

LOCAL GOVERNMENT AND HOUSING COMMITTEE

DRAFT LOCAL GOVERNMENT BILL

Purpose

- 1 To inform the Committee of the key aspects of the draft Local Government Bill and on the Welsh Assembly Government's proposals for primary legislation for Wales to be included in the Bill.

Recommendation

- 2 That the Committee notes the key aspects of the draft Bill and the Welsh Assembly Government's proposals for primary legislation for Wales.

Summary

- 3 The Welsh Assembly Government has made clear its intention to press Whitehall for maximum flexibility in the next Local Government Bill to enable the Assembly to develop solutions that are sensitive to the particular needs and circumstances of Wales. This paper briefly sets out the Welsh Assembly Government's detailed proposals.

Background

- 4 The Office of the Deputy Prime Minister (ODPM) published a draft Local Government Bill for consultation on 12 June. This consultation is taking place on an England only basis because of timing differences in the publication of the former DTLR's White Paper and the Welsh Assembly Government's 'Freedom and Responsibility in Local Government'.
- 5 The draft Bill is intended to give effect to all the proposals in the White Paper that require legislation. The majority of the commitments that fall into this category relate to local government finance, but there are some important elements that provide local authorities with wider operational flexibilities. The key aspects of the draft Bill include provisions to:
 - Abolish credit approvals and replace them with a new prudential system
 - Introduce Business Improvement Districts
 - Reduce business rates for small businesses
 - Introduce a statutory revaluation cycle for council tax
 - Strengthen local financial management
 - Simplify the housing finance system
 - Introduce a power to charge for discretionary services
 - Introduce a general power to allow local authorities to trade
 - Introduce a general power to allow local authorities to charge for discretionary services

- 6 ODPM's consultation closes on 23 August. It is hoped that a Local Government Bill will be introduced in the autumn.

Consideration

- 7 The Minister for Finance, Local Government and Communities has written to ODPM's Minister for Local Government requesting that for those Welsh items in the Bill not subject to consultation, the general principle should be that the primary legislation is enabling rather than prescriptive. These items are set out in Annex 1.
- 8 For those policy items dependent on the outcome of consultation, the Minister has requested that the primary legislation should be drafted in such a way to enable the Assembly to make secondary legislation to give effect to its policy decisions (based on the results of the consultation) in the normal course of its business. These items are set out in Annex 2.
- 9 For those items in the Bill that are common to England and Wales, the Minister has requested that those powers delegated to the Secretary of State in England be delegated to the National Assembly for Wales in respect of Wales.

Compliance

- 10 This paper has been produced in accordance with s40 of the Government of Wales Act which enable the Assembly to do anything conducive or incidental to the exercise of its functions in relation to local government. This power has been delegated to the Minister for Finance, Local Government and Communities and officials. There are no issues of regularity or propriety.

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