

## **Queen's Speech**

### **Northern Housing Consortium Briefing Paper**

#### **Purpose of Paper**

The purpose of this paper is to provide an introduction to the Bills laid out in the Queen's Speech that will be of interest to Northern Housing Consortium Members and housing professionals generally.

#### **Background**

On 3<sup>rd</sup> December 2008, Her Majesty announced in her speech that the Government will bring forward a number of new Bills in this Parliament, namely:

- Local democracy, economic development and construction Bill
- Welfare Reform Bill
- Business rates supplements Bill
- Policing and Crime Bill
- Children, Skills and Learning Bill
- Equality Bill
- Marine and Coastal Access Bill
- Coroners and Death Certification Bill

It will be the first two of these Bills that will most interest Members and that this briefing will concentrate on.

#### **Local Democracy, Economic Development and Construction Bill**

*"My Government will bring forward legislation to promote local economic development and to create greater opportunities for community and individual involvement in local decision making."*

The Queen announced that Parliament will debate the Local Democracy, Economic Development and Construction Bill from April 2009. It is a wide-ranging piece of legislation and is designed to give communities and local people new rights to have a say in their local services, strengthen local democracy, reform local and regional governance arrangements and implement measures to drive economic regeneration. The Bill will also amend current legislation to ensure prompt cash flow through construction supply chains.

The Bill is the basis of a wider programme to make people central to local decision-making and builds on a continuing programme to devolve decision-making to regions and local areas. There are a number of duties placed upon local authorities and other public bodies within the Bill to meet the Government's aims of increasing local democracy. Amongst them are:

- A duty on local Government to promote democracy – stimulate local debate, improve democratic understanding and take-up of civic roles;
- A legal duty on local authorities to respond to petitions;
- Extending the “duty to involve” so that local authorities ensure Government bodies and agencies involve local people in their decision-making processes.

The Bill also attempts to ensure the views of tenants are taken into account on housing issues, with the establishment of a National Tenant Voice. A proposal for which was included in a Communities and Local Government consultation in June 2007 “Tenant Empowerment” and first mooted in the Cave review of social housing regulation, “Every Tenant Matters”.

The Bill also addresses economic development with reforms to support regions and local areas in taking action to boost jobs and skills and to support businesses. It strengthens the role of local authorities in promoting and delivering economic development and including tools for local authorities to assess economic conditions and support greater collaboration between local authorities in an area, such as statutory Multi-Area Agreements (MAAs). There is a joint duty on Regional Development Agencies and local authorities through a new Local Authority Leader’s Board to produce a single regional strategy, bringing together strategy development at a regional level and providing local authorities with tools to work across local boundaries to tackle the economic challenges facing their communities.

In an attempt to provide a ‘more level playing field for construction businesses, especially small, local ones in construction contracts’, the Government will improve current legislation on commercial contracts to provide a fairer system, and more cash flow, for construction companies through amending the Housing Grants, Construction and Regeneration Act 1996. This legislation will be especially important for small and medium construction companies, who, it is said play a key role in local economies. It will amend current legislation to ensure prompt cash flow through construction supply chains. The Bill will also take forward proposals from the review of Part 2 of the ‘Housing Grants, Construction and Regeneration Act 1996’, to ensure fairness in construction contracts.

At the heart of the Bill are new rights for the citizen to have more information and influence over the local decisions; new powers to hold politicians to account and, where they choose, more opportunity to get directly involved in managing and shaping how local services are delivered. The Bill is the next step in transforming communities and public services taking forward policies set out in Communities in Control White Paper published by Hazel Blears in July 2008 and proposals set out in the Government's Review of Sub-National Economic Development and Regeneration (SNR).

*Implications of the Bill*

Communities and Local Government (CLG) Ministers wish to see tenants having an effective voice, working alongside the new housing regulator, the Tenant Services Authority (TSA) and the new Homes and Communities

Agency (HCA). Thus, the National Tenant Voice will develop a partnership approach with Government and other bodies to strive for high quality tenant services and for tenants to be involved to the level of their choosing in their landlord's decision-making. It will influence the standards and procedures set by the TSA. It will be able to take legal advice or to support legal action by tenants. Through such involvement, the National Tenant Voice will help set precedents, which enable other tenants to challenge landlords with poor practice. It may also provide a resource to support tenants locally where they have complaints against the policies and practices of specific landlords which affect tenants as a group rather than individually.

The effort to promote involvement will mean local authorities providing clearer information, better trained staff and more visible councillors in the community. The commitment to extend the existing 'duty to involve' local people in key decisions will come into effect in April 2009. These new duties will no doubt put customer involvement officers at the forefront of the delivery of the Government's plans, not only in registered providers but also strategic Members.

The economic productivity gap between the north and the south will mean that local authority's role in assessing and improving economic performance in their areas is key. Not only will the Bill strengthen the role of local authorities in promoting and delivering economic development but an increase in productivity may lead to a greater demand on the housing supply in certain areas with an increase in in-migration or younger inhabitants looking to get on the housing ladder.

This new duty through partnerships such as MAAs also offers an opportunity for partners to ensure Housing does not get left behind in the National Indicator Set and remains a priority in local areas.

### **Welfare Reform Bill**

*"A Bill will be brought forward to reform the welfare system, to improve incentives for people to move from benefits into sustained employment and to provide greater support, choice and control for disabled people."*

Among its welfare proposals, the Government intends to strengthen requirements of non-resident parents to contribute to their children's upbringing and to modernise and simplify the benefits system. The Government has committed to introducing greater incentives for people to move from benefits into work and the Welfare Reform Bill will also provide more employment choices for people with disabilities. The Bill aims to enable people to undertake training to help find employment and to 'strengthen the benefit contract between the individual and society'.

A Welfare Reform Bill will introduce new requirements for disabled people and single parents to seek work, with the aim to cut Incapacity Benefit claimants by one million, help 300,000 lone parents and one million older people into work and achieve an all-time high employment rate of 80 per cent. The Bill will

also abolish Income Support in favour of a new streamlined system of out-of-work benefits.

Key points include:

- Abolish Income Support and move all claimants onto Jobseekers' Allowance (JSA) or Employment and Support Allowance (ESA).
- Introduce benefit sanctions for claimants who don't visit Jobcentres.
- Requirement to seek work in return for Employment and Support Allowance.
- Increasing moves to punish people who don't adhere to benefit rules, and support those that do.

#### *Implications of the Bill*

Those capable of working will be expected to take active steps towards employment and a lack of skills will no longer mean that people will simply remain on benefits. There will be an obligation to work, but more help will be given for people to remain in work. Between 2009 and 2013, all Incapacity Benefit (IB) claimants will be reassessed using a revised medical assessment called the Work Capability Assessment (WCA). Those who no longer qualify for IB will claim JSA and receive active back-to-work support.

There will be tougher sanctions for those who fail to take steps to get back into work e.g. jobless drug misusers will be prevented from receiving benefits unless they accept treatment. This 'something for something' approach applies to everyone. Only the most severely disabled people and full-time carers will be exempt from being required to look for work. Payment will be given to private firms which win contracts to help people find jobs. Local partnerships will be given more influence in drawing up contracts for back-to-work services and performance monitoring.

#### **Related documents:**

[Communities in Control White Paper: real people, real power](#), CLG, 2008

[Every Tenant Matters: A review of housing regulation](#), CLG, 2007

[Government response to Prosperous Places: Taking forward the Review of Sub-National Economic Development and Regeneration](#), CLG, 2008

[No one written off: reforming welfare to reward responsibility](#), DWP, 2008

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