

Report of	Meeting	Date
Corporate Director (Business) (Introduced by the Executive Leader)	Executive Cabinet	25 June 2009

## SUSTAINABLE COMMUNITIES ACT

### PURPOSE OF REPORT

- To inform members of the powers that the Council could gain under the Sustainable Communities Act and seek endorsement of the recommendation below.

### RECOMMENDATION(S)

- That Executive Cabinet endorses consultation to be carried out with the community on the following three options:
  - Business Rates - that business rates should be retained by the local authority to be spent on local priorities.
  - Garden Development - amendment to PPS3 to exclude gardens from the definition of brownfield land.
  - Governance - local authority representation on public bodies e.g. PCT.

### EXECUTIVE SUMMARY OF REPORT

- The Sustainable Communities Act came into force in October 2007. Its aim is to promote the sustainability of local communities by giving local authorities the opportunity to gain new powers. This is done by submitting proposals to central government, via the LGA, the deadline for which is 31 July 2009.
- There is no limit to the type of proposals that can be put forward however they must not already be within the existing powers of the local authority and must relate to actions that the local authority believes would better enable them to improve the social, environmental and economic well-being of their area.
- Local authorities are required to consult with citizen's panels on the proposals. These panels are the mechanism by which residents can put forward their ideas on what proposals they think the local authority should make to the government.
- Local authorities have the choice as to whether to use the Act. The Executive Cabinet is recommended to endorse the use the Act and put forward proposals to Central Government in order to gain control of powers and spending that effect the local area.

## CORPORATE PRIORITIES

7. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities	✓	Ensure Chorley Borough Council is a performing organization	

## BACKGROUND

8. The Sustainable Communities Act received Royal Assent on 23 October 2007. Its aim is to promote the sustainability of local communities.
9. The Act establishes a new 'bottom up' approach where local authorities have more control over what Central Government does locally. Local authorities can use the Act to gain new powers, devolve existing powers and money from central government control to local control, change planning rules and reduce centrally imposed duties.
10. This is achieved by local authorities being given the power to make proposals to the government on how they can assist the local authority in promoting the sustainability of local communities. The process for making proposals and the types of proposals that can be made are set out below.

## THE PROCESS

11. Local authorities are invited to make proposals to Central Government, via the LGA, by 31st July 2009 for the first round. The whole process of submitting proposals is expected to occur on an annual basis.
12. The process requires local authorities to consult with citizen's panels made up of representatives of local people. They must also include representatives from all sections of communities in the area. These panels are the mechanism by which residents can put forward their ideas on what proposals they think the local authority should make to the government.
13. The local authority will then forward the proposals to the LGA. It will not be possible for all proposals to be put direct to Central Government therefore the LGA will act as 'selector' and short-list those proposals that are to be submitted.
14. The government then consults with the LGA to try and reach agreement on which of the proposals on the short-list should be implemented. The government will not be able to reject proposals simply because they do not like them and details of the selection and negotiation of the proposals will all be public.
15. Finally the government must publish what action it proposes to take on the proposals that are granted and put a report on this before Parliament for debate and scrutiny. Government action will then begin to be taken on those proposals that have been granted.

## TYPE OF PROPOSALS

16. The Act does not limit the type of proposals that can be put forward however there are two main criteria for a valid proposal. These are as follows:

1. The proposals must be ones that require action from the government and not be possible within the existing powers of the local authority; and
  2. The proposals must relate to actions that the local authority believe would better enable them to improve the social, economic or environmental well being of their area.
17. There are a wide range of possible proposals including:
- That government change the planning system so that developers cannot appeal to central government to overturn a local planning decision.
  - That government give local authorities the power to use the planning system to stop developers from demolishing public services (for example public houses) that they own so that they can then apply for planning permission to develop the site.
  - That government reduce the restrictions on local authorities regarding how they spend granted money so that they can choose to spend it on locally decided priorities, e.g. Post Offices and other public services provision.
  - That government give local authorities the power to retain revenue from business rates to be spent on locally decided priorities.
  - That government give local authorities the power and resources to increase local recycling and/or the amount of recycling that is processed locally.
  - That government give local authorities the power to decide how to spend central agency money (e.g. Business Link money) already being spent in the area.
  - That government give local authorities the power to enforce congestion charging.
  - That government give local authorities the power to ban single occupancy cars from certain routes at certain times.
  - That government give local authorities greater powers over local bus company operators.

## **BENEFITS OF USING THE ACT**

18. Local authorities have a choice whether to use the Act or ignore it. Below are some benefits of using the Act:
- Power to determine the action and assistance government gives.
  - Strength in numbers as local authorities can make joint proposals.
  - Transferring powers and monies from central to local government so that local authorities can gain control of powers and spending that effect their local areas. The majority of public money currently spent in any area of the country is controlled by central government departments.
  - Democratic citizen involvement in coming up with proposals.

## **CONCLUSION**

19. The Executive Cabinet is recommended to take advantage of the Sustainable Communities Act and submit proposals to Central Government.
20. Following consideration of the economic climate and other issues affecting the Borough, the following three options have been selected for consideration by the Executive Cabinet as possible proposals to be submitted to the LGA:
1. Business Rates - that business rates should be retained by the local authority to be spent on local priorities.
  2. Garden Development - amendment to PPS3 to exclude gardens from the definition of brownfield land.
  3. Governance - local authority representation on public bodies e.g. PCT.
21. The Council will need to consult the Citizen's Panel on these options in order to allow residents the opportunity to put forward their ideas on what proposals they think the local authority should make to the government.

## **IMPLICATIONS OF REPORT**

22. This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

#### COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

23. In pure financial terms the option to keep the local business rates collected is potentially advantageous. Presently the Council collects and pays over £20.7m of business rates, yet the Council receives £7.2m in grant back from the pool.

Whilst this indicates the scale of the difference any local scheme is unlikely to be allowed to benefit to the full extent of the difference. The hope would be that if such a scheme were implemented there would be some financial gain to the Council.

JANE MEEK  
CORPORATE DIRECTOR (BUSINESS)

<b>Background Papers</b>			
<b>Document</b>	<b>Date</b>	<b>File</b>	<b>Place of Inspection</b>
Sustainable Communities Act 2007: A Guide	February 2008	***	Union St Offices
The Sustainable Communities Act: A 4 page briefing for councillors and officers	October 2008	***	
<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Katherine Howarth	5295	05/06/09	***