

Policy Inform: Transformation and Resources

Directorate Policy: July 2015

The Directorate Policy briefings will provide an overview of ongoing and recent national legislation, bills presented to Parliament, emerging policies and upcoming consultations. The Directorate Policy briefing will be produced specifically to inform Portfolio Holders and Elected Members and will be taken to Policy & Performance Committees for discussion.

Contents

Introduction:	
Introduction	p.2
Conservative Manifesto 2015:	
Conservative Manifesto- Key Points	p.3
Queens Speech 2015:	
Draft Public Service Ombudsman	p.4
National Insurance and Finance Bill	p.5
Policing and Criminal Justice Bill	p.5
Full Employment and Welfare Benefit Bill	p.6
Trade Unions Bill	p.6
Recent and Ongoing National Legislation:	
Universal Credit	p.8
Local Government Act 2015	p.9
Counter Terrorism and Security Act	p.10
Policy Developments :	
Public Service Mutuals	p.11
Endnotes & Sources:	
Endnotes & Sources	p.12

Introduction

The policy briefing paper is intended to provide Members of the Policy and Performance Committee with the latest position on emerging policy and legislative developments to support the committees work programme and future scrutiny work.

During the course of the 2015-16 municipal year, it is proposed that the Council's Policy and Strategy team prepares four policy briefings papers for consideration by the Committee. The following table outlines the timetable for the preparation and reporting of policy briefing papers:

Policy & Performance Committee Briefings	
July 2015	The first policy briefing will focus predominately on the Queen's Speech, which will establish the Government's legislative programme for the parliamentary year ahead.
September 2015	The second policy briefing will be produced in September and will focus predominately on the Chancellor's July 2015 Budget Statement. The policy briefing will provide an update on policy and legislation and will consider relevant implications for Wirral.
January 2016	The third policy briefing will be produced in accordance with the local government finance settlement which informs the annual determination of funding to local government. The policy briefing will provide an update on policy and legislation and will consider relevant implications for Wirral.
March 2016	The fourth policy briefing will focus upon the Chancellor of Exchequers Budget. The policy briefing will provide an update on policy and legislation and will consider relevant implications for Wirral.

The July Policy Briefing paper focuses predominantly on the policies and legislation that have emerged from the newly formed Conservative Government. The paper provides initial information based on the available information released by Central Government at this time. It is expected that the September Briefing Paper will be more detailed following the release of further information from Government and will also consider the implications for Wirral.

The Committee may wish to identify specific policy areas to focus upon which are in line with the Committee's work programme. Detailed briefing papers can be prepared for these subject matters at the request of the Committee which would be in addition to the regular policy briefing papers outlined above.

Conservative Manifesto

Conservative Manifesto- Key Points :

On 14th April 2015, the Conservative Party launched their Manifesto which outlined their party pledges for the parliamentary year ahead if they were elected into Government. The columns below identify the manifesto themes that are of most relevance to local government and more specifically to the Transformation and Resources Policy and Performance Committee. The majority of the pledges identified have recently been referenced in further detail within the Queen's Speech, following the success of the Conservative Party in the 2015 General Election.

Welfare

- Cut £12 billion from Welfare Spending
- Cut household benefit cap to £23,000 (with exemptions for those receiving Disability Living Allowance or the Personal Independence Payment)
- New law so that Personal Allowance automatically rises in line with the national minimum wage
- Freeze working age benefits for two years from April 2016 (exemptions for disability and pensioner benefits).
- Retain the spare room subsidy
- Negotiating new EU rules so people will have to be earning in the UK for four years before they can claim tax credits and child benefits
- Review how best to support those suffering from long-term yet treatable conditions, such as drug or alcohol addiction or obesity, back into work. People who might benefit from treatment should get the medical help they need and if they refuse a recommended treatment, review whether their benefits should be reduced

Devolution/ Constitutional Change

- Strengthen and improve devolution for each part of the United Kingdom in a way that accepts that there is no one-size-fits-all solution. Implement the Smith Commission and St David's Day Agreement or equivalent changes in the rest of the UK, including English votes for English laws
- Devolve far-reaching powers over economic development, transport and social care to large cities which choose to have elected mayors
- Add a new stage to how English legislation is passed; no bill or part of a bill relating only to England would be able to pass to its Third Reading and become law without being approved through a legislative consent motion by a Grand Committee made up of all English MPs, or all English and Welsh MPs
- Extend the principle of English consent to financial matters such as how spending is distributed within England and to taxation including an English rate of Income Tax when the equivalent decisions have been devolved to Scotland

Other areas of Interest

- Review of Business rates to report by 2016 Budget
- Retain Police and Crime Commissioners
- Encourage councils to help manage public land and buildings, and will give authorities at least a 10 per cent stake in public sector land sales in their area
- Strengthen the Community Right to Bid – extend the length of time communities have to purchase these assets, and require owners to set a clear 'reserve' price for the community to aim for when bidding
- Set up a Pub Loan Fund to enable community groups to obtain small loans to pay for feasibility work, lawyers' fees, or materials for refurbishment, where they have bid to run the pub as part of our reforms to the Community Asset Register

Queen's Speech 2015

On Wednesday 27th March 2015, the Queen unveiled the Government's legislative plans for the year ahead. Below is a list of each individual Bill which will have implications for local government that were announced during the speech. The list identifies the Policy and Performance committee with whose remit the legislation most closely aligns:

Legislative Plans	Policy and Performance Committee
National Insurance Contributions Bill/ Finance Bill	Transformation and Resources
Full Employment and Welfare Benefits Bill	All Policy and Performance Committees
Trade Unions Bill	Transformation and Resources
Housing Bill	Regeneration and Environment
Cities and Local Government Devolution Bill	Regeneration and Environment
Buses Bill	Regeneration and Environment
High Speed Rail Bill	Regeneration and Environment
Childcare Bill	Families and Wellbeing
Energy Bill	Regeneration and Environment
Education and Adoption Bill	Families and Wellbeing
Enterprise Bill	Regeneration and Environment
Policing and Criminal Justice Bill	Families and Wellbeing Transformation and Resources
Draft Public Service Ombudsman Bill	Transformation and Resources
Psychoactive Substances Bill	Families and Wellbeing

Additional bills that have been announced are outlined below. These will be monitored in relation to any emerging implications for Local Government and reported to the relevant Policy and Performance Committee as appropriate.

Additional Legislative Plans
EU Referendum Bill
Scotland Bill
Immigration Bill
Extremism Bill
Investigatory Powers Bill
Charities Bill
Armed Forces Bill
Bank of England Bill
Northern Ireland (Stormont House Agreement) Bill
Wales Bill
Votes for Life Bill

The bills relevant to the Transformation and Resource Committee are discussed in further detail below. The information provided has been sourced predominately from the LGiU, as well as SOLACE and the LGC and therefore solely represents a fact-based introduction to the bills.

Draft Public Service Ombudsman Bill

Synopsis:

The aim of this Bill is to reform and modernise the Public Service Ombudsman, to providing a more effective and accessible final tier of complaints redress within the public sector. ⁱⁱ

Key Points:

The main elements of the Bill are to:

- Allow the Public Service Ombudsman to absorb the functions of the Parliamentary Ombudsman, the Health Ombudsman, the Local Government Ombudsman and potentially The Housing Ombudsman.
- Ensure a robust process for accountability and reporting. The new Ombudsman will be independent of Government and directly accountable to Parliament
- Establish the relevant powers for a modern ombudsman organisation. ⁱⁱⁱ

Any Further Details:

The Government published a consultation on the proposal to create a single Public Service Ombudsman (alongside the Gordon Report) on 25th March 2015. This closes on 16th June. Responses to this consultation will inform the policy development process and plans for this future legislation.

National Insurance and Finance Bill

"Reward those who work hard and do the right thing".

Synopsis:

The bill is designed to enact a series of pledges made by the Conservatives during the general election campaign. ^{iv}

Key Points:

The main elements of the Bill are to:

- No rises in income tax rates
- No VAT or national insurance before 2020
- No one working 30 hours on the minimum wage pays any income tax
- Enacts a commitment to raise the threshold before which people pay income tax to £12,500- A move Ministers say will benefit 30 million people. ^v

Policing and Criminal Justice Bill

*"Improve the law"
(The Queen's Speech)*

Synopsis:

This legislation is intended to continue the reform of policing with the aim of enhancing protections for vulnerable people.^{vi}

Key Points:

Aspects of the Bill potentially relevant to local government:

- The Bill would ensure 17 years olds who are detained in police custody are treated as children for all purposes under PACE.
- In particular, the amendments to the provisions of PACE concerning 17 year olds include:
 - Ensuring an appropriate adult is present for drug sample taking;
 - Ensuring appropriate consent is granted by both the 17 year old and parent/ legal guardian for a range of interventions, including intimate searches; and
 - The ability to impose conditional bail to ensure the welfare and interests of the 17 year old.
- Reforming legislation in relation to the detention of people under sections 135 and 136 of the Mental Health Act 1983 to ensure better outcomes for those experiencing a mental health crisis.
 - Prohibiting the use of police cells as places of safety for those under 18 years of age and further reducing their use in the case of adults;
 - Reducing the current 72 hour maximum period of detention; and
 - Extending the power to detain under section 136 to any place other than a private residence^{vii}

Full Employment and Welfare Benefit Bill

*"Achieve full employment and provide more people with the security of a job."
(The Queen's Speech)*

Synopsis:

The aim of this bill is to achieve full employment. The legislation will continue to expand the Troubled Families Programme as well as continue welfare reform, capping benefits and requiring young people to 'earn or learn'.^{viii}

Key Points:

The main elements of the Bill are to:

- A working-age benefit freeze.
- The new legislation would freeze the main rates of the majority of working age benefits, tax credits and Child Benefit for two years from 2016-17. Pensioners would be protected, as would benefits relating to the additional costs of disability. Statutory payments, such as Statutory Maternity, Paternity, and Adoption Pay would also be exempted.
- The new legislation would lower the benefit cap so that the total amount of benefits a non-working family can receive in a year would be £23,000.

- Households are exempt where someone is entitled to Working Tax Credit or is in receipt of benefits relating to additional costs of disability, or War Widow's and Widower's Pension.
- The Bill includes a duty to report annually on progress against meeting our target of 3 million new apprenticeships.
- Troubled Families Programme: The Bill includes a duty to report annually on progress of the Troubled Families programme. The Bill also seeks to place a requirement on public bodies to provide information to the Secretary of State in order that he may fulfil that duty.
- Put in place a new Youth Allowance for 18-21 year olds with stronger work related conditionality from Day 1. After 6 months they will be required to go on an apprenticeship, training or community work placement;
- Remove automatic entitlement to housing support for 18-21 year olds;
- Provide Jobcentre Plus adviser support in schools across England to supplement careers advice and provide routes into work experience and apprenticeships.^{ix}

Trade Unions Bill

“Protect essential public services against strikes.”
(The Queen's Speech)

Synopsis:

The aim of this bill is to bring forward legislation to reform trade unions to ensure hardworking people are not disrupted by little-supported strike action and to pursue the Government's ambition to become the most prosperous major economy in the world by 2030.^x

Key Points:

The main elements of the Bill are to:

- Introduction of a 50% voting threshold for union ballots turnouts (and retain the requirement for there to be a simple majority of votes in favour).
- In addition to the 50% minimum voting turnout threshold, introduction of a requirement that 40% of those entitled to vote must vote in favour of industrial action in certain essential public services (health, education, fire, transport).
- Tackling intimidation of non-striking workers during a strike.
- Introduction of a transparent opt-in process for the political fund element of trade unions subscriptions. This will reflect the existing practice in Northern Ireland.
- Introduction of time limits on a mandate following a ballot for industrial action.
- Making changes to the role of the Certification Officer.^{xi}

Recent and Ongoing National Legislation

Universal Credit

Synopsis:

Universal Credit was one of the key benefit changes introduced by the Welfare Reform Act 2012. The roll out of Universal Credit has seen the introduction of a single benefit to replace six benefits previously paid and includes Housing Benefit currently paid by local authorities. Universal Credit started to be rolled out in October 2013 but will not be fully implemented until 2017. Universal Credit will normally be paid monthly in arrears and be paid to a single person in the household.

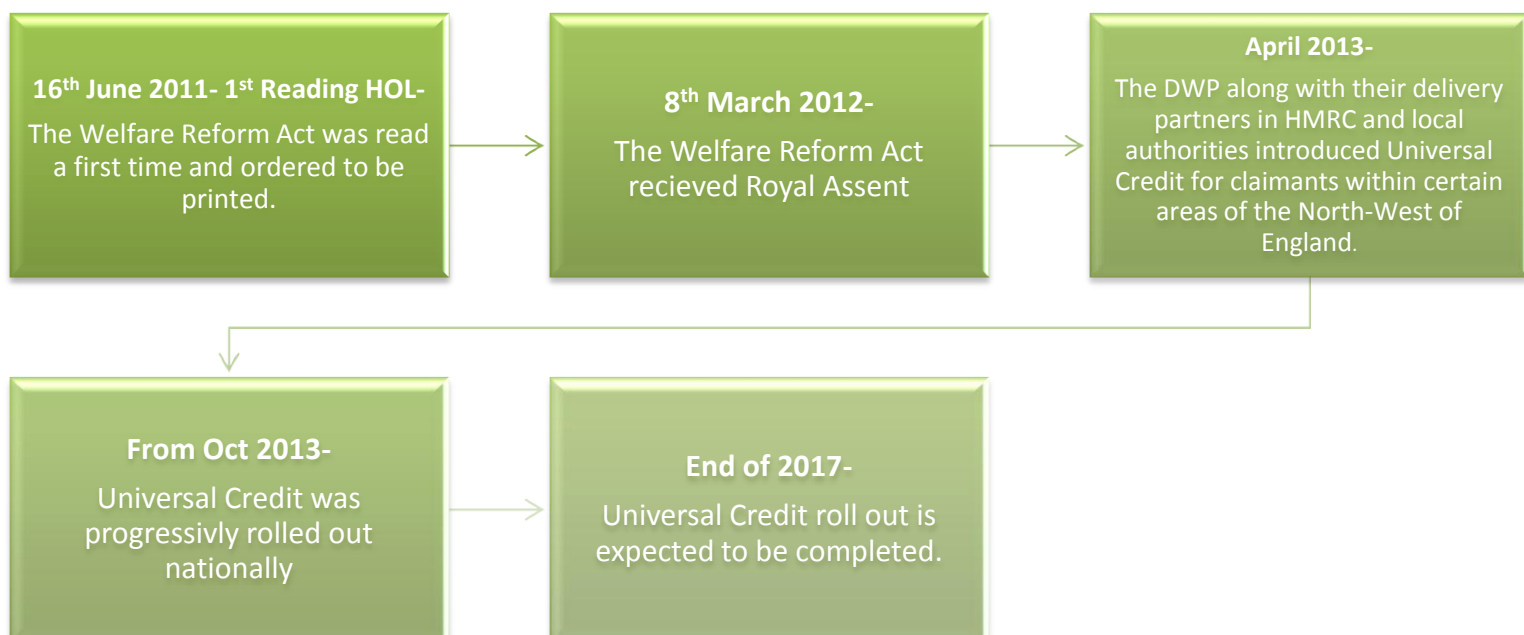
Universal Credit will replace:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

Differences between Universal Credit and the Previous System:

- Universal Credit will be available to people who are in work and on a low income, as well as to those who are out of work
- Most people will apply online and manage their claim through an online account
- Universal Credit will be responsive – as people on low incomes move in and out of work, they'll get ongoing support, giving people more incentive to work for any period of time that is available
- Most claimants on low incomes will still be paid Universal Credit when they first start a new job or increase their part-time hours
- Claimants will receive just 1 monthly payment, paid into a bank account in the same way as a monthly salary
- Support with housing costs will go direct to the claimant as part of their monthly payment

Key Dates:



For More Information:

Generic Overview of Universal Credit: <https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform#appendix-1-government-policy-on-universal-credit-an-introduction>

Wirral Council & Universal Credit: <https://www.wirral.gov.uk/downloads/5683>

Local Government Act 2015

Synopsis:

The Local Government (Review of Decisions) Act 2015 and the Local Government (Religious etc. Observances) recently received Royal Assent on 26th March 2015.

Local Government (Review of Decisions) Act:

The Local Government (Review of Decisions) Act requires local authorities to put into place formal review procedures for any decision which stops or restricts a proposed event on the grounds of health or safety. It also enables reviews of such decisions (and others) by the Local Government Ombudsman to be fast-tracked.

Key Points:

The new Act applies to decisions taken by local authorities which have the effect of stopping the holding of an event, or which impose restrictions or conditions upon the event, for reasons relating to health and safety. It makes two changes of law. The first is to require local authorities to put certain measures in place for internally reviewing decisions – specifically:

- To give a written notice (electronically or otherwise) of the decision and the reasons for it to the applicant or event organiser on the day the decision is taken or, if that is not reasonably practicable, the next working day.
- The applicant (or organiser) will then be entitled to request an internal review of the decision. This has to be carried out as soon as reasonably practicable, and in any event within 15 days of the request.
- The review may result in the decision being confirmed, withdrawn or replaced by any other decision.
- The outcomes of the review will then have to be notified in writing to the applicant (or organiser) including reasons for the decision.

The Act does not specify by whom within the local authority the review should be undertaken.

The second change will enable the Local Government Ombudsman to introduce different procedures for different sorts of complaints.

Local Government (Religious etc., Observances) Act:

The Local Government (Religious etc., Observances) Act allows for the inclusion of prayers and other religious observance at local authority meetings, should they wish to do so. It also enables local authorities to support, facilitate or be represented at religious or similar events.

Key Points:

The Act applies to local authorities in England. Specifically these new powers provide:

- That the business at a local authority meeting (or other listed local public bodies) may include time for prayers or other religious observance or observance connected with a religious or philosophical belief.

- This is regardless as to whether the meeting is a committee meeting, a joint committee of two or more authorities or a sub-committee of either of these.
- That a local authority (or other listed local public bodies) may support or facilitate to be represented at a religious event and an event with a religious or philosophical belief or connected to such a belief.

For More Information:

[Mark Upton, New Legislation: Review of decisions and religious observances, LGiU, 20/05/15](#)

Counter Terrorism and Security Act

Synopsis:

Counter Terrorism and Security Act became law on 16th February 2015. The Act places a statutory duty on local authorities to have ‘due regard to the need to prevent people from being drawn into terrorism’. This is known as the Prevent Duty. Local Authorities are also required to establish panels to identify and support those felt to be vulnerable to being drawn into terrorist activity.

Key Points:

The main elements of the Act are:

- Strengthens powers to temporarily restrict travel for terror suspects;
- Enhances existing measures to monitor those believed to pose a threat including extending law enforcement agencies’ ability to retain relevant communications data;
- Strengthens security arrangements at the border, on planes, ships and rail transport;
- Enhances the programmes that combat the underlying ideology which supports terrorism through improved engagement from partner organisations including Councils and schools;
- Clarifies the law in relation to insurance payments made in response to terrorist demands and the power to examine goods under the Terrorism Act 2000; and
- Extends the statutory remit of the Independent Reviewer of Terrorism Legislation and creates a Privacy and Civil Liberties Board to support his/her work.

Any Recent Updates:

Since the implementation of the Counter Terrorism and Security Act the government has published guidance for ‘specified bodies’ on their obligations under the Prevent Duty, and guidance to members of local authority panels.

For More Information:

[Rachel Salmon, Preventing Violent Extremism, LGiU, 19/05/15](#)

Local Authority Guidance: [Prevent Duty, HM Government](#)

Local Authority Guidance: [Protecting vulnerable people from being drawn into terrorism: Statutory guidance for Channel panel members and partners of local panels](#)

Policy Developments

Public Service Mutuals

Synopsis:

The 2011 Open Public Services White Paper saw mutual organisations as a key plank of diversifying the provision of public services, so that service users and commissioners have greater choice, alongside seeing a greater role for private and voluntary sector providers.

The 'Right to challenge' enacted in June 2012 – as part of the 2011 Localism Act – enables local authority employees, as well as voluntary and community groups, to express an interest in running a local authority service. It was seen as the means in local government for the government to meet its coalition agreement pledge to give public sector workers a right to form employee-owned mutuals.

What are Public Service Mutuals?

Traditionally mutuals and co-operatives are 'owned' by a defined group of members such as their employees, customers or others with an interest in the business. Their governance structures give members a say in how the organisation is run and they are often run for the benefit of members with profits retained within the business or distributed to its members.

Corporate Vehicles which can be used for mutual enterprises:

Legal Form	Overview	Ownership	Liability
Company limited by guarantee	Usually not-for profit or non-profit distributing.	Typically, members can attend general meetings and vote, and in most companies they can appoint and remove the directors, and have ultimate control over the company.	Members have limited personal liability, usually up to £1. This is usually written into the articles of association.
Company limited by shares	Usually profit motivated.	Shareholders with voting rights ultimately control the company. Other shareholders can exist with non-voting rights	Shareholders have no personal liability if the company goes into debt.
Community Interest Company	Surpluses are principally reinvested in the business or in the community. Takes the form of a limited company of one form or another.	Asset lock ensures that they are only used for the benefit of the community. Members retain control	Members have limited personal liability.
Co-operative	Organisation that is often equally owned by members.	Members, often consumers, producers or employees, own and democratically control the organisation.	Can be limited or unlimited where each member takes on the full liability of the organisation if it falls into debt.

Source: Cabinet Office's online guidance *Start a public service mutual: The process*

Next Steps:

In their Party Manifesto the Conservatives pledged to "deliver better public services and more open government" through public service mutuals. It says: "We want more of them, so we will guarantee a 'right to mutualise' within the public sector"

For More Information:

LGIU, Public Service Mutuals: An Essential Guide, 05/05/15- <http://www.lgiu.org.uk/wp-content/uploads/2015/05/Public-service-mutuals-an-LGIU-essential-guide.pdf>

ENDNOTES:

-
- ⁱ Janet Sillett, Briefing: Conservative Manifesto Commitments- The Local Government Perspective, LGiU, 12/05/15
- ⁱⁱ Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ⁱⁱⁱ Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ^{iv} Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ^v Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ^{vi} Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ^{vii} Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ^{viii} Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ^{ix} Hannah Blythe et al, Briefing: Queen's Speech 2015, LGiU, 27/05/15
- ^x Press Office- Prime Minister's Office, The Queen's Speech 2015, 27/05/15
- ^{xi} Press Office- Prime Minister's Office, The Queen's Speech 2015, 27/05/15

SOURCES EMBEDDED WITHIN THE PAPER:

- Generic Overview of Universal Credit: <https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform#appendix-1-government-policy-on-universal-credit-an-introduction>
- Wirral Council & Universal Credit: <https://www.wirral.gov.uk/downloads/5683>
- [Mark Upton, New Legislation: Review of decisions and religious observances, LGiU, 20/05/15](#)
- [Rachel Salmon, Preventing Violent Extremism, LGiU, 19/05/15](#)
- Local Authority Guidance: [Prevent Duty, HM Government](#)
- Local Authority Guidance: [Protecting vulnerable people from being drawn into terrorism: Statutory guidance for Channel panel members and partners of local panels](#)
- LGiU, Public Service Mutuels: An Essential Guide, 05/05/15- <http://www.lgiu.org.uk/wp-content/uploads/2015/05/Public-service-mutuals-an-LGiU-essential-guide.pdf>