

# Local Government Association

## Queen's Speech - On the Day Briefing

27 May 2015



### Introduction

The Queen has today set out the Government's agenda for the first session of this Parliament. This paper details the new Bills announced today that the Government intends to bring forward and which will be of relevance to local government. Further details of today's Queen's Speech can be found [here](#).

### LGA key messages:

- **Devolution:** Making decisions at a more local level will bring about huge economic and social benefits. As recognised in the Cities and Local Government Devolution Bill, the push to decentralise power should be extended to non-metropolitan areas and we are ready to work with the Government to meet this aspiration.
- **Skills:** Councils and Local Enterprise Partnerships know the needs of local businesses and young people. The national commitment to a Youth Allowance should be delivered by reforming services to create a single youth offer organised locally. This would give every 14- to 21-year-old the advice, experience and skills to thrive and create the apprenticeships and training courses local employers need.
- **Schools:** Local government has taken a proactive role in supporting schools to become academies where this will help improve their performance, but we are concerned that the Department for Education is unable to effectively support a rapid expansion in schools converting to academy status.
- **Housing:** The Government has rightly promised every home sold under the Right-to-Buy proposals will be replaced on a one-for-one basis, and any new proposals must enable that to happen. We will work with Government on how these proposals could be delivered and funded without any unintended consequences on councils' ability to invest and ensure communities include a mix of homes. Many councils are ambitious to increase housebuilding across all tenures and support measures to help people into home ownership.
- **Business rates:** We welcome the provisions to reform business rates appeals in order to limit the number of speculative appeals, which are a major cause of financial uncertainty to local government. New powers for the Valuation Office Agency to share data with councils will be good for councils and businesses and be more efficient.
- **Public health:** Legal highs are untested, unpredictable and a potential death sentence. Nobody can be sure of their contents or the effects that they could have. The LGA has long argued that the current legislation is not fit for purpose. An outright ban on legal highs will enable the closure of 'head shops' and protect the public from devastating consequences.

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# Briefing

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## **Bills announced which are relevant to local government:**

For further information on any of these Bills, please contact the [LGA Public Affairs Team](#).

### **Cities and Local Government Devolution Bill**

*This Bill will provide the legal basis to implement the Government's 'northern powerhouse' ambitions, which will devolve powers to cities with elected 'metro mayors' and will empower towns and counties by building on the Growth Deals.*

#### **LGA view:**

- The economic benefits of devolution are too significant to ignore. Devolving control of social care and health spending, local transport networks and infrastructure to Greater Manchester is good news for the people who live there and now needs to be replicated for people across the rest of the country.
- Making decisions at a more local level will bring about huge economic and social benefits and with non-metropolitan England responsible for 56 per cent of economic output the case for wider devolution is clear. As recognised in the Bill, we believe the push to decentralise power should be extended to these non-urban areas and are ready to work with the Government to meet this aspiration.
- Where significant new responsibilities are devolved, stronger local governance arrangements may be needed but there is no "one-size-fits-all" solution. Areas need to be able to determine the most appropriate governance and accountability model for their area, rather than having a single model dictated by Whitehall.
- As we have called for, alongside legislative change, funding reform is also required. Meaningful devolution should include multi-year finance settlements, powers to set locally appropriate fees, charges and subsidies and rates and discounts for council tax and business rates.

### **Buses Bill**

*The Bill will allow combined authorities with directly-elected mayors to take on responsibility for local bus services, promoting an integrated transport system. The legislation will provide the option to franchise bus services.*

#### **LGA view:**

- The ability for local areas to take responsibility for bus services through the option of franchising will be a useful tool for councils struggling to avoid gridlock on their roads in the face of an estimated 42 per cent increase in local traffic by 2040.
- However, this option is needed urgently in all local areas including county councils who wish to improve bus services in specific towns that are poorly served at present. Franchising should be available to all local authorities without the need for mayoral elections.
- To be fully effective the option to franchise needs to go hand in hand with the devolution of bus subsidies, a commitment to fully-fund concessionary fares and effective traffic management powers.

## **Housing Bill**

*This Bill will extend the Right-to-Buy to 1.3 million housing association tenants. The legislation will also allow for 200,000 starter homes available for under-40s at a 20 per cent discount. The Bill will introduce a statutory register for brownfield land and simplify the neighbourhood planning system.*

### **LGA view:**

- The current Right-to-Buy system only allows councils to replace half or fewer of homes they have sold. The Government has rightly promised every home sold under the extension of Right-to-Buy will be replaced on a one-for-one basis and any new proposals must enable that to happen.
- Councils are ambitious to increase housebuilding across all tenures and support measures to help people into home ownership. At the same time we still have to deliver affordable housing for future generations and those already on waiting lists.
- Councils understand the need to provide more homes for first-time buyers and are already taking steps to make first-time homes more affordable. New starter homes cannot be built in isolation or without any wider community needs. They must come with the infrastructure needed and include a mix of housing.
- In order to deliver the homes and infrastructure desperately needed, councils must have a lead role in housebuilding. Local authorities could build half a million new homes and transform the lives of hundreds of thousands of families if given greater powers, resources and flexibility.
- We will work with Government on how these proposals could be funded without any unintended consequences on councils' ability to invest and ensure communities include a mix of homes.

## **Enterprise Bill**

*This Bill will extend and simplify the Primary Authority scheme, which allows a business to get advice on regulation from a single local council and that advice must be respected by all other councils. The legislation also introduces business rates appeals reform and allows for the Valuation Office Agency to share information with local government. The Bill is intended to cut red tape by 'at least £10 billion' in Whitehall and from independent regulators. The legislation will also create a Small Business Conciliation Service and cap the exit payments made to public sector workers.*

### **LGA view:**

- Councils work closely with LEPs and have been at the forefront of refocusing regulatory services to support business growth, provide advice and reduce burdens, including delivering the Primary Authority scheme and Better Business for All. Good regulation helps responsible businesses as well as protecting residents, consumers and businesses from the risk of potentially dangerous or irresponsible activities and rogue traders. The extension of the primary authority scheme will increase consistency for businesses and help councils target their limited resources.

- Primary authority is a relatively new approach to regulation, but is a positive step. But too many other regulatory frameworks have evolved in a piecemeal manner over many years, and the historic, fragmented and complex nature can still impose unnecessary burdens on councils and businesses. In 2014, the LGA set out proposals to reform licensing in Rewiring Licensing, and we urge Government to work with us to take forward these recommendations as part of the new Enterprise Bill.
- The LGA wants to see reforms to business rates appeals in order to limit the number of speculative appeals, which are a major cause of financial uncertainty to local government. We also welcome new powers for the Valuation Office Agency to share data with councils. This will be good for councils and ratepayers and be more efficient as it will potentially lead to less need to duplicate data collection. We also want the Government to take action on business rates avoidance at the same time.
- The LGA agrees that excessive redundancy payments are unacceptable and notes that the vast majority of councils have taken their own action to limit the scope for such payments in recent years in a way that puts local government well ahead of the NHS and other parts of the public sector. However, great care needs to be taken with legislation in this area to avoid penalising hard working experienced staff with many years of service behind them. The exact rules around capping will need to take account of pension entitlements and so forth and so will be extremely complex potentially.

### **Full Employment and Welfare Benefits Bill**

*The Bill will freeze the main rates of a number of working-age benefits, tax credits and Child Benefit, and reduce the level of the benefit cap. The legislation will replace Jobseeker's Allowance for 18 to 21-year-olds with a Youth Allowance time-limited to six months, after which individuals will be required to undertake an apprenticeship, training or community service; remove 18 to 21-year-olds' automatic entitlement to Housing Benefit; and provide Jobcentre Plus support in schools to supplement careers advice. The Bill also creates duties on ministers to report annually on job creation and apprenticeships.*

#### **LGA view:**

- Councils and LEPs know the needs of businesses and young people locally. The national commitment to a Youth Allowance should be delivered through a single youth offer organised locally between councils and Jobcentre Plus. The offer would enable all 14 to 21-year-olds to access independent careers and employment advice and experience while in education, training and work. It would also guarantee every young person not learning or earning the support they need, building on the MyGo pilot in Suffolk.
- Local government supports the Government's aspiration to create 3 million apprenticeships. Recent research shows the most effective models allow employers to exercise genuine local leadership, embed opportunities into a local education offer, and prepare young people with the advice and experience to thrive. Councils and LEPs are best-placed to help deliver this and we call on the Government to devolve the Apprenticeship Grant for Employers. This will enable all places to develop apprenticeship hubs to create the opportunities.
- Councils have reduced 16 to 18-year-old disengagement over the last 15 years. They must have the influence to continue that success, particularly with Jobcentre Plus, which does not have experience of working with this age

group and will add to an already fragmented service landscape. Councils cannot continue to succeed as their funding and influence reduces, and Government should consider wider service reform in line with our local youth offer.

- To eradicate long-term youth unemployment and resolve stubborn skills mismatches we recommend the Government devolves the post-16 education budget to those areas that are ready to ensure 16 to 19 provision gives young people the skills for local jobs, and delivers better value for money.

### **Education and Adoption Bill**

*The Bill will contain new powers for the Secretary of State and Regional Schools Commissioners to more rapidly intervene in schools rated Inadequate or as Requiring Improvement. Schools that are unable to achieve Good within an acceptable timescale will be turned into academies. The legislation also contains measures to encourage councils to join together to create regional adoption agencies.*

#### **LGA view:**

##### *Education*

- Councils have taken a proactive role in supporting schools to become academies where this will help improve their performance, but are concerned that the Department for Education is unable to effectively support the rapid expansion in schools converting to academy status. DfE has acknowledged it lacks the capacity and local knowledge to oversee the 4,400 academies already in England. Councils, with their role at the heart of their community, are able to hold all schools in their areas to account for the quality of the education they provide and should be given the powers to do this.
- Like-for-like comparisons of academies and maintained schools show that legal status on its own does not bring the improved performance we need to see. Four in five council-maintained schools are rated Good or Outstanding by Ofsted, a higher proportion than for other types of schools, and this demonstrates that councils know what they are doing and are best-placed to drive school improvement.
- The best way to intervene in struggling schools is to act swiftly and ensure there is strong leadership and good teaching. The focus of school improvement should be on the elements, like a great head teacher, which make up a good school, and what we can all do to make sure schools have access to these.
- Councils know what works best for their local areas and are ambitious for all children in their communities. We want to be able to intervene quickly in any school without having to wait for permission and we need the powers to be able to do this.

##### *Adoption*

- Finding loving homes for children is one of the most important jobs that councils do and there are already many excellent examples of councils working together on regional approaches to adoption across the country.
- It is important that we now build on the success of recent years, which have seen record numbers of children adopted and delays cut significantly. This has

been helped by the positive working relationship between independent adoption agencies and local and national government, and regional collaboration has been a strong feature of this success. But there continue to be delays in the courts and legal proceedings must be sped up to provide much-needed homes.

- Regional adoption boards are now in place throughout England, collecting and sharing examples of good local practice and encouraging stronger joint working wherever possible. Collaboration works best when it is driven by all those involved in adoption, so the Government's promise of financial and practical support for local areas to move forward with their own proposals is useful. Locally-led initiatives are far more effective than centrally-imposed structures and processes.
- It is important that the ongoing focus on adoption does not distract from the importance of other types of long and short-term care for vulnerable children. Adoption is not right for every child, and local and national government must continue to strive to improve the experience of all children in care – whether they are being looked after by friends or family, in foster care or a special guardianship arrangement, or in residential care.

### **Childcare Bill**

*The Bill will give families where all parents are working an entitlement to 30 hours a week of free childcare for three- and four-year-olds for 38 weeks of the year.*

#### **LGA view:**

- To be able to improve the availability and quality of childcare for the under-5s, particularly in deprived areas, it is vital that the funding reflects the true cost of delivering places.
- Capital funding will also be required to allow councils to work with schools to expand provision where necessary to meet the commitment to 30 hours free childcare.

### **Psychoactive Substances Bill**

*This Bill will introduce a blanket ban on the sale of psychoactive substances, or 'legal highs' by making it an offence to produce, supply, offer, possess with intent, import or export psychoactive substances. A psychoactive substance will be any substance intended for human consumption that is capable of producing a psychoactive effect, with alcohol, tobacco, caffeine, food and medical products excluded from the scope of the offence. It will include prohibition notices and prohibition orders to enable the police and councils to adopt a proportionate response to the supply of psychoactive substances.*

#### **LGA view:**

- The LGA has long argued that the current legislation is not fit for purpose. Legal highs are untested, unpredictable and a potential death sentence. Nobody can be sure of their contents or the effects that they could have. An outright ban on legal highs will enable the closure of 'head shops' and protect the public from devastating consequences.

### **Other Bills of interest:**

## **Extremism Bill**

*The Bill will introduce extremism disruption orders designed to restrict those trying to radicalise young people, banning orders for extremist organisations which seek to undermine democracy or use hate speech in public places, and closure orders for the police and councils to close down premises used to support extremism.*

### **LGA view:**

- Local authorities have built up considerable experience in dealing with extremism and the impact of extremist activity on their communities. Councils need to be assisted in sharing the good practice that has built up and provided with the resources they need to build local capacity to counter extremist activity.
- Further legal powers will assist in tackling some extremist individuals and organisations and protecting communities from them. However, preventing people from being radicalised and engaging in extremist activity means understanding and building relations with communities, and a better understanding of the reasons why some people are vulnerable to radicalisation and what can be done to make them more resilient to extremist views and propaganda.
- This requires sustained work over time by local partners who know and understand the areas they are working in, with powers and responsibilities being devolved down to give multi-agency arrangements the freedom and flexibility to respond to local circumstances.

## **Policing and Criminal Justice Bill**

*This Bill will ensure 17-year-olds are consistently treated as children under the Police and Criminal Evidence (PACE) Act, provide enhanced protection for children by introducing sanctions on professionals who fail to take action on child abuse, cut the use of police cells for detaining people suffering from mental health issues by enabling more places in the community to be designated as places of safety, extend the remit of Her Majesty's Inspectorate of Constabulary, and overhaul the police complaints and disciplinary systems.*

### **LGA View:**

- Councils support the decision to treat 17-year-olds detained in custody as children under PACE, and for ensuring young people charged with an offence get the accommodation that is right for them. Local government is committed to working with the police to improve the accommodation of young people but it is critical Government fully understands and appropriately funds this extension. Around 30 to 40 per cent of arrested young people are 17 years old and it is not right that new duties be passed to councils without the funds to deliver them.
- The LGA believes that those who knowingly withhold information that a child is being harmed should expect to face the full weight of the law. Organisational reputation should never be prioritised above the safety of a child, and we agree that those who seek to cover up child abuse should be held fully responsible for their actions. We need to work with the Government to ensure any reform any reform does not have the unintended consequence

of overloading the system with cases where the child is clearly not in danger of abuse or neglect.

- Continued reductions in crime rates will depend on greater local collaboration between the police, local authorities and other partners like health. The Mental Health Crisis Concordat, to which the LGA is a signatory, is already starting to deliver better outcomes for people experiencing a mental health crisis so they are kept safe and helped to find the support they need, while reducing pressure on the police. Local areas need to be given the freedoms, powers and flexibility to build on the integration of services we are seeing around mental health and domestic violence so they can reduce demand on policing and community safety going forward.

### **Investigatory Powers Bill**

*This Bill will allow the police and security services to continue to access the communications data the Government believes they need to be able to investigate offences and bring prosecutions when communications technologies and services are changing fast, with more communications taking place on the internet. It will also respond to the independent review by the Independent Review of Counter-Terrorism legislation.*

#### **LGA view:**

- Councils access communications data to tackle serious criminal behaviour that impacts local businesses and residents, as well as investigate fraud against local authorities. Increasingly this activity is facilitated or conducted over the internet or by mobile phones, and communications data can provide crucial evidence that enables a prosecution to be brought. It is vital that councils are allowed to continue to access communications data in order to tackle these crimes and the LGA will be pressing Government to ensure that remains the case.
- The review conducted by the Independent Review of Counter-Terrorism legislation examined the safeguards in place around councils' access to communications data, and the introduction of the Bill provides the opportunity to review these to ensure the processes are simpler and more efficient, while providing the public with the assurance that communications data is being sought and used appropriately

### **Energy Bill**

*The legislation is intended to give local communities greater powers to block onshore wind farm developments and will end subsidies for onshore wind farms from May 2016. It will give the powers to the Oil and Gas Authority to enable it to maximise the economic recovery of oil and gas from UK waters.*

#### **LGA view:**

- It is right that local people should have a say on development that affects their areas and the local planning system provides a democratically accountable and effective means for councils to consult local people and take decisions based on evidenced local planning policies.

### **Trade Unions Bill**

*The legislation will ensure trade unions use an opt-in process for subscriptions to*



*political parties. It will also lift restrictions on the use of agency staff to replace striking workers.*

**LGA view:**

- The LGA has always taken the view that it is vital to encourage good employment relations to create the right environment for improvements in services, better staff engagement and higher productivity. In this context, industrial action is always regrettable though the right to take it is part of the background that ensures employers and unions engage constructively with each other.
- Consequently we would want reform to be the result of a period of careful, detailed consultation in order to ensure that the law is properly framed and not open to challenge and interpretation.

**Scotland Bill**

*This Bill will meet the Government's commitment to implement the recommendations of the Smith Commission, so that more than 50 per cent of the Scottish Parliament's budget will be funded from revenues raised in Scotland and gives significant new welfare powers to complement existing devolved powers in health and social care.*

**LGA view:**

- Since the Scottish referendum, the call for new settlements for England and Wales has been growing. People in communities across the UK want more decisions that affect their lives to be taken closer to them. Through our Devo Next and Future Funding campaigns, the LGA is calling for the devolution of decision-making powers and funding that has benefited Scotland to be given to English local authorities. This includes multi-year settlements for all budgets for services delivered locally.
- The LGA is working together with COSLA, WLGA and NILGA to call for the freedom to work with our communities at a local level and to identify priorities that matter most to them. To achieve this we must move towards a presumption that power is transferred to the level of government closest to the people, secure and enhance the legal position of local government with a defined set of powers and responsibilities, and give greater responsibility for funding at a local level.

**Wales Bill**

*Following the Government's St David's Day devolution agreement, the Bill is intended to grant the Welsh Assembly additional powers over energy, transport, the environment, and National Assembly and local elections.*

**LGA view:**

- The LGA is working together with COSLA, WLGA and NILGA to call for the freedom to work with our communities at a local level and to identify priorities that matter most to them. To achieve this we must move towards a presumption that power is transferred to the level of government closest to the people, secure and enhance the legal position of local government with a defined set of powers and responsibilities, and give greater responsibility for funding at a local level.

## **EU Referendum**

*This Bill will enable a referendum with an in-out vote on the UK's membership of the European Union before the end of 2017.*

### **LGA view:**

- Local government also receives significant funding from the European Union, including through the European Structural and Investment Funds. Given the breadth of EU obligations affecting local authorities, the LGA has repeatedly called for a more robust, closer and structured involvement from the outset with Government Departments on EU issues involving the sector, including in any renegotiation of powers.