

## Communities and Local Government questions and topical debate

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A complete LGiU policy briefing is included in this document.

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### Overview

This first parliamentary questions session for the Department for Communities and Local Government (CLG) of 2012 should have been widely anticipated. In the period since the last session a variety of CLG announcements and consultations had been issued. These included the Community Budget pilots and the accompanying Neighbourhood Level areas, a consultation on the new Right To Buy regulations, guidance on the process for outsourcing of Community Infrastructure Levies ( this guidance is on matters relating to the setting, charging, collection, enforcement and spending of the levy that may now be outsourced by local authorities to contractors) and the already widely discussed statement by the Secretary of State that local authorities had a "moral duty" to agree to a second year of 0% council tax increases.

### Briefing in full

*Questions:* As befitting the first parliamentary slot of a new week the CLG questions session opened with a friendly question about transparency. Nottingham City Council are always quoted every session, through their status as the only local authority refusing to place on the web all transactions over £500. As the questioner's local council was Tendering the opportunity to praise their approach to openness was not missed. **Labour MP Denis MacShane** attacked the Government for not publishing spending below £500 and called for transparency. Eric Pickles said the Department had published every penny on credit cards, and highlighted examples of ministerial and Audit Committee spending on expensive restaurants.

The next set of questions, grouped in the traditional manner by the relevant Minister requesting to answer more than one at a time, was around empty homes. In responding to a large number of supplementary contributions Minister Stunell made a series of claims on the effectiveness of Government policy in this area including:

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- There are presently two hundred and seventy thousand empty homes according to official figures.
- £150 million pounds is available for converting empty homes into affordable homes of which £50 million is allocated for those areas with an acute problem.
- By the end of this parliament one hundred and seventy thousand new affordable or social houses will be built.
- The “Laying the Foundations” Housing Strategy document published on November 21<sup>st</sup> 2011 would be the policy vehicle by which the empty homes issue would be approached.

The contents of “Laying the Foundations” include a new build indemnity scheme for up to 100,000 households, a £400m fund to provide development finance for firms with stalled sites, more regulation for housing associations on value for money, growing the private rented sector and build to rent schemes, £50m extra funding to bring empty homes back into use, a 'new deal for older people's housing' and the creation of a network of neighbourhood designers.

A question on standards in the private rented sector brought forth the first opposition front bench interjection with a clear divide between claims of declining standards, as reflected in a recent Shelter report, and the Minister’s belief that satisfaction with the growing private rented sector was on the rise. Grant Shapps did agree that accreditation schemes, where shaped by local circumstances, were a good thing, but was not able to support a suggestion that the rental sector should have the same duty to report on neighbour difficulties as prospective sellers of domestic property are required to do.

The empty homes issue returned with a question about vacant lets above shops, In the course of the exchange it was suggested to the Minister that raising the minimum time period a property had to be empty before a local authority could exercise the right to purchase from six months to two years was unhelpful. He declined again to agree on this point and suggested that some future changes to the process around changing designations from commercial to residential would assist in lowering the number of long term empty properties.

The first reference to the “moral duty” comment of the Secretary of State came in a question about the localisation of council tax benefit. Claims that ordinary poor working people would be between 13 and 25 per cent worse off brought a counter claim from the Minister that the impact assessment showed that this had been “grossly overstated”, that the reduction would be around £2.64 a week per household and that local authorities would have discretion to tailor their schemes.

Next up was a question around the implementation of the localisation of business rates. Labour MP, Diana Johnson said that Hull City Council would be £45m worse off in the first year of implementation but **Communities and Local Government** Minister Neil was adamant that all places, “North, South, rich, poor” would benefit from the policy. He said that the Government’s proposals would provide a “strong”

incentive to local authorities to promote growth, enterprise and jobs. Ms Johnson warned that the business rate reforms would take money away from councils and would not help to rebalance the economy. The economic position of the North had decreased under Labour, whilst the South grew, Mr Neill stated. He highlighted that many Northern cities would gain under the Government's proposals.

A question on parking schemes centred around the availability of parking ticket machines that gave change, the questioner, MP Lucas from Wrexham, felt Minister Shapps failed to attempt to answer. Minister Greg Clark was equally unforthcoming in confirming when he plans to publish information on transitional arrangements in respect of his National Planning Policy Framework. Greg Clark said the NPPF would be published in March and include transitional arrangements. Angela Smith asked for a confirmation of the transitional period in the time allowed. Mr Clark said the Government had pledged to listen to consultation responses on this and there was a conversation going ahead with the Local Government Association on transitional arrangements.

This question did however throw up the "grand for a green" debate where it was suggested that by charging £1000 for applications to designate village greens the Government would in fact be placing a barrier in the way of attempts to provide adequate protection. The Minister pointed out the consultation on this was led by DEFRA.

A grouped set of questions on the New Homes Bonus got the party political juices running. The Government benches stuck to their line of how much of a success it was already and would be over the course of this parliament, the opposition suggested it was being used to redesignate homes in multiple occupation and that poor areas with an oversupply of cheap housing were missing out.

The Troubled Families Teams programme was questioned with the Labour MP concerned quoting Merrick Cockell, Conservative Chair of the Local Government Association, as suggesting the programme would fail due to the 60% of resources needed to be found locally. The Secretary of State suggested the quote was partial and that it wasn't just local authorities than would be contributing locally. He also called for a cross-party approach to the issue suggesting it was in everyone's interest the initiative succeeded

The questions part of the session ended with more housing related issues. Dr Whitehead MP quoted an average person needing a average of nine times the average salary to afford an average house in Southampton. Armed forces personnel housing issues brought the curtain down on the forty-five minutes of scrutiny.

*Topical Question.* Today's topical question was an invitation to the Secretary of State to comment on his departmental responsibilities, he chose two subjects:

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- The number of local authorities who had signed up to the 0% council tax scheme, which was quoted as one hundred and fifty “with the expectation of more to come”.
- The local government contribution to Holocaust Memorial Day, which the Secretary of State expressed admiration for.

The Shadow Secretary of State, quiet up to this point, made points about the increase in forced repossessions (these are repossessions involving officers of the court) up by 27% in one year and resulting in thirty-seven thousand such acts. This was despite the infamous private letter from last year from the Secretary of State to the Prime Minister warning of such a potential rise. Mr Benn wanted to know what CLG was doing about such levels of housing insecurity. The Shadow Secretary of State expressed some surprise when it was Minister Shapps who retorted!

A myriad of different concerns were then exchanged in a short period of time: when were the Sustainable Communities regulations going to appear? Could Town and Parish Councils make direct submissions to CLG rather than go through County Councils? Why was the referendum clause deleted from the Localism Act? Could the Isle of Sheppy have an Enterprise Zone? How do you stop developers in Accrington abusing small scale planning permissions by turning them into one large permitted development? Wasn't the remuneration package for the Chief Executive of Hammersmith and Fulham outrageous? Will the Government press on with the NPPF? All these contributions however were overshadowed by a row over the “bedroom tax”.

The “bedroom tax is a proposal where the Government plans to cut housing benefit to those living in council or social housing where it is deemed the claimants have a “spare” room. Those with one spare room, even if it is in use, could lose 15% of their benefit whilst those with two will lose 25%. Under the new rules, a room could be considered ‘empty’ if children have rooms of their own, rather than sharing, and separated parents who keep a room for their offspring to visit could also be penalised. People who are disabled, who often have larger homes because of the need for adaptations, could be especially hard hit and foster carers could receive a cut even where their bedrooms are occupied by foster children, who for housing benefit purposes, do not count as part of the ‘household’.

John Leech, Liberal-Democrat MP for Manchester Withington suggested that the consequence of this proposal in his constituency was that 2000 people would be forced to move out of the social housing sector and into the private rented sector. The social housing stock did not have capacity for those penalised to move into more “appropriate” sized homes. He suggested the rules should not apply to existing claimants but to new ones only. He received no comfort from Minister Shapps on this.

Opposition MP's then rose to inform the Minister that it was working families on low incomes and not benefits claimants that would be hit the hardest by these proposals but they found him unmoved as the session closed.

## Comment

This session could best be described as tame and relatively uneventful. It was noticeable that both the Secretary of State and his Shadow had marginal contributions to make and even when Hilary Benn made his belated interjection it wasn't Eric Pickles who responded.

Housing is the present political battleground of choice. The issue causing the most discord, the so called "bedroom tax," brought also the only dissent from the coalition benches, it is likely further parliamentary tensions on this will accrue.

The politics around local government seems to diluted, the predictable references to deficit reduction on one side or cuts and service reductions on the other do not disguise a restraint and carefulness of approach that contrasts with more polemic sessions 18 months ago, we seem to be in a period of stabilisation politically around the local government agenda.

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