

Report to: Constitutional and Member Services Panel



SCRUTINY

 Epping Forest District Council

Subject: Briefing Paper - Local Democracy, Economic Development and Construction Bill

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Recommendations:

- (1) That the briefing report be noted; and**
- (2) That the Panel request Overview and Scrutiny Committee to make appropriate additions to the work programme of this Panel for 2009/10 to cover:**
 - (i) A review of the Council's petitions procedure and electronic systems;**
 - (ii) Further reports on the duty to promote democracy envisaged;**
 - (iii) Any consequential changes that might be required to the Operational rules.**

Report:

Introduction

1. (Senior Democratic Services Officer) The White Paper 'Communities in control: real people, real power', published in July 2008, set out the government's proposals for empowering local communities. These proposals have been developed into two pieces of legislation; (1) the Local Democracy, Economic Development and Construction Bill; and (2) the forthcoming Community Empowerment Bill. This briefing note sets out the main provisions in the Local Democracy, Economic Development and Construction Bill.

2. It should be noted that a Community Empowerment Bill has yet to be published, but it will encompass other White Paper proposals, including the removal of barriers to directly elected mayors; empowering parish councils; enabling 'remote' voting at council meetings and the introduction of voting incentives.

Local Democracy, Economic Development and Construction Bill

3. Currently in the third reading stage in the House of Lords is a new Bill which will enact a number of new provisions for local authorities. The Local Democracy, Economic Development and Construction Bill seeks to promote local democracy and economic development, devolving greater power to local government and communities and ensures fairness in construction contracts.

4. The main elements of the Bill are:

- Strengthening local democracy, by passing more power and responsibility to local authorities, communities and citizens, including taking proposals forward from the White Paper: Communities in control: real people, real power.

- Implementing recommendations from the Review of Sub-National Economic Development and Regeneration to strengthen the role of local authorities in economic development and streamline regional decision making.
- Helping to implement one of the recommendations in the Cave Review of social housing regulation (“Every Tenant Matters”) that a National Tenant Voice should be established.
- Removing the electoral commission’s role in electoral boundary matters through the creation of an independent Boundary Committee for England.
- Implementing recommendations from Lord Sharman’s report to give the Audit Commission in England, and the Auditor General for Wales, in Wales, power to appoint an auditor to certain local government entities, and to issue a public interest report about those entities if appropriate.
- Improving cash flow and rights to adjudication in construction contracts.

5. In terms of the implications for Scrutiny, there will be requirement to review its own procedures for petitions to accord with new requirements to include referral to Overview and Scrutiny Committee to either hold executive/officers to account and additionally in a review mechanism designed to look at the adequacy of the steps taken by the Council in response to the petition.

Petitions

6. There will be a requirement for the Council to have an e-Petitions facility on its website. This new scheme will require the rewriting of the Council petitions procedure and it is not yet clear what powers, if any, will come with the requirement to review processes. It is recommended that the work programme of this Panel include a reference to bring forward a further report on petitioning once the legislation is nearing Royal Assent and guidance on a model scheme is issued.

7. The Council will have some discretion as to setting thresholds for petitions and full Council assent will be required for the final scheme.

8. Officers are currently looking at e-Petitioning systems that are supported by existing back office systems and will report further on this aspect.

Scrutiny Officers

9. The Bill also brings forward the requirement for County and Unitary Authorities to have a designated ‘Scrutiny Officer’. At present this is not extended to District authorities.

Duty to Promote Democracy

10. The Bill introduces a statutory duty to promote democracy above town/parish level. Its aim is to promote ‘understanding’ of the following:

- its functions;
- its democratic arrangements (meaning ‘arrangements for members of the public to participate in, or influence, the making of decisions’); and
- how the public can take part, and what’s involved, including how to become a Councillor; what councillors do; and what support is available for Councillors.

11. The duty extends beyond the council itself, and covers what are referred to as

'connected authorities' which, for practical purposes will include organisations normally found in the local strategic partnership.

12. The Council has previously given this aspect some consideration and has given the Chairman of the Council a lead responsibility for this duty. However, the scope of this duty is still being debated by the Government and until the likely final wording and guidance is forthcoming, it is difficult to say what resources are affected. An impact assessment published by the CLG put the country wide costs at some £22 million.

Joint Scrutiny Committees.

13. Clause 28 of the Bill expands the remit of the joint committees in two-tier areas set up by the 2007 Local Government and Public Involvement in Health Act, from a sole focus on local improvement targets to anything that "affects the area of the group of partner authorities or the inhabitants of that area". This seems at present limited to partner authorities which must include the County Council rather than being more flexible to allow scrutiny across any combination of local authorities.

Local Authority Economic Assessments and Regional Strategy

14. The Bill currently requires each 'principal local authority' (in our case this will be Essex County Council) to prepare an assessment of the economic conditions in its area, and may thereafter revise that assessment if it considers it appropriate. District Council's are a consulate to this process. The Bill indicates that the Secretary of State will decide as to what these assessments should contain, how it is to be prepared, when and when it is to be revised.

15. Regional Strategies, beyond development and land use to include policies for sustainable economic growth and climate change issues will be the joint responsibility of the Regional Development Board and new "Leaders' Boards". Districts are one of the 'participating authorities to this new body and will be required to produce and publish a plan setting out how the strategy will be implemented.

Other matters

16. The Bill also contains provisions for:

- (i) Economic Prosperity Boards and combined authorities;
- (ii) Multi Area Agreements;
- (iii) A power to appoint an auditor to certain local government entities, and to issue a public interest report about those entities if appropriate; and
- (iv) Improvements to the fast track system for resolving construction contract disputes.