

## **The Decentralisation and Localism Bill**

Localism is a key concept in the coalition's effort to decentralise power, enshrined in the Localism Bill (as it is known for short). The aim of the Bill is to cause a radical power shift for both communities and local government which will enable them to have more control and say over shaping their local area. According to the Dept for Communities and Local Government, the Bill is on track to become law this November. The legislation will be very wide-ranging and nothing short of revolutionary.

The Government has identified six actions essential to delivering decentralisation:

1. Lift the burden of bureaucracy
2. Empower communities to do things their way
3. Increase local control of public finance
4. Diversify the supply of public services
5. Open up government to public scrutiny
6. Strengthen accountability to local people

Of these, the first two are seen to be the most fundamental to start the decentralisation process. Government hopes to reduce bureaucracy mainly through the removal of unnecessary red tape and regulation. An example of this is the recent removal of National Indicators and "ring-fencing" of revenue.

The second action is supported by proposals such as the Community Right to Buy and Community Right to Challenge; empowering people by creating rights for them to get involved in their local area. There are also the Neighbourhood Planning proposals which allow communities to put forward planning submissions to their local authority, and powers for communities to instigate a referendum if they submit a petition signed by 5% of electors in that local area.

### **Community Right to Buy**

The Bill will require local authorities to maintain a list of assets in their area which have community value. This could include post offices, village shops and local pubs, even if they are owned privately. Communities can also nominate assets which they think should be included.

If the owner of one of these assets wishes to sell, community interest groups will have a set amount of time within which they can put forward an expression of interest as a potential bidder. The asset will not be available for sale until this time has passed. However, community groups should do a full risk assessment and financial viability study to ensure that they are not involving saddling themselves with disproportionate risk.

### **Community Right to Challenge**

This new right means that if communities think that a local service is failing them, there will be a formal process by which they can challenge the service and submit a proposal to run it themselves. If the challenge is accepted, the local authority must then trigger a procurement exercise, including issuing an open tender. Potentially this means that even though a community group has challenged the running of the service, they

will only be able to run it themselves if they win the tender that may attract private sector organisations or alternative community groups. Equally, this new right means that voluntary and community groups who run existing services are open to being challenged too.

Action three concerns devolving control of local government finance to the most appropriate level. Through action four, the Government hopes to end public service monopolies on service provision, also expressed through the Right to Challenge proposals.

The last two actions are concerned with increasing the transparency of government finances and decision making. This has been put into practice by opening up local council's financial data online, as well as introducing powers for residents to instigate referenda on issues affecting their communities.

## **New Power for Local Authorities**

The Bill also introduces a new general power of competence for local authorities. Until now, central government has prescribed what local authorities should do, for example imposing duties to set up LSPs and LAAs and set targets for them to achieve, most recently through CAAs. The general power of competence effectively reverses the current position meaning that local authorities will be able to do anything that is in the interests of local people, as long as it is legal.

Such flexibility has been cautiously welcomed, however good effective partnership working between sectors will be crucial to this new power of competence being a success. LSPs provided a structure for partnership working and a greater opportunity for third sector organisations to be involved at a strategic level. Compacts will become much more important as a basis for improving relationships between local authorities and the third sector.

## **Impact on the sector**

Broadly speaking, the localism agenda is a welcome move for the sector. Since the vast majority of relationships between the sector and government take place at a local level, it is hoped that the flexibility and control that these proposals bring to local areas will allow them to respond best to the needs of local communities.

What is more, by opening up councils to public scrutiny (such as the move to make available online all spending decisions on goods and services over the value of £500) it is hoped that local authorities will become more transparent and accountable to the public. This should make it easier for third sector organisations to question and possibly challenge individual spending decisions.

Equally, some measures (such as the removal of National Indicators to reduce bureaucracy) could have a negative impact on the sector. Partnerships between the sector and local authorities tend to work best when both parties come together to share skills, knowledge and aspirations, and work least well when formal mechanisms are imposed on them. The way these changes will play out in the medium to longer term, especially through this period of transition, are impossible to gauge with any certainty.

Local referenda may provide opportunities for third sector organisations to raise important local issues. Other voices may be louder. The BNP is on record as regarding local referenda as providing unprecedented opportunities, for example by raising the issue of schools using halal meat in their catering for pupils.

## Further information

Read a plain English version of the full Bill [here](#)

Read NCVO's short briefing on the Bill [here](#)

Read a précis from the Joseph Rowntree Foundation on community organisations controlling assets [here](#)

## News in brief

[More power for communities to bring empty homes back into use](#): To tackle the 700,000 empty homes across the country and provide more affordable housing, the Government has announced that community groups will be able to apply for Government funding to bring empty homes that blight neighbourhoods back into use.

Read the results of the Citizenship Survey 2010 – 2011 [here](#).

NCVO's three year research project entitled "[Pathways through Participation](#)" into why and how people participate in civic society has recently been launched.

The Charity Commission has recently published a report on charities and consortia that makes interesting reading. Follow the link [here](#).

The South West Forum has recently published a report on the role of social purpose organisations in LEPs, recommending that LEPs and VCS organisations need to take much more notice of each other, for mutual benefit. Follow the link [here](#).

[Health and Social Care Bill fact sheets](#): a series of short fact sheets have been published by the Department of Health around different aspects of the Health and Social Care Bill. The facts sheets cover the proposed new duties for local authorities with regards to public health, as well as a useful overview of the whole, proposed health and social care structures from April 2013.

[Big Society drive to boost local social action begins](#): Government has announced the official opening of the £80m Community First fund to provide small grants to community groups and local social action projects, as well as the first wave of Community Organisers having taken up post. These are two flagship Big Society initiatives aiming to put power back into the hands of local people by supporting local people to work together and create the change they want to see in their communities.

[£20 million Social Action Fund opens](#): Government has also announced the opening of the Social Action Fund to support the creation of new social action opportunities. Grants (minimum of £100k) are available for projects that expand volunteering and giving of time, money, knowledge and assets. The first window for applications closes 2<sup>nd</sup> November 2011 and is open to projects from civil society organisations, public sector bodies or businesses with a track record of delivering social action programmes.