislate on several matters relating to local government and these have been used to establish different arrangements for local governance and public involvement in it.

The Assembly Government issued a consultation document in February 2008 on performance improvement and community planning.<sup>41</sup> It suggested that the best value regime tends to “encourage short-termism and a narrow focus on incremental changes in measurable service outputs”. Community strategies, on the other hand, tend to set out longer term aspirations and, as a rule, do not make specific links with shorter-term service delivery. The paper said:

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<sup>38</sup> *Ibid*, cc309-323

<sup>39</sup> DCLG, *Making local public expenditure data public and the development of Local Spending Reports: report to Parliament*, December 2009. Publication was announced by written ministerial statement: HC Deb 16 December 2009 cc136-7WS

<sup>40</sup> Rt Hon John Denham, Speech: “[Unlocking democracy](#)”, 27 January 2010

<sup>41</sup> Welsh Assembly Government, *Delivering a shared responsibility: performance improvement and community planning - a consultation document*, February 2008

1.5. The two statutory regimes need to be brought closer together. Community planning is no more than idle speculation if it does not inform, and is not informed by, service delivery. And service improvement which has no long-term context is simply an exercise in chasing performance targets.

The paper proposed:

3.2 To replace the 'best value' duty with a duty to secure improvement more broadly, defined in terms of:

- Providing services and exercising functions to support the delivery of any of the local authority's objectives as set out in its community strategy and/or local service agreement;
- An increase in the quality and availability of services which the local authority provides in relative or absolute terms;
- The provision of services in ways which appear to be more sustainable over time and/or on a more equitable basis to the people and communities that they serve;
- The provision of services on a more efficient basis; and
- Increasing a local authority's capacity to respond to local needs and/or developing more appropriate and innovative ways of doing so.

3.3 Remove legal and organisational barriers to collaboration by:

- Conferring on local authorities a general power to collaborate with each other to secure improvement;
- Confer a reserve power on Welsh Ministers to direct collaboration between local authorities where it appears that citizens' or community interests would be best served by collaborative working but that such collaboration had not taken place.

Further proposals were concerned with new forms of performance measurement and inspection. Finally, on community planning, the paper proposed to:

3.7 Place a duty on local partners to require them to participate in developing the community strategy, to identify and agree the contents of the action plan, and to carry out those elements of the action plan for which it was responsible.

The *Local Government (Wales) Measure 2009*, giving effect to these proposals, was introduced in September 2008, debated by the Assembly in 2008-09 and became law in June 2009.<sup>42</sup>

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<sup>42</sup> [Local Government \(Wales\) Measure 2009](#)