

House of Commons: Written Statement (HCWS240)

Department for Communities and Local Government

Written Statement made by: **Parliamentary Under Secretary of State for Communities and Local Government (Kris Hopkins)** on 29 Jan 2015.

Local Government Update

I would like to update Hon. Members on a series of announcements relating to local government.

Promoting joint working with NHS and councils this winter

The Coalition Government is committed to greater joint working between our local public services, to help save money and improve frontline services.

From April 2015, through the £5.3 billion Better Care Fund, we are starting to transform the way we deliver health and social care services, so that they provide a properly joined-up service for patients. It will prevent up to 160,000 A&E admissions and save over £500 million in the year ahead. We have approved 97% of the local Better Care Fund plans, and the final few plans are being reviewed now.

Ahead of its April introduction, and in light of the expected cold winter, to help further promote joint working, we are announcing a total of £37 million of additional funding to local authorities, so that they can step up their efforts to get people home as soon as they are ready to leave hospital, and avoid the need for people to go into hospital in the first place.

£25 million of this will help over 9,500 people with additional support packages to move from hospital either back to their home or into residential care; the further £12 million will mean up to 3,500 more people a week will get home from hospital more quickly this winter, with the local authority putting in place carers and equipment to meet their needs, freeing up much-needed hospital beds within the NHS.

Social services have to be part of the solution to the high demand on hospitals at the moment. We know that they can help by getting people home more quickly when it is safe to do so once they have been discharged. And we also know that the best social care can prevent people from having to go to A&E in the first place by supporting the elderly to live with dignity and independence at home.

Extending local business rate retention

The Coalition Government has introduced new financial incentives to councils to support locally-led enterprise and economic growth, as part of our programme of decentralisation and as part of our long-term economic plan.

Since 2013, local government keeps half of all business rate revenues and business rate growth. But we want to go further over time to increase these incentives.

Last year, we announced proposals to allow 100% local retention of business rates on shale oil and gas sites. In October, we published a technical consultation on draft regulations to implement this measure. We received 25 responses. A majority of those supported retention of 100% of business rates on shale oil and gas by local government. Having considered the responses we have decided to continue with our proposals as set out in the technical consultation. This policy will ensure that local councils that host shale oil or gas sites can benefit from millions of pounds in business rates paid. The measure could be worth up to £1.7 million for a typical site and will be

funded by central government.

Shale will help to improve energy security, create jobs and meet carbon targets benefitting the UK through improved energy security and economic prospects. Local councils and communities have an important part to play in securing those improvements and we believe they should also share in the economic opportunities and benefits of shale. Tough environmental protections are in place, and are being further enhanced as announced to the House during the Infrastructure Bill on Monday.

The associated secondary legislation has been laid before Parliament, and the responses to the consultation published. Subject to Parliamentary approval, the provisions will come into force in April 2015.

Promoting recycling and protecting the local environment

The Coalition Government is committed to making it easier for families to recycle, whilst avoiding unfair stealth taxes on hard-working people.

The Government is aware that some local authorities have introduced, or plan to introduce, a charge to local taxpayers wanting to use civic amenity sites to dispose of household waste and/or household recycling. This is in clear breach of the previous legislative provisions passed by Parliament to ensure that such services are provided free of charge to householders.

Such short-termist stealth taxes will not only inconvenience local residents and reduce recycling, but will actively harm the environment, by encouraging fly-tipping and backyard burning. In the Republic of Ireland which has a series of taxes on household waste collection, the domestic burning of household rubbish is the biggest single source of the emission of toxic dioxins into the air. Such pollution crosses local authority boundaries, creating a wider externality and harm to the public good.

We have therefore published proposals to close down the legislative loophole and reinstate the original principle that Parliament established, that such public goods should be free to local taxpayers. A short, statutory consultation paper has been published, and subject to due consideration of the responses, we are minded to introduce the necessary secondary legislation in this Parliament.

Curtailling powers of entry

The Coalition Government has sought to stand up for civil liberties, including curtailing unnecessary state powers of entry, stopping the abuse of surveillance powers and curbs on the use of CCTV as 'cash cameras'.

Using powers under the Protection of Freedoms Act 2012, we propose changing the law that officials from the Valuation Office Agency, an arm of HM Revenue and Customs, should no longer have automatic right of entry into homes and businesses in order to value them for council tax and business rates. A tribunal will now scrutinise and need to approve any use of the VOA's power of entry. It is proposed to change the law through secondary legislation in this Parliament, subject to approval by Parliament. A statutory consultation has been published.

This complements the steps we have taken to stop a council tax revaluation in England and terminate the tax revaluation database to protect hard-working people from unwanted tax rises.

Increasing local accountability in decision making

The Coalition Government has introduced a series of measures to increase local accountability and transparency in local government. Decentralisation should be accompanied by greater local scrutiny.

We are now publishing a short technical consultation on proposals to reform, update and

consolidate the 'functions and responsibilities' rules in local government law. These provide a framework and guidance on which part of a local authority should be ultimately responsible for taking decisions, across Committee, Cabinet and Mayoral systems, across the accumulated body of local government law from the 19th Century onwards.

The consultation includes proposals to make clear the important role of Full Council in relation to budget setting in non-mayoral cabinets, as well as greater scrutiny by Full Council on the controversial issues of parking and waste collection. This framework provides a democratic check and balance to prevent the abuse of executive power, and ensure elected local councillors are able to represent the views of their local residents.

Protecting an independent local press

The Coalition Government is committed to protecting an independent free local press. Localism and a healthy local democracy requires not just scrutiny by councillors, but also by the press and public.

The Government has sought to take action on the practice by a small number of local authorities to publish local authority newspapers, which push out and undermine an independent press, and which constitute an inappropriate use of taxpayers' money.

Further to the Written Ministerial Statement of 13 October 2014, *Official Report*, Column 2WS, we have warned a small number of councils about their breaches of the local government publicity code. Today, I can announce the conclusions to date of the review into the actions of the Royal Borough of Greenwich Council.

On 25 September 2014, the Council was served written notice of a proposed direction requiring them to comply with the provisions in the March 2011 Code of Recommended Practice on Local Authority Publicity relating to frequency of publication of council newsletters, newsheets or similar publications.

Having had regard to representations received from the Council about their publicity - specifically the newspaper produced by the Council, to information available to him about the Royal Borough of Greenwich Council's publicity, and to an Equality Statement about enforcing the 2011 Code of Recommended Practice on Local Authority Publicity, the Secretary of State today gave the Royal Borough of Greenwich Council notice of a direction that he proposes to give to the authority under section 4A of the Local Government Act 1986, directing them to comply as soon as practicable and in any event by 31 March 2015 with the provision in the March 2011 Code of Recommended Practice on Local Authority Publicity that: "Where local authorities do commission or publish newsletters, newsheets or similar communications, they should not issue them more frequently than quarterly".

The Council have fourteen days to make written representation to the Secretary of State about the proposed direction. Following this, the Secretary of State will take his final decision about whether or not to issue the direction. Subject to due process and consideration, we are prepared to use our formal legal powers to intervene wherever it is in taxpayers' interests and those of a free and fair local democracy if the local councillors wish to issue their own weekly material at their expense or those of their political party; nothing prevents this, other than prevailing electoral law.

We have been carefully considering the representations from those other local authorities that received written notices on 25 September 2014 before deciding what action to take, and will make further, separate announcements to the House shortly on the individual cases. Each decision will be taken on its own merits.

I will be placing copies of the documents associated with these announcements in the Library of the House.