

## The Sustainable Communities Act – how it works.

On 23<sup>rd</sup> October 2007 the Sustainable Communities Act received the Queen's Assent.

The Act consists of just eight pages with the broad aim of ***“encouraging the improvement of the economic, social or environmental well-being of the authority's area or part of its area, including civic and political activity.”***

The Act also requires central government to publish local spending reports, which will be a breakdown of **all** public money spent (local and national) by local area. Councils (including county councils) then have the power to argue for a transfer of specific monies and function from central to local control.

The Government has set a deadline for the first submissions under the Act of 31<sup>st</sup> July 2009. All proposals under the Act have to have local support and the formal approval of the local council or its Executive. Local support must be established through consultation with a local panel. The panel, which receives proposals, should be set up by the Council. Once a proposal has cleared these two hurdles it can be forwarded to the LGA.

The LGA's all party Selector Panel, made up of one councillor from each of the four parties on the LGA, will decide whether to refer the proposals to CLG (Department of Communities and Local Government). The Panel must give clear reasons for its actions, whether the proposals are sent forward to CLG or rejected.

Councils and the LGA will first need to ask, is this something that could happen anyway under existing powers.

The LGA Selector Panel will assess proposals under three broad headings:

1. **Scope and coverage** – number of people and geographic area affected
2. What **'better outcomes'** achieved – measure of economic, social and environmental benefits and how it contributes to civic and political activity
3. **Viability** – scale of change needed, such as the scale of transfer of functions from one public body to another and levels of local support

The Panel decides which proposals to submit to the Secretary of State. The Secretary of State must decide which of the proposals should be implemented and which should not. Before making a decision on those to be rejected ***“the Secretary of State must consult the Selector (LGA) and try to reach agreement.”*** (Section 3 (4) of the Act – wording deliberately includes “reach agreement” to ensure some discussion with the Selector).

Once CLG has accepted a proposal it has to produce an 'Action Plan' and report progress to Parliament on an annual basis.

***Appendix: examples of what can be done - from Unlock Democracy***

\* Somewhere near you there may be a large 'out of town' supermarket (or other superstore) with perhaps 1,000 car parking spaces. Did you know that the store does not have to pay non-domestic business rates on those spaces? You could compare this with the position faced by local shops of having their trade affected by yellow lines and parking costs. Point out that this is not a level playing field for trade. So why not suggest the following idea to your local panel, urging them to make it one of the suggestions to be put to the Secretary of State (SoS).

***'That the Secretary of State takes the power (or gives local authorities the power) to levy non domestic rates on all those car parking spaces – with a power for the council to allow discounts (perhaps up to 100%) if the supermarket, or other store, sources a stated percentage of goods for sale locally.'***

\* Or take the situation faced by the growing number of small brewers, in both rural and urban areas. A nearby pub (say half a mile away), that might wish to buy their products might be owned by a pub company (many are) which might require the beer to be transported 50 miles to a depot before being sent back to the pub. So the beer is travelling 100 miles when it should travel less than one. You could point out that this puts up the price of beer, causes noise and environmental damage because of extra traffic, and restricts the possibility of growth (and so jobs) by the brewery. So why not suggest the following idea to your local panel, urging them to make it one of the suggestions to be put to the SoS.

***'That the Secretary of State either takes steps to prevent this kind of requirement or gives local authorities the power to take such steps themselves e.g. using planning or by charging the pub company for the environmental damage their practices are causing.'***

This could lead to easier expansion by small brewers and more local jobs.

\* Another local job creation (and CO2 reduction!) policy would be to remove the hurdles to local energy generation schemes. Woking Borough Council have managed to do this to an extent – with the result that they have provided cheaper electricity, less CO2 emissions, local jobs and a 'cash surplus' that has been invested in local projects. But requirements relating to 'private wires' (as distinct from the national grid) still hamper progress.

So why not suggest the following idea to your local panel, urging them to make it one of the suggestions to be put to the SoS:

***'That the SoS develops a strategy to enable councils to promote local energy schemes, and in particular reviews the requirements regarding private wire systems.'***

\* Other ideas, some of which have been suggested by the recent report of the Rural Advocate in 2007, published by the Commission for Rural Communities, are:

- That the Secretary of State should require all Regional Development Agencies to set up a standing recovery fund to help small businesses
- That the ceiling for rate relief for small businesses is raised by increasing the eligible rateable value
- That the Secretary of State should help councils' local food strategies, in order to encourage the development of local food industries/ agriculture.
- That a 'jobs from local waste' strategy should be drawn up by the government in conjunction with local authorities and implemented.

The Act can help in protecting and creating local housing:

\* An idea that came up repeatedly at public meetings when campaigning for the Act was the issue of second or holiday homes. Time and time again we were told of towns and villages where the high proportion of second homes was destroying their community and causing the decline of local shops, as the areas are, literally, Ghost Towns for most of the year. Indeed this is not only a village or small town problem. A recent survey showed that one fifth of second homes are in London. In order to combat this why not suggest the following idea to your local panel, urging them to make it one of the suggestions to be put to the SoS.

***'That local authorities are given the power (e.g. via the planning system or via penal council tax) to prevent further holiday homes, thus making more local housing available for people to live in 12 months per year.'***

Or you could suggest that your local panel includes in its submission to the SoS that:

- Statutory powers are given to non profit-making Community Land Trusts, which provide low cost housing for local people,
- That the government should remove capital gains tax reduction from the sale of second homes,
- That councils are given the power to create a separate fund for the revenue raised from council tax on second homes to be used for reinvestment in local affordable housing needs.
- That the SoS sets targets for investment, in areas where lack of local housing is an issue. The achievement of these targets could be achieved by an increase in the funding allocations made by Regional Housing Boards.

- Your local authority is given extra powers to deal with the problem of lack of local affordable housing, as it sees fit.
- Government action to help housing co-ops, self-build schemes and bringing empty property into use.

Useful information can be found

<http://www.lga.gov.uk/lga/core/page.do?pagelId=561616>