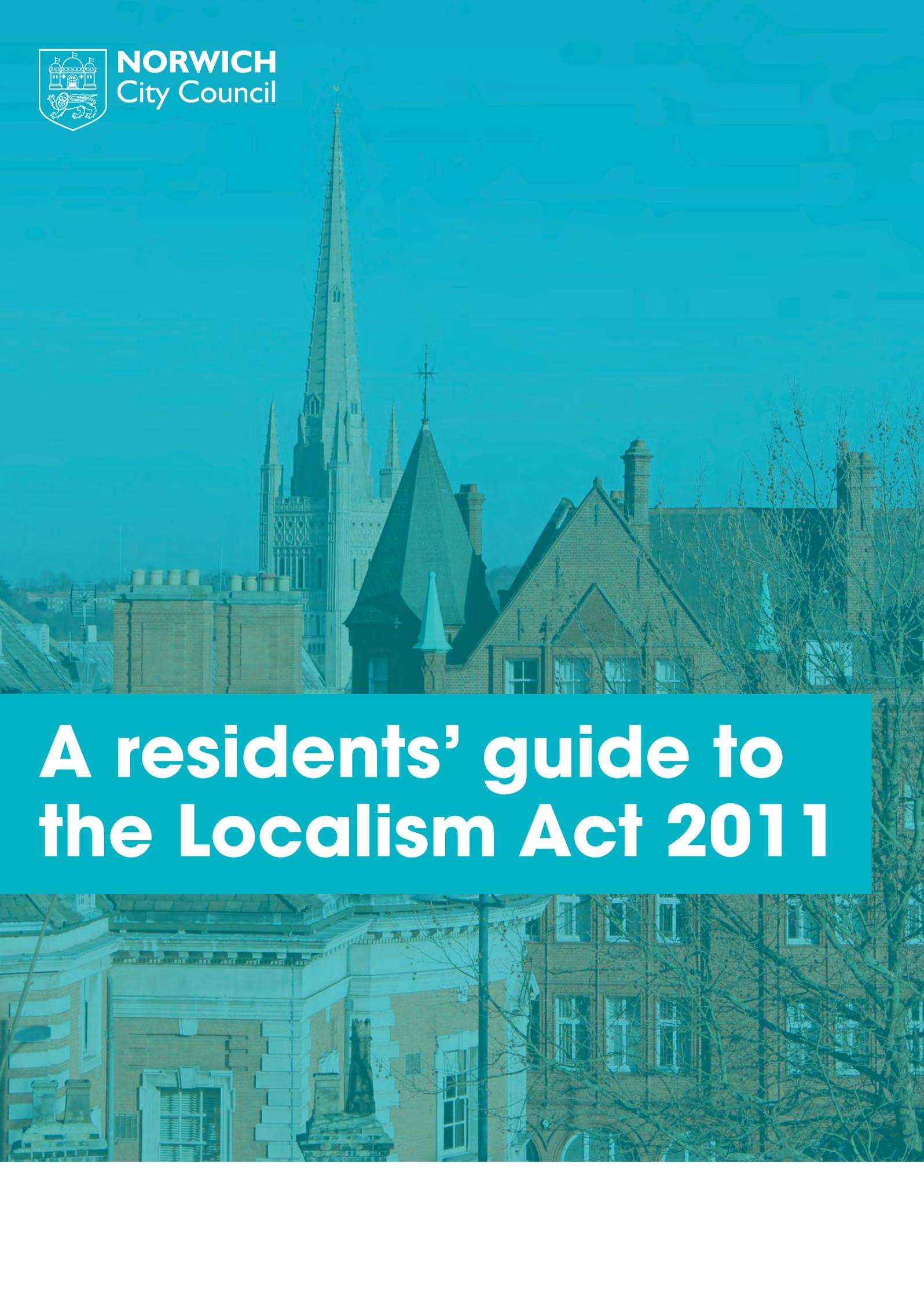




**NORWICH**  
City Council

A photograph of the Norwich cityscape, featuring the prominent spire of Norwich Cathedral in the background, surrounded by various brick buildings and trees. The image is overlaid with a semi-transparent teal color.

# A residents' guide to the Localism Act 2011

## What is the Localism Act?

The Localism Act became law in November 2011. It is a very large piece of legislation (over 400 pages long) and could change the way local services are delivered and how important pieces of land or buildings are sold. It offers new ways for local residents and groups to get involved in their area. It also gives local councils a bit more freedom to do things on behalf of the people who live within their boundaries.

As with many new laws, the powers and duties it gives to people and councils appear straightforward at first glance, but are a bit more complicated when looked at in detail. The government's stated aim is to pass some responsibility away from central government for how things are done and into the hands of local councils, but more significantly directly to local people and groups. The implications for some of these changes, however, may be wide ranging.

This short guide is designed to explain some of the main parts of the new act. It also aims to dispel myths about the act and focus on what the law actually says and its implications. It is not a full explanation of the act. If you want to know a bit more of the detail, please [visit the Localism Act pages on our website](#).



## Will it affect me?

The short answer is “possibly”. It all depends upon how far people and groups want to get involved. The actions of some people and groups could have a direct impact on the services you get or how land and buildings are sold or the look and feel of parts of the city, regardless of whether you get involved or not. It allows people to start changes themselves. These changes could have a direct impact on other people, even if they do not agree with those changes.

Some possible implications include:

- It could lead to a change in how often elections are held for the council.
- It affects the powers of elected councillors to raise council tax levels.
- It also allows the Secretary of State in Parliament to change many of the powers in the act without further consultation or debate.

In brief, the act may make very few changes locally or it could have a huge impact. It applies to all local authorities, including Norfolk County Council as well as Norwich City Council and in some cases the fire service too.

In the act the word “community” is used many times. It is important to remember this can mean different things at different times within the act. For example, a “community” of individuals may come together to form a planning forum, but cannot bid to take on council services. A “community” group such as a local or even a national charity can bid to take over council services but cannot create a planning forum.

The following sections look at some of the key parts of the act.

## Community right to bid (assets of community value)

This allows local community groups (not individuals or local councillors) to nominate land or buildings (assets) in their area which they think are of “community value”. There is more detailed guidance about what this means, but, in brief, the asset must have as its main function a use which “furthers the social wellbeing or social interests of the local community” and it is realistic those uses will continue in the future. These assets can be owned by councils or private owners (although residential properties are generally excluded).

Norwich City Council will have to consider every application and keep a list of the decisions it makes. One list will show all the assets which have been considered to be of “community value” and another list will be all those which have been rejected. If accepted as being of community value, owners can appeal the decision and these appeals will need to be considered by the council too. Owners of private assets may also be liable for compensation under certain circumstances.

Some money has been made available by government to meet the costs of having to make these decisions, keep the lists and pay compensation. However it is unlikely to meet the full costs.

Once accepted as an asset of “community value”, the owner of that asset will have certain restrictions placed upon them if they want to sell it. It cannot be sold without giving the community group six weeks to decide if it wants to bid for it and, if it does want to bid, the sale cannot proceed for six months to allow that group to raise funds.

What these powers do not do is stop an owner changing the purpose for which an asset is held (for example from post office to shop). It only comes into effect if the asset is put up for sale. Some exceptions apply (if for example, the asset is sold under a court order or to a parent company).

It is also worth noting that the powers do not give the community group a right to buy that asset, even if they are the highest bidder. Neither does it guarantee that any services run from that asset (for example post office, pub or library) will continue to run from there. It simply allows the community group time to get a bid together to buy land or buildings. That group may then decide it wants to provide those services themselves from the asset.

More information is available online at [the Localism Act pages on our website](#). This power came into force in September 2012.



## Community right to challenge

This is designed to allow local groups, or national community or voluntary groups, or staff of the local authority to challenge the delivery of local services and request they run them themselves. This can apply to services which are currently contracted or supplied by private or voluntary providers and to those still provided directly by the council. This power came into force on Wednesday 27 June 2012.

Only voluntary, community or council staff groups can start this process by an “expression of interest”. However if this expression is accepted within the guidelines set by central government, those services must be procured using existing methods. This means that in most (if not all) cases a tender would be issued and private sector firms will also be allowed to bid as well as staff, community or voluntary groups. The expression may also come from, for example, a voluntary group supported and backed by a private firm.

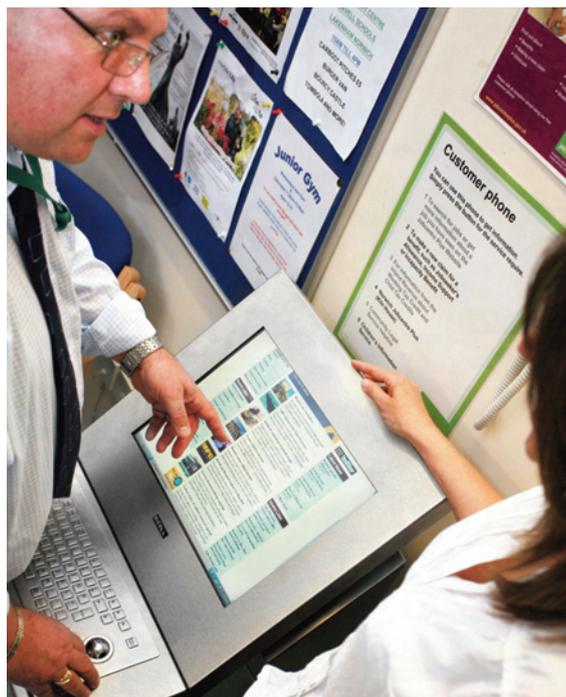
This is an example where the actions of a group may have an impact upon other people who may not want to be affected. For example a successful expression of

interest may mean that a service currently run by the council could be run in the future by a voluntary or private sector concern. This could be without the views of the people using that service being taken into account or against the wishes of locally elected councillors.

If local groups have ideas about how to improve services in their area we will be happy to talk to them about how this can be achieved without having to run a costly procurement process or risk losing services into the private sector.

Some money has been provided by central government to cover the costs of dealing with expressions of interest and running any procurement processes which may come from them. However it is unlikely to be enough to meet the full costs.

There are rules and guidance about when and how expressions of interest can be received and considered. Norwich City Council has decided that expressions will only be received each year between 1 March and 30 April (starting in 2013). Further information is available online at [the Localism Act pages on our website](#).



## Neighbourhood planning

This allows for groups of people (and/or businesses) to help shape the area in which they live or work. Groups can apply to set up an area to become a local neighbourhood forum. That forum can then create a plan for the area which can help shape what is built and how development may look within that area. Such a plan needs to be inspected and tested (like council plans are) and subject to a referendum within the area itself. The council has an obligation to advise or assist (but not fund) such forums and run the referendum. The level of that support will be subject to demand and resources.

However, it should be noted that these powers **do not** allow a local forum to ignore the plans of the local council as a whole. For example, if the council's local plan suggests 100 homes for an area, then the neighbourhood plan cannot say this figure should only be 25 or indeed none.

The plan may be able to influence where within the area they are located and how they are designed. This is to prevent a series of local plans preventing the council providing the homes it needs to build or shift their development to areas without a neighbourhood plan.

The essence of these plans is in part to encourage areas to accept more development than suggested within a council's plan and so support development and growth within the local economy. The plan can agree that certain types of development can proceed without the need for further planning permission (again within certain limits) and so simplify the process. The forum may benefit from contributions from new development to support, for example, additional play areas, community buildings or traffic measures.



## Housing for council and housing association tenants

The powers within the Localism Act allow, but do not force, councils and housing associations to change how they run their housing stock. Before the act waiting lists were open to everyone. It is now possible to limit numbers on the lists by excluding certain types of new applications (for example based upon income or being in very low need). Council tenancies were offered “for life”. It is now possible to set a time limit on how long a tenancy should last, although at present Norwich City Council does not plan to use this option.

Over time councils have had to bring their rent levels closer to those charged by housing associations. It is now possible to set even higher rents if councils and associations decide to do this. This is in part designed to provide a guaranteed income against which they can borrow money to fund building new properties or improving homes. This is because grant funding from the government has changed. Norwich City Council will continue to try to keep rents as low as it can while also meeting the need to “catch up” with

housing associations and to fund a programme of housing improvements.

There will be a new single housing ombudsman service for local authority and registered providers from April 2013 to deal with housing complaints from tenants. The process will remain that tenants should make any complaints through their landlord’s complaints process but if they are not satisfied with the outcome they can either approach a “designated person”, who can be any MP in England, any councillor in the local authority or a recognised tenant panel and then go on to the housing ombudsman. Alternatively they can wait eight weeks and proceed directly to the housing ombudsman.

Separate rules are coming in from central government which affect how much housing benefit people can claim and if they are deemed to be “under occupying” their homes. In those cases tenants will lose benefits. This will happen under the Welfare Reform Bill and is due to come into effect in April 2013.

For more information please visit the [housing strategies page](#) on our website.



## How local councils work

### Council tax

Under these powers the Secretary of State in Government will determine every year what they think is a “reasonable” maximum increase in council tax (for example two per cent). If a local council wants to increase council tax above this amount, it must have a referendum of all residents before setting the council tax level beyond that. The city council will have to pay for the costs of holding the referendum if it wants to raise council tax above the allowed amount.

This duty applies to Norwich City Council and Norfolk County Council and will also apply to the new way in which police budgets are set from November 2012. The city council will have to run any referendum even if it is the county council or police who want to increase council tax beyond the limit set by the Secretary of State.

### General power of competence

Local councils have in the past only been allowed to provide services, make decisions and carry out work which legislation from central government has specifically allowed them to do. If councils carried out any work or made any decisions for which there was not a specific power they risked prosecution. The Localism Act introduces a presumption in favour of being able to proceed with any work, decisions or services unless a law specifically stops it happening. This is called the “general power of competence”.

Councils still have to comply with other legal duties such as procurement laws, equality duties and the consideration of “best value”. There are also certain things which are specifically prohibited (such as raising council tax above a certain limit without a referendum – see above).

### Standards of councillor behaviour

Before the act there was a standards board across the country which could investigate complaints about how elected councillors behaved or if they did not declare certain interests. The Localism Act has scrapped this, but ensures that all councils must have a set of **standards** that councillors sign up to. These are based on certain principles of openness and accountability in public life (often called the “Nolan Principles” after the Nolan Commission).

In return for changing the national standards board, the act introduces tougher powers where very clear breaches of the codes have taken place. This is particularly the case where financial interests are not properly declared.

### Elections

At present, Norwich City Council has elections three out of four years (on the fourth year there are Norfolk County Council elections). Individual councillors serve a four year term. The act has simplified the steps required to change this. A motion can be passed at a full council meeting to switch to elections every four years, so long as these do not coincide with the year on which county elections are held. The act also limits how often motions can be submitted to change back to annual elections to prevent constant change and confusion.



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