

**REPORT TO:** Executive Board

**DATE:** 2 April 2009

**REPORTING OFFICER:** Strategic Director, Corporate and Policy

**SUBJECT:** Sustainable Communities Act 2007

**WARDS:** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 This report:

- i. Informs members of the provisions of the Sustainable Communities Act 2007, and;
- ii. Reports on a consultation on local spending reports pursuant to the Act.

## **2.0 RECOMMENDATION That:**

- (1) a seminar be held for all Members to consider how the Council might respond to promoting sustainability within the framework of the Act;**
- (2) the matter be discussed at the Halton Strategic Partnership Board; and**
- (3) agrees the draft response to the consultation on local spending reports in the Appendix.**

## **3.0 BACKGROUND**

The Sustainable Communities Act 2007 was introduced to Parliament as a Private Members Bill. In summary:

- i. Local authorities are invited to make suggestions to the Secretary of State for Communities and Local Government aimed at improving the sustainability of local communities. Suggestions must promote economic, social, and environmental well-being.
- ii. Local authorities will be able to request Local Spending Reports to help them to prioritise actions. These reports should show all of the government spending in their communities from government

departments and their agencies.

- iii. The Act formally changes the name of “Community Strategies” (as set out in the Local Government Act 2000) to “Sustainable Community Strategies”.

#### **4.0 PROPOSALS TO PROMOTE THE SUSTAINABILITY OF COMMUNITIES**

Under the provisions of the Act the Secretary of State has invited local authorities to make proposals which they consider would contribute to promoting the sustainability of local communities. By “promoting the sustainability of local communities” the act means encouraging the economic, social and environmental well-being of the authority’s area or part of its area, including participation in civic and political activity. The expectation is that most proposals will originate from community organisations, parish and town councils, neighbourhood forums, residents and tenants associations, local strategic partnerships and other partnership bodies. Such proposals are not submitted direct to government but are submitted to the local authority for consideration and if supported onward transmission. Proposals can also be developed by Councils themselves.

There is no limit on the types of proposals that local authorities can make to the Secretary of State. They can include a request for a transfer of functions from one body to another (for example, from a national to a local body or from one local body to another). This may be accompanied by a request for transfer of funding linked to that function. In making such a proposal a local authority would have first to consult with both bodies concerned. There is no specific budget associated with this Act. Proposals could be made requiring new funding, but generally they will need to be resourced from existing public funds.

Before submitting a proposal to the government for consideration the local authority must first establish and consult with, a panel of “representatives of local persons”. Statutory guidance requires that persons from under-represented groups are included on such a panel. For the purposes of the Act “representatives of local persons” means a balanced selection of individuals, groups or organisations likely to be affected by or have an interest in the proposal. It does not refer to formally elected or nominated members of the community. It is in effect a citizen's panel.

In considering proposals the Council will need to distinguish between those which could happen anyway agreed at a local level and those which need central government action or intervention of some sort. Only the latter category should be submitted to government. In addition to consulting with a panel of representatives, and where appropriate with parties affected by the proposal where transfers of responsibilities from one body to another are proposed, the Council must also have regard to a list of matters set out in a

schedule to the Act. This list includes preserving local jobs, services and facilities, energy conservation, sustainable transport and food production. The Council must make a formal decision on whether to forward the proposal onwards.

Once it has been decided to submit a proposal it is forwarded to the "Selector" (the Local Government Association (LGA)) which will work with the government to reach agreement on a short list of proposals for implementation. The government then has to respond to all of the proposals on the short list and set out an action plan explaining how they will be taken forward.

The deadline for submission of proposals to the LGA is 31<sup>st</sup> July 2009. The LGA plans to consult on some draft criteria for shortlisting proposals in March 2009 and to publish a final proposal form in April, allowing 3 months for local consultation and decision making before the submission deadline. There will be further rounds for submission of proposals but no timetable has yet been set.

## **5.0 LOCAL SPENDING REPORTS**

The Act requires the Secretary of State to make arrangements for the production of Local Spending Reports. These reports provide information about public spending in relation to a particular area. This is intended to "promote the sustainability of local communities by providing access to high quality information about the public funding that is spent in the area". The government expect this provision to provide greater transparency and accountability.

The government has recently published a consultation on proposals for local spending reports. The consultation period ends on 15<sup>th</sup> May 2009. The consultation points out that the statutory requirement is potentially complex and expensive and suggests that the "first arrangement" makes use of information currently available, and through the consultation it can be assessed how reports should be developed over time.

The government proposes that the "first arrangement" should comprise a list of items of expenditure for all local authorities, police authorities, fire and rescue authorities and primary care trusts. Where bodies do not share boundaries with local authorities, which in Halton's case applies to police, fire and PCT, it is not proposed to disaggregate down to the local authority boundaries. It is proposed that the items of expenditure will be broken down into service areas such as education, highways social care, housing, culture, environment, planning, police, fire and other services. It is then proposed that each of these service blocks be broken down into more detailed tables as currently set out in the revenue out-turn returns made to central government.

This is largely recycling of existing information which will be of no added

benefit in Halton, and in fact the only figures available on a Halton boundary will be the Borough Council's own expenditure. It is therefore recommended that a response be sent to the consultation indicating that to be of any use, the reports must set out what is spent by agencies and government departments. Proposed responses to the consultation questions are set out in Appendix 1 to this report.

## **6.0 POLICY IMPLICATIONS**

There are no direct implications for Council policy. Should it be decided to submit proposals to Government, the policy implications of those proposals will be considered at that time.

## **7.0 OTHER IMPLICATIONS**

If it is decided to promote the opportunities afforded by the Act and to consult upon any proposals that come forward, there will be some financial implications. It is not possible to quantify these at this stage.

## **8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

This report does not have any direct implications for the Council's five priorities.

## **9.0 RISK ANALYSIS**

The risks associated with the provisions of the Act as far as Halton are concerned are:

- i. A good deal of time and expense could be incurred in developing proposals which are ultimately not accepted by Government.
- ii. Failure to take up the opportunities provided by the Act could result in missed opportunities.

## **10.0 EQUALITY AND DIVERSITY ISSUES**

If proposals are given consideration, the consultation process requires that hard to reach groups are involved.

**11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of inspection</b>	<b>Contact officer</b>
Sustainable Communities Act 2007	2 <sup>nd</sup> Floor Municipal Building	Rob MacKenzie (0151 471 7416)
Consultation on Local Spending Reports	2 <sup>nd</sup> Floor Municipal Building	Rob MacKenzie (0151 471 7416)
Creating Strong, Safe and Prosperous Communities – Statutory Guidance	2 <sup>nd</sup> Floor Municipal Building	Rob MacKenzie (0151 471 7416)

## APPENDIX 1

### Draft Response to Consultation on Local Spending Reports

*Q1. We would welcome comments on the proposed first arrangements (and the proposed form of the first local spending reports).*

#### Response

The proposed first arrangements will recycle existing information and will not add to transparency or help to develop proposals for sustainable communities.

*Q2. Bearing in mind the discussions above and that there will be further local spending reports in due course, is there any additional information which you would like to see added to the proposed first arrangement (and the first local spending report?)*

#### Response

The report should include information on expenditure by government departments and agencies such as the Regional Development Agency, Learning and Skills Council, and Job Centre Plus.

*Q3. How could local spending reports help you and how would you use this information?*

*What information should the reports contain?*

#### Response

If the reports contain information about all public spending in an area it will be possible to compare value for money with other areas and so drive up performance in all public services, not just those subject to the CAA process.

*Q4. Specifically which approach to specifying bodies, expenditure, areas and period would be useful and likely to represent value for money. Can you prioritise within the information which you propose is provided?*

Response

All public bodies should be included on a local authority area basis, providing annual spend (where applicable divided between capital and revenue). Major cross boundary infrastructure schemes such as railways can be excluded as it is difficult to attribute costs and benefits, but if other public bodies do not know where they spend their money it is time to put that right. Reasonable estimates would be perfectly acceptable.

*Q5. Have you mapped local spending in your area? How did you do this?*

Response

No