
**Manchester City Council
Report for Resolution**

Report to: Communities and Neighbourhoods Overview and Scrutiny
Committee – 7 September 2010

Subject: New Government Policy

Report of: Director of Neighbourhood Services
Head of City Policy

Summary

The report provides an overview of the direction of policy development of the Coalition Government since the last report to this Committee in July. It then focuses on the specific areas in the Committee's remit and considers the main policy announcements and decisions and their likely impacts on the city.

Recommendations

Committee notes the report.

Wards Affected: All

Contact Officers:

Name:	Jacquie O'Neill	Name:	Liz Goodger
Position:	Head of City Policy	Position:	Team Leader, City Policy
Telephone:	0161 234 1021	Telephone:	0161 234 3655
E-mail:	j.oneill1@manchester.gov.uk	E-mail:	l.goodger@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

The Coalition: our programme for government. HM Government. May 2010
Policing in the 21st century: reconnecting police and the people. Home Office July 2010.

1.0 Introduction

- 1.1 At its meeting on 20th July 2010, this Committee received an oral update from the Head of City Policy on the policies of the incoming coalition government. The report gave an overview before outlining the major policy announcements in those areas of particular interest to this Committee.
- 1.2 The Committee requested that this oral report be replaced by a written one and repeated at regular intervals. This is the first such update, compiled by the City Policy Team with input from senior officers across the council.

2.0 Overview

- 2.1 As this report is being written, the coalition has just completed 100 days in government. The summer recess has meant less parliamentary activity, however, Ministers have continued to announce new programmes, more spending cuts and the abolition of further quangos.
- 2.2 There remains a great deal to do to work out the detail of what comes next, both in coping with spending cuts but also on how and where spending and other decisions are made in the wake of the abolition of key bodies. For Manchester, some of this work, particularly in relation to strategic planning and housing, transport and economic development, will be carried out jointly with our Greater Manchester neighbours, via the Greater Manchester Local Enterprise Partnership. A GM LEP proposal, developed in consultation with private and business sector partners, and across AGMA, will be submitted to Government by the deadline of 6 September.
- 2.3 The Comprehensive Spending Review in October will provide more detail about departmental spending cuts and the reopening of Parliament is expected to see a number of White Papers issued.
- 2.4 The rest of this report focuses on those areas within this Committee's remit, providing an update of major policy announcements made since the last report in July and commenting on their likely impact on Manchester. Any further developments, occurring after this report has been written, will be reported verbally at the meeting.

3.0 Housing

- 3.1 The government abolished the requirement to produce Regional Strategies in July, with immediate effect. This means that Manchester, along with all local authorities, now has the freedom to determine targets for residential development. An incentive to encourage development through a "New Homes Bonus" is expected to be introduced after the Spending Review, this will be subject to consultation. Early suggestions are that the incentive could be government matching council tax income from new homes for 6 years. If this is followed through it could provide a significant income stream for the city.
- 3.2 Cuts in Housing Market Renewal Funding, National Affordable Housing Programme and New Growth Point monies have been announced. The city

has been working with the Homes and Communities Agency at local and AGMA level to maximise investment and sustain development. On 10th August the HCA announced that this work has led to support for a major package of housing and regeneration projects totalling £25.3m across Greater Manchester, under the joint HCA/AGMA Local Investment Plan. Whilst this is a reduction from the original £30m anticipated, protecting this level of investment is a significant achievement.

- 3.3 The largest scheme to benefit from this announcement is Sarah Point in Ancoats which gains HCA investment of £2.5m and will provide 166 new affordable homes. Another scheme in Miles Platting receives £1.03m to support the construction of 53 homes. And in West Gorton circa £1.8m has been secured for 25 new homes. Smaller schemes in New Islington, Moat Road, Oxtan Avenue and St Aidens (supported housing for learning disabled adults) will also benefit.
- 3.4 Changes to Housing Benefit and Local Housing Allowance announced in the budget will impact on both social rented and private tenants who receive Housing Benefit. The reduction of Local Housing Allowance for private rented tenants could force households to move to areas of cheaper rents and may increase pressure on social housing waiting lists. Reductions in household incomes may lead to high rent arrears which could affect incomes and business plans of Registered Providers. There appear to be some indications that larger families in large family housing may be particularly hard hit by these changes. Officers are working to establish this. A detailed report on the impact of the 2010 Budget on benefits and council tax in Manchester will be considered by the Resources and Governance Overview and Scrutiny Committee on 9 September 2010.
- 3.5 The future of the Tenants Services Authority, the regulator of Registered Housing Providers, is officially under review. There has been discussion that should the TSA be abolished, the regulatory functions of the TSA would pass to the Audit Commission and/or the Homes and Communities Agency. On 13th August, Communities and Local Government Secretary Eric Pickles, announced plans to disband the Audit Commission. Officers are working with Registered Providers to understand the impact of these changes on the sector and how best we can respond to any regulatory gap.
- 3.6 The Strategic Housing Service undertakes continuous horizon scanning to identify future policy changes and emerging issues that impact on the delivery of housing outcomes. Regular updates are provided to the Executive Member for Neighbourhoods and the Senior Management Team.

4.0 Planning

- 4.1 In June the Housing Minister Grant Shapps announced changes to the rules around Houses in Multiple Occupation (HMOs). The previous government had decided to require planning permission to change use from house to HMO. The government is proposing to scrap this rule, instead allowing councils to decide in which areas planning permission will be needed. Whilst this flexibility is positive, the council would have to give a year's notice of the requirement to

ask for planning permission in an area and we have a concern that this year may see an increase in new HMOs before restrictions come into force. We have outlined this concern to the government as part of an informal consultation process.

- 4.2 The government has issued further information about the Community Right to Build. The suggestion at present is that where 80-90% of residents agree to development, planning permission will not be needed. This will mainly be relevant to rural areas, but could mean areas with reluctant local residents are less attractive to investors, including those areas that MIER suggests have the greatest potential to attract the highly skilled (i.e. house building in the south of the conurbation). Further information is expected in the Autumn.

5.0 Green Issues

- 5.1 The Department of Energy and Climate Change has started developing their 'Green Deal' creating policy and payback mechanisms to facilitate investment in programmes for retrofitting properties, particularly housing. This move substantially increases opportunities to develop retrofitting programmes and access to investment.
- 5.2 The restriction on local authorities selling renewable electricity has been removed with effect from 18th August. The Council needs to consider the impact of this move on the business case for the city's use and development of Combined Heat and Power and district heat/power/cooling networks.
- 5.3 The Secretary of State has written to all local authorities encouraging them to bring forward suggestions for increasing investment and business engagement in the low carbon economy. This provides the council with an opportunity to consider and recommend short and longer term changes in national policy and regulation that can incentivise local take up of low carbon technologies and energy efficiency measures.

6.0 Highways

- 6.1 The coalition agreement states that "We will stop central government funding for new fixed speed cameras and switch to more effective ways of making our roads safer, including authorising 'drugalyser' technology." The GM Casualty Reduction Partnership has stated in the press that "It is possible we will have to stop running some cameras". The position will be clearer after the spending review.

7.0 Culture

- 7.1 The Minister has proposed the abolition of the UK Film Council and the Museums, Libraries and Archives Council. The role and remit of English Heritage, the Heritage Lottery Fund and the National Heritage Memorial Fund amongst other Non Departmental Public Bodies (NDPBs) are under review. This will have high impact for the cultural partnership as the Board comprises the cultural NDPBs and we are working through a process of aligning

investments against agreed priorities in a bid to move towards integrated strategic commissioning.

8.0 Libraries

8.1 The national Future Libraries Programme aims to help the library service during the current challenging financial situation with an ambition to ensure libraries play a central role for communities in the Big Society. On 16th August the Minister Ed Vaizey announced that of the fifty one submissions received for the programme, ten have been selected for the first phase.

8.2 Manchester is one of the ten phase one areas. Our project is joint with the other GM authorities and aims to identify business models for a collaborative approach to library services for Greater Manchester that will maintain and improve statutory services. These models would be flexible enough to allow involvement of other library authorities and/or cultural organisations within the NW region. The future model whilst acknowledging local accountability will go beyond delivering current services at less cost. It must release capacity to transform the services in order to invest in new developments that fit with social, economic and technological change.

9.0 Leisure

9.1 The government has announced an end to the Free Swimming Initiative for under 16s and over 60s. This means a reduction in funding of approx. £500k per year for the authority. The initiative made a significant impact in Manchester and this decision does not sit well with Manchester's policy of increasing participation in sport and active recreation. Leisure Services has therefore put a contingency plan in place which will mean that free swimming for those over 60 will continue in its current form in Manchester and that free swimming will be available in the school holidays for those aged 16 and under.

9.2 The Minister has announced that Sport England and UK Sport are to be merged.

10.0 Conclusion

10.1 The first 100 days of the Coalition Government have seen a plethora of policy announcements and spending cuts. However, many of the big decisions on spending remain to be detailed in October's Comprehensive Spending Review and we are expecting white papers on devolution and local government in the Autumn.

10.2 The City Policy Team will co-ordinate further reports to reflect the above.