



House of Commons
Communities and Local
Government Committee

The Work of the Committee in 2005–06

First Report of Session 2006–07



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Report, together with an appendix and formal minutes

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Communities and Local Government Committee

The Communities and Local Government Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Communities and Local Government and its associated bodies.

On 27 June 2006, by Order of the House, the Select Committee on the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions was succeeded by the Communities and Local Government Committee and all proceedings of the former Committee were deemed to be proceedings of the latter.

Current membership

Dr Phyllis Starkey MP (*Labour, Milton Keynes South West*) (Chair)
Sir Paul Beresford MP (*Conservative, Mole Valley*)
Mr Clive Betts MP (*Labour, Sheffield Attercliffe*)
Lyn Brown MP (*Labour, West Ham*)
John Cummings MP (*Labour, Easington*)
Mr Greg Hands MP (*Conservative, Hammersmith and Fulham*)
Martin Horwood MP (*Liberal Democrat, Cheltenham*)
Anne Main MP (*Conservative, St Albans*)
Mr Bill Oiner MP (*Labour, Nuneaton*)
Dr John Pugh MP (*Liberal Democrat, Southport*)
Emily Thornberry MP (*Labour, Islington South and Finsbury*)

The following members were also a member of the Committee during this parliament:

Jim Cunningham MP (*Labour, Coventry South*)
Mark Lancaster MP (*Conservative, North East Milton Keynes*)
Alison Seabeck MP (*Labour, Plymouth, Devonport*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/parliamentary_committees/clg.cfm.

Committee staff

The current staff of the Committee are Jessica Mulley (Joint Committee Clerk), Elizabeth Hunt (Joint Committee Clerk), David Weir (Second Clerk), James Cutting (Committee Specialist), Sara Turnbull (Committee Specialist), Ian Hook (Committee Assistant), Ian Blair (Chief Office Clerk), Anne Woolhouse (Secretary) and Laura Kibby (Select Committee Media Officer).

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1 The Committee and the Department

1. We commented last year on the extent to which the Office of the Deputy Prime Minister (ODPM) was “uniquely dependent upon other Government departments to support the delivery of much of its agenda”.¹ One could equally well point to the Department’s dependence on local government for delivery of other elements of its responsibilities. This is particularly true in relation to sustainable communities—that “powerful blender...of disparate policy areas” which, as one Minister put it, is “the defining idea of the department”.² This remains the case for the ODPM’s successor department, the Department for Communities and Local Government (DCLG). We have noted previously the challenges this presents to the Department in terms of delivery: that it also poses challenges in terms of scrutiny has become increasingly apparent since our appointment in July 2005. Examining the Department in almost any of its major policy areas through a narrow analysis of its own activities is frequently insufficient to reach an accurate and well rounded assessment of the quality of its performance. Over the course of the session, we have had to develop strong and productive relationships with a range of Government departments and other partners and this has been reflected in the shape of many of the inquiries we have undertaken. It is telling that between October 2005 and December 2006 we have taken oral evidence from Ministers representing five different Government departments (Ministers from other Departments appearing on two occasions alongside a DCLG Minister), examined officials from two further departments (the Department of Transport and the Department of Work and Pensions), and examined public bodies falling within the jurisdiction of the Department for Culture, Media and Sport, the Department for the Environment, Food and Rural Affairs, the Department for Education and Skills and the Department of Trade and Industry as well as the Department for Communities and Local Government. In June 2006 the Report on *Electoral Registration* made by the Committee in the last Parliament jointly with the Constitutional Affairs Committee was tagged as relevant to a debate in the House.³ In November 2006 we held a joint evidence session with the Select Committee on International Development during which we examined the Government’s involvement with UN-Habitat, the delegation to its third conference having been led by Baroness Andrews in her capacity as a DCLG Minister. Our sources for written evidence have ranged even more broadly across Whitehall.

2. Such an integrated approach to scrutiny, necessitated by the nature of DCLG’s responsibilities, has been an essential element in discharging our duties to the House. We are pleased to report, not least because we are conscious that other Committees in the past have not always encountered such willing co-operation, that we have met no resistance from any Minister, Government Department, agency or associated public body to responding to our requests for evidence, be it oral or written, on the grounds that it would be more appropriate for such evidence to be given to the Select Committee more directly associated with their activities. DCLG itself has also co-operated fully. We are also grateful

¹ ODPM: Housing, Planning, Local Government and the Regions Committee, First Report, *ODPM Annual Report and Accounts 2005*, Session 2005-06, HC 559, summary, page 3.

² *ODPM Annual Report and Accounts 2005*, QQ 2, 11, 131.

³ First Joint Report from the Committees on Committees on Constitutional Affairs and on the Office of the Deputy Prime Minister, Housing, Planning, Local Government and the Regions, *Electoral Registration*, Session 2004–05, HC 243.

to colleagues serving on other Select Committees who have enabled our broad-ranging approach.

3. We have also been pleased with the positive (consistent but for one instance) response from DCLG itself to our requests for evidence and for the attendance of Ministers and officials although we have at times been disappointed with the quality of information received. When we reported on the ODPM's Annual Report for 2005 we commented on specific instances where we detected reluctance on the part of the Department to disclose information—in relation to the timetable for Sir Michael Lyons' work on local government finance and on the costs associated with housing-related infrastructure for instance. The then new Permanent Secretary, Peter Housden, agreed that the Department should respond to requests fully, swiftly and in a manner helpful to the Committee—an assurance which naturally we welcomed. It was therefore particularly disappointing that when we examined officials in November 2006, this time concerning the DCLG's Annual Report for 2006, some of those representing the Department appeared not so much unwilling as unable to respond adequately to a range of admittedly detailed and challenging questions put to them.

4. Departments have been required to provide explanatory memoranda to support main and supplementary Estimates since the Winter Supplementary Estimates for 2004–05. With the valuable assistance of the Scrutiny Unit, we have worked with the Department to improve the quality of its Estimates memoranda. Nevertheless the most recent explanatory memorandum, produced in support of the Winter Supplementary Estimates for 2006–07, was still largely an unhelpful, turgid document that did little to elucidate the Estimate. DCLG's supplementary Estimate requested additional resources and transfers between existing budgets totalling £1.3 billion (£1.2 billion after taking into account the machinery of Government changes). Despite the large sums involved, the explanatory memorandum did not include sufficient information on the reasoning behind these transfers or requests for additional resources. Instead it contained lists of numbers, many of which repeated information contained in the Written Statement or within the Estimate itself. Having secured a debate in the House on the Estimate insofar as it related to affordable housing, and given the size of the request for resources, we felt it was essential that an adequately informative explanatory memorandum was available to the Committee and indeed to all Members, before the House debated and voted on the Estimate. We therefore requested that a revised, more informative, version of the memorandum be produced in short order.

5. The Department co-operated fully in this endeavour and, with guidance from the Scrutiny Unit, an improved memorandum was made available to all Members, and to the public, two days ahead of the debate. The Department also offered briefings to accompany future Estimates. We appreciate this offer—indeed we may take it up on some occasions—however, such informal briefings do not negate the need for helpful and informative explanatory memoranda to accompany the Department's spending plans which can be made available to all Members of the House and the public: and in principle we prefer to conduct detailed scrutiny of departmental estimates in public and on the record.

6. The poor quality of information emanating from the Department can be detected more broadly than just in the evidence we have received: it can also be seen, for instance, in a failure to respond fully to parliamentary questions and in the timing, presentation and quality of its Annual Report. We comment more extensively on this in our forthcoming

Report on the Department's Annual Report for 2006 but there are two points arising from this state of affairs that are particularly relevant here. The first is that the Department's failure to provide consistently complete and timely information in a helpful manner makes our job much harder. Secondly, it leads us to conclude that the weaknesses we have identified are not deliberately aimed at us as an attempt to frustrate scrutiny but are generic and symptomatic of a wider malaise. It is often held that one of the purposes of scrutiny is to improve the performance of its subject: to the extent that that is true, the Department is undermining its own ambitions when it imposes barriers—either deliberately or unwittingly—to effective scrutiny.

2 Procedural and practical developments

7. Our experience with the Winter Supplementary Estimates this year led to a deeper appreciation of the new power granted to Select Committees this session enabling the publication of written evidence on the internet without any immediate requirement to print. This development enabled us to disseminate information quickly, widely and efficiently and thus to inform debate in Committee, in the House itself and more broadly in a manner which would previously have been practically impossible. We are grateful to the House for granting this power and to the Liaison Committee for pressing for the implementation of this long-desired facility.

8. Our own practices and procedures have also developed since our appointment. The Committee now holds an informal seminar in advance of almost every major inquiry and for our latest inquiry, into *The Supply of Rented Housing*, two seminars were held. These seminars have enabled us, by exploring issues in depth with a range of experts, to prepare more thoroughly for oral examinations and to concentrate more fully on exploiting the expertise of witnesses. This means that the inevitably limited time we have for oral examination of witnesses is used more effectively.

9. Part of the success of these seminars rests on the expanded pool of expertise which the Committee is now able to tap into as a result of the new procedures we adopted at the beginning of the Parliament for identifying potential sources of specialist advice. In December 2006 we issued a public invitation to anyone with expertise in the fields relevant to the Committee's remit to put themselves forward as potential specialist advisers. Over a third of the specialist advisers we have used this year first came to our attention as a result of this exercise. Our general invitation was re-issued in November 2006 in line with our intention to repeat the exercise annually. This will help to ensure that the net for capturing specialist advice is drawn as widely as possible: this year it also gave us the opportunity specifically to seek expressions of interest from experts in those policy fields for which the Department has acquired responsibility during the course of the year (see para 10).

10. Since the Committee was appointed in July 2005, it had been our task to scrutinise the Office of the Deputy Prime Minister. In the machinery of Government changes which took place in May 2006, what had been the Office of the Deputy Prime Minister became the Department for Communities and Local Government. As well as retaining policy responsibility for housing, regeneration, planning, regional policy and local government, new areas were added including communities and civil renewal functions (transferred from the Home Office); equality policy, including policies on race, faith, gender and sexual orientation (which had previously been spread across a number of Government departments); sponsorship of the new Commission for Equality and Human Rights; and the Women and Equality Unit was transferred to the new Department from the Department of Trade and Industry.⁴ At the same time, the new Secretary of State for

⁴ The Department for Communities and Local Government defines 'civil renewal' in the following terms: "Civil Renewal is about people and government, working together to make life better. It involves more people being able to influence decisions about their communities, and more people taking responsibility for tackling local problems, rather than expecting others to". (<http://www.communities.gov.uk/index.asp?id=1502436>)

Communities and Local Government, Rt Hon. Ruth Kelly MP, became the Cabinet Minister for Women. The Government stated that these changes had created a Department with “a powerful new remit to promote community cohesion and equality...much better placed to deliver on this important remit”.⁵ That is a claim which we will test over the coming months and years. What was immediately apparent was that our already challengingly broad scrutiny remit had been made significantly broader.

11. In November 2006 we held a study seminar at Cumberland Lodge in Windsor Great Park which was in part designed to help us focus on the primary issues within the policy areas for which we acquired scrutiny responsibilities. This will, in turn, inform decisions on our future work programme. We would like to record our gratitude to Darra Singh OBE, Chief Executive of Ealing Council and Chair of the Commission on Integration and Cohesion; Dr Rachel Pillai, Fellow at the Institute of Public Policy Research; and Melody Hossaini, co-Chair of the board of trustees of the UK Youth Parliament for their valuable contributions to our deliberations.

12. Our study seminar also provided the opportunity to examine our own internal working practices and explore potential means to increase both effectiveness and efficiency. Issues relating to working practices considered during the day included:

- The frequency and timing of meetings;
- Alternative approaches to the inquiry process;
- Effective examination of witnesses;
- Broadening the evidence base;
- Following-up on previous reports and recommendations;
- Media relations and communications, and
- Induction for Members joining the Committee.

13. Some of these changes will be put into practice during 2007. We would like to express formally our gratitude to Kelvin MacDonald, Director of Policy and Practice at the Royal Town Planning Institute, who gave us the benefit of his experience not just as a close observer of the Committee but also as a witness on more than one occasion and as a former specialist adviser. It is our intention and our aspiration that the new approaches adopted in areas as diverse as public engagement and presentation of findings should serve to strengthen our scrutiny of the Department for Communities and Local Government and thus enable the more effective discharge of our responsibilities to the House.

⁵ 10 Downing Street Press Notice on the Machinery of Government Changes, 5 May 2006, (<http://www.number10.gov.uk/output/Page9391.asp>)

3 The work of the Committee in 2005–06

14. Housing issues and the Department's role in tackling the problems arising from the increasing disparity between the number of households in the country and the number of homes available have dominated our agenda since the Committee was appointed. In October 2005 we announced a series of three consecutive major inquiries into aspects of housing policy. The first, upon which we reported in June 2006, considered affordable housing; the second, which is currently in progress, is looking specifically at the supply of rented housing. The third and final stage of this programme will be an inquiry, which is expected to take place once we have received the Government reply on rented housing, into shared ownership issues. Our aim in this ambitious undertaking is twofold: to scrutinise the Government's current policies and effectiveness in implementation and to influence subsequent policy development. By conducting a thorough analysis of the current position on housing we are establishing a firm foundation for both a critique of the Government's current policies and the effectiveness of their implementation and to influence housing policy.

15. Some of our other inquiries, examining other aspects of the Department's interests, have complemented our housing work: our Report on the Government's proposals for a planning-gain supplement included analysis of the impact of the proposals on the provision of affordable housing through developers' contributions. Housing, particularly houses of multiple occupation, has similarly featured, albeit to a lesser degree, in our current work on coastal towns.

16. Insofar as our objectives in this work are to effect policy change, the nature of much of that change is likely to be gradual and long-term. Nevertheless, we have been able to detect some early signs of impact. The Government endorsed many of the conclusions in our Report on *Affordability and the Supply of Housing*, some of which have subsequently been captured within Planning Policy Statement 3; and, while it rejected a number of our specific recommendations, we welcome the commitments it gave on issues such as the future development of household projections and increasing the stock of social housing. Our report was debated in the House in December 2006.

17. The various announcements made in relation to the planning-gain supplement proposals and the launch of further consultations in the Chancellor's 2006 Pre-Budget Report were in line with our recommendations on the topic, suggesting that our Report influenced the Government's thinking on aspects of implementation such as the rate of application to brownfield sites and the consideration of thresholds for small-scale non-residential developments.⁶ This was confirmed by a broadly positive Government Response in December 2006.⁷

18. The Government's response to our Report on *Re-Licensing* was at first glance less satisfying: in the formal reply, the Government disputed many of our conclusions and the

⁶ Fifth Report from the Communities and Local Government Committee, Session 2005-05, *Planning Gain Supplement*, HC 1024.

⁷ *Government Response to the Communities and Local Government Committee's Report on Planning Gain Supplement*, Cm 7005, December 2006.

premise behind some of our recommendations. We found that “The Government failed in its duty to support implementation of its legislation by providing local authorities with the appropriate guidance in a timely fashion”.⁸ We recommended that guidance should be provided earlier with regard to future legislation such as the Gambling Act 2005: local authorities have responsibility for licensing premises under the new Act, and for issuing permits for gaming machines in venues such as pubs and clubs.

19. In September 2006 Rt hon Richard Caborn MP, the Minister for Sport, announced that, in view of concerns, the “appointed day” for receipt of new licence applications under the Gambling Act would be deferred by three months, from 31 January to 30 April 2007, and the date for existing operators to apply for continuation rights would be similarly deferred from 30 April to 31 July 2007. The final date for implementation of the Act would remain the same. While the Government did not accept the Committee’s conclusion that its guidance was late in the case of the Licensing Act, the concession in the current case might be taken to imply that there is now greater recognition of the work local authorities have to carry out when implementing new legislation.

20. The tables in the annex provide a rounded picture of our activities since July 2005 and set out some of the ways in which we have pursued recommendations and followed up on other aspects of our work. The Appendix contains a memorandum from the Government, produced at our request, regarding its response to our recommendations and conclusions on re-licensing in particular.

⁸ Second Report from the ODPM Committee, Session 2005-06, *Re-Licensing*, HC 606, para 39.

Annex: Summary of activity

The Committee's Work During the Parliament

Topic	Committee activity	Progress	Follow-up
ODPM Annual Report and Accounts 2005	Inquiry	Committee Report published Jan 2006; Government Reply received Mar 2006	The Committee examined the Department's Report and Accounts each year. Some issues arising were addressed in a later session with the Deputy Prime Minister (Feb 2006) and during consideration of the Department's 2006 Annual Report and Accounts
Re-Licensing	Inquiry	Committee Report published Mar 2006; Government Reply received May 2006	Six months after receipt of its response, the Government was asked to provide an up-date on developments and progress with implementation of the Committee's recommendations.
Affordability and the Supply of Housing	Inquiry	Committee Report published Jun 2006; Government Reply received Sept 2006	The Committee's Report was the subject of an Estimates Day debate in the House in December 2006. Others aspects of Housing policy are being considered in subsequent inquiries including the current The Supply of Rented Housing and the planned Shared Ownership inquiries
The Fire and Rescue Service	Inquiry	Committee Report published Jul 2006; Government Reply received Sept 2006	
Planning Gain Supplement	Inquiry	Committee Report published Nov 2006; Government Response received Dec 2006	The Government made further announcements on its proposals for a Planning Gain Supplement in the December 2006 Pre-Budget Report
Local Government Finance	One-off oral evidence session	Minutes of Evidence published (Nov 2005)	The Committee agreed that any further work on this topic would be best undertaken in the light of the Lyons Report, now expected in March 2007. Sir Michael Lyons appeared before the Committee as part of its inquiry into Regional Government (Jun 2006)
Ministerial Informal summit on Sustainable Communities	One-off oral evidence session	Minutes of Evidence published (Feb 2006)	A number of issues dealt with in this session were also pursued in the Committee's oral evidence session with Mrs Anna Tibaijuka and Baroness Andrews on the World Urban Forum III in November 2006.

Introductory hearing: Ruth Kelly MP	One-off oral evidence session	Minutes of Evidence published (Jul 2006)	Issues arising taken forward through numerous means, including scrutiny of the Department's 2006 Annual Report and Accounts
Buncefield Incident	Memorandum request	Memorandum published	The Committee made reference to the Buncefield incident in its Report on The Fire and Rescue Service
DCLG Annual Report & Accounts 2006	Inquiry	Oral evidence concluded. A report is in preparation	
World Urban Forum III	One-off joint oral evidence session	Minutes of Evidence published (Nov 2006)	This joint evidence session was part of the International Development Committee's Water and Sanitation inquiry, upon which it is expected to report in 2007.
Is there a Future for Regional Government?	Inquiry	Report in preparation	
Coastal Towns	Inquiry	Report in preparation	
The Supply of Rented Housing	Inquiry	Evidence gathering	
Olympics: Oversight of Regeneration Issues	Watching brief	Visits to ODA in Dec 2005 and Nov 2006; written evidence requested from all RDAs in Nov 2006	
Shared Ownership	Inquiry	Intention to undertake inquiry announced (Jul 2005)	Terms of reference to be developed after completion of the Inquiry into The Supply of Rented Housing

1. In 2002, following a resolution in the House, the Liaison Committee established a set of 'core tasks', principally for departmental select committees although other select committees are encouraged to reflect on how far the core tasks could be applied to their work. While each committee remains free to decide how best to discharge its duties to the House, departmental select committees are encouraged to take account of the core tasks when determining their programmes and to report their activities to the Liaison Committee against the core tasks on an annual basis.

2. In the following table the Committee's activities since its appointment in July 2005 have been grouped against the core tasks.

Committee Activity and Core Tasks

Core Task	Committee Activity
<p>Task 1 To examine policy proposals from the UK Government and the European Commission in Green Papers, White Papers, draft guidance etc, and to inquire further where the Committee considers it to be appropriate</p>	<p>Inquiry and report on <i>Re-Licensing</i> Inquiry and report on <i>Planning Gain Supplement</i> Inquiry and report on <i>The Fire and Rescue Service</i> Hearing on <i>Local Government Finance</i> in advance of the Local Government White Paper (November 2005) Hearing on <i>Sustainable Communities and the Outcomes of the Bristol Informal Ministerial</i> (February 2006)</p>
<p>Task 2 To identify and examine areas of emerging policy, or where existing policy is deficient, and make proposals</p>	<p>Current inquiry into <i>Coastal Towns</i> Current inquiry into <i>Regional Government</i> Current inquiry into <i>The Supply of Rented Housing</i> Inquiry and report on <i>Affordability and the Supply of Housing</i> Informal visits (Autumn 2005 and Autumn 2006) to the Olympics Development Agency on the Olympics legacy; commissioning of written evidence from RDAs on legacy issues. Examination, via written evidence, of the Departmental response to the Buncefield incident. Hearing on World Urban Forum III</p>
<p>Task 3 To conduct scrutiny of any published draft bill within the Committee's responsibilities</p>	<p>No draft bills within the ambit of the Committee's responsibilities have been published during the session.</p>
<p>Task 4 To examine specific output from the department expressed in documents or other decisions</p>	<p>The Committee has not conducted specific inquiries to examine the published output of the Department but it has addressed these issues through other inquiries. For example, as part of its inquiry into <i>Affordability and the Supply of Housing</i> the Committee considered the draft Code on Sustainable Buildings; as part of its inquiry into <i>Planning Gain Supplement</i> it considered a range of departmental guidance on planning; as part of the inquiry into <i>The Fire and Rescue Service</i>, extensive consideration was given to the Department's draft business case for FiReControl.</p>
<p>Task 5 To examine the expenditure plans and out-turn of the Department's Main and Supplementary Estimates: its expenditure plans and its annual accounts</p>	<p>Inquiry and report on <i>ODPM Annual Report and Accounts 2005</i> Current inquiry into <i>DCLG Annual Report and Accounts 2006</i> Examination of Winter Supplementary Estimates in December 2005 Examination of Spring Supplementary Estimates in March 2006 Examination of Main Estimates 2006</p>
<p>Task 6 To examine the department's Public Service Agreements, the associated targets and the statistical measurements employed, and report if appropriate</p>	<p>Inquiry and report on <i>ODPM Annual Report and Accounts 2005</i> Current inquiry into <i>DCLG Annual Report and Accounts 2006</i></p>

<p>Task 7 <i>To monitor the work of the Department's Executive Agencies, NDPBs, regulators and other associated public bodies</i></p>	<p>The Committee has not conducted any inquiries in the current session specifically examining departmental agencies but issues in relation to such public bodies, including the Local Government Ombudsman and the Ordnance Survey have been pursued as part of other inquiries.</p> <p>It has examined a number of agencies on specific policy issues in the course of other inquiries, for example: English Partnerships (<i>Affordability and the Supply of Housing and Planning Gain Supplement</i>); The Housing Corporation (<i>Affordability and the Supply of Housing</i>). It has also examined agencies associated with other Government departments where their work affects matters within the responsibility of DCLG, for example: The Environment Agency (<i>Planning Gain Supplement and Coastal Towns</i>); The Learning and Skills Council (<i>Coastal Towns</i>)</p> <p>The Committee also conducted an inquiry into <i>The Fire and Rescue Service</i>, which is overseen by a range of institutions including the DCLG.</p>
<p>Task 8 <i>To scrutinise major appointments made by the Department</i></p>	<p>Introductory hearing held with Peter Housden in November 2005, shortly after he became Permanent Secretary at the ODPM.</p> <p>While not strictly an 'appointment made by the Department', the Committee held a similar session with Rt Hon. Ruth Kelly MP shortly after her appointment as Secretary of State for Communities and Local Government in May 2006.</p>
<p>Task 9 <i>To examine the implementation of legislation and major policy initiatives</i></p>	<p>Inquiry and report on <i>The Fire and Rescue Service</i> Inquiry and report on <i>Planning Gain Supplement</i> Inquiry and report on <i>Re-licensing</i> Inquiry and report on <i>Affordability and the Supply of Housing</i> Current inquiry into <i>The Supply of Rented Housing</i></p>
<p>Task 10 <i>To produce reports which are suitable for debate in the House, including Westminster Hall, or debating Committees</i></p>	<p>The Committee's report on <i>Affordability and the Supply of Housing</i> was the subject of an Estimates day debate in the House in December 2006</p>

Appendix: Memorandum from the Government on Re-Licensing

The following memorandum was sent by the Department for Communities and Local Government to the Committee on 10 January 2007.

1. This memorandum answers the 14 questions set by the committee to further review the progress that the Government has made in implementing those of its recommendations which were accepted or partially accepted and to take stock of subsequent developments.
2. DCMS have the lead responsibility for the publication of the statutory guidance to licensing authorities. But as the Government response to the Committee's report made clear, the Government did not accept that it was late in publishing the statutory guidance. DCMS knows of no licensing authority being challenged as a result of statutory Guidance not being available earlier.
3. CLG has been working with DCMS to support local authorities in implementing the licensing act and share best practice between local authorities on the night time economy. We have:
 - held 5 How To 'action seminars' in December 2005 to engage with key practitioners from the licensing trade, police, accident and emergency, and local environment services to see how the new regime is being adopted and pick up issues and good practice. This will feed into improved "How To" guides for local authorities
 - funded the Civic Trust's Night Vision report on the night time economy. This contains good practice examples of how local authorities and service providers are dealing with the introduction of the Licensing Act 2003
4. DCMS is liaising closely with local government on publication of the revised guidance and aims to publish in good time for local councils to consider it in relation to their reviews of licensing policies, due in January 2008.

Taking the Committee's questions in turn,

- Q1 The Government's reply (para 1) indicates that Ministers are giving consideration to the recommendations made in the Independent Fees Panel's interim report. What has been the outcome of these considerations? Which of the Panel's recommendations have been accepted and which have been acted upon?**
- a. **What further consideration has been given to the proposal that there should be a single day for payment (an Annual Day)? Will this proposal be implemented? If not, why not?**

Shaun Woodward wrote to Sir Les Elton in July 2006 about implementing the recommendations in the Licensing Fees Review Panel's interim report.

As part of the initial review of Statutory Guidance to licensing authorities in the summer, DCMS clarified the position on premises plans.

DCMS has also clarified the position for licensing authorities on the development of collective working practices and are exploring good practice in this area for wider dissemination.

A central source of information for licence payers about the Licensing Act 2003 will be completed later this year.

DCMS has considered the possibility of simplifying the application process by introducing alternative methods of advertising applications. DCMS will consult on options when considering any possible amendments to regulations.

On the recommendation for a single date for payment of the annual fee, DCMS is considering the technical aspects (such as the alternative dates for the annual fee and what the transitional arrangements might be). To avoid piecemeal changes to fee arrangements, Ministers want to consider the final report from the Independent Fees Review Panel, which has just been received, to see whether there are any other changes which could be combined with the process for amending the legislation in relation to the annual fee. Ministers would also want to give licence holders sufficient notice of any new arrangements. Any changes will depend on the outcome of a formal public consultation exercise on the options.

Q2 When is the Panel's final report expected to be submitted to Government? Will it be published?

DCMS received the final report of the Independent Licensing Fees Review Panel on 12 December 2006. The Panel's conclusions and recommendations about the fees regime are being considered. Copies of the report will be placed in the libraries of both the House of Commons and House of Lords shortly.

Q3 Has any further action been taken to (i) foster better relations between licensees and residents, (ii) reduce the burden on magistrates' courts or (iii) minimise administrative costs? (paras 8 to 10)

The Guidance for licensing authorities already recommends that councils set up licensing forums that include representatives of all relevant stakeholders including residents and the trade.

Evidence from local authorities, including the Scrutiny Councils, suggests that there is some excellent partnership working between Councils, their responsible authorities and interested parties. In the first few months of the Scrutiny Council initiative, it was noted that licensing reform was having a positive impact on the engagement of residents in the licensing process. Local people were starting to show a much greater understanding of their rights to make representations and in some areas, new community groups had been set up on the back of issues raised around licensing.

The final report of the Scrutiny Councils suggests that this trend has continued as residents have become more aware and engaged in the licensing process and local papers have publicised successful action by local groups, e.g. to reject longer hours at problem premises. Representations from residents have resulted in new conditions being placed on thousands of licences and longer hours have been rejected where this would undermine the licensing objectives. Councilors have also played a key part in keeping residents informed about licensing applications in their areas and encouraging them to play a part in the licensing process.

We do not believe there has been an unreasonable burden on Magistrates Courts. Of course, some areas may have had more appeals than others but, as the Government suggested in its response to the re-licensing report, the ‘hotspots’ predicted in some quarters did not materialise.

Q4 The Government accepted that there “could be room for improvement’ where “mediation did not happen until considerable work had been done to prepare for the hearing”, and undertook to examine how such improvement might be achieved (para 9). What progress has been made in this area since the Government responded to the Committee?

The Scrutiny Council report acknowledged that there was not always time for successful mediation during transition, but this was almost certainly due to the scale of applications received during transition and that the situation was improving. Feedback from licensing authorities and the recent MORI research into the licensing of live music venues suggests that residents' representations are generally less likely to be resolved through mediation. While it is preferable that issues should be resolved through mediation, the Government fully supports the rights of residents' to have their legitimate concerns considered by the licensing authority at a hearing. However, DCMS published and laid in Parliament new Statutory Guidance addressing this issue on 22 June 2006. Paragraph 5.68A emphasises that mediation between Responsible Authorities and applicants should begin before applications are formally submitted and the statutory time limits come into play.

Q5 The Government rejected the Committee’s conclusion that the inability of local residents to object to Temporary Event Notices was an inconsistency, stating that it was a “deliberate part of the legislation” (para 12). Has the Government received any further representations on this matter? Are there any plans for

reconsideration to enable local residents to have input into decisions on Temporary Event Notices?

While there have been some representations, we are not aware of significant problems. The main concern is about licensed premises using TENs to operate additional hours or activities which have not been included on the full licence (possibly because of resident concerns). However, such premises are still limited to 12 Temporary Events Notices over a maximum of 15 days a year (events which straddle midnight count as two days). In addition, recent amendments to the Noise Act 1996 mean that a complaint may be made by someone within a dwelling concerning noise emitted from ‘any premises in respect of which a premises licence or a temporary event notice has effect’. This can result in the issue of a penalty notice for disorder and adds a further level of protection for residents.

Q6 What progress has been made in working with local authorities to identify and disseminate good practice regarding the implementation of the licensing regime since the Government responded to the Committee’s report (para 27)?

Ministers have clarified in the supplement to the Guidance that authorities can work cooperatively on administrative issues. Officials are looking at good examples of these arrangements working in practice with a view to wider dissemination. The Scrutiny Council exercise also identified examples of good practice.

Q7 What further steps have been taken to make explicit local authorities’ right to create zones of cumulative impact, particularly in the light of the High Court Judgement on the matter?

The Government remains of the view that the High Court judgement would seem to support the ability of licensing authorities to adopt such policies where necessary, as set out in the Guidance. DCMS has considered whether the Guidance should be amended in relation to cumulative impact areas, but the consensus from the stakeholder group considering the revision of the Guidance is that the existing references require no change. DCMS will, of course, consider any points made in this regard during the formal public consultation exercise on the new Guidance.

Q8 The Government undertook to give further consideration to concerns of some of those responsible for village and community halls, particularly in the light of the research conducted by Action with Communities in Rural England (para 30). What measures, if any, have been undertaken to address these concerns? To what extent has there been liaison between DCMS and DCLG on this matter in relation to DCLG’s commitment to foster sustainable communities?

ACRE’s survey from the summer suggested that 91% of village halls questioned had a premises licence, although only 33% had alcohol included in their licence.

DCMS has been clear that halls hosting more events than the TENs rules allow should obtain a full licence so the views of residents and the police etc can be considered. DCMS's consultation on TENs at the end of last year found no consensus for increasing the limits. Village Halls were generally in favour of relaxing the limit while local authorities, police and residents groups were generally against.

As an alternative approach, the licensing Minister, Shaun Woodward, announced that he would bring forward proposals to make it easier for village halls to get a licence that covers alcohol by removing the need for an individual volunteer to be designated premises supervisor. This would require an amendment to primary legislation and DCMS Officials are currently drawing up a consultation document which will be issued early in 2007. In doing so, DCMS has been in close contact with the Department for Environment, Food and Rural Affairs which leads on village hall issues and with Cabinet Office because of their responsibilities for volunteers and better regulation.

Q9 What further progress has been made in licensing public land for cultural and community events? What has been central Government's role in this regard?

DCMS officials have been working closely with LACORS and other stakeholders to build the register. Feedback from local authorities and groups representing performers, including the Live Music Forum and Circus Arts Forum, has been very positive. To generate momentum, DCMS published a pilot register on the DCMS website on 18 May 2006. This contained details of public spaces licensed by 25 local authorities (out of a potential 410) ranging from parks and beaches to market squares and racecourses.

With regards to the final version of the register, DCMS has been contacting authorities directly and now has details from 121 local authorities who have licensed public spaces. DCMS is continuing to chase Authorities for information. To encourage more Authorities to licence public spaces and sign up to the register, DCMS is planning to formally launch the register in the New Year. This will be supported by a letter to Local Authority Chief Executives to highlight the register and the benefits of licensing public land.

Q10 What consideration has been given to alleviating temporarily the difficulties of small operators imposed by the new licensing regime ahead of the report of the Independent Fees Panel?

A number of adjustments are being considered which will relieve the regulatory burden on licensees, including small businesses. The areas which Ministers have committed to consider are set out in the DCMS Simplification Plan which was launched on 11 December. The Plan also sets out the 22 administrative burdens which were entirely removed by licensing reform and not replaced by equivalent requirements. DCMS estimate that over a five year period, these would amount to around 4.8 million individual processes. A copy of the licensing section of the Plan is attached.

Q11 What has the working group of scrutiny councils achieved? Have any improvements been made to application forms as a result of its work or, indeed, from any other cause? Are improvements expected in the short-term future?

The Final Report of the Scrutiny Councils is enclosed. A number of the recommendations have been taken forward in the review of the Guidance and others have fed into our wider evaluation of the Act, including proposals in the the DCMS Simplification Plan such as simplifying the application forms.

Q12 How has the Government monitored the effect of the new licensing regime on applications, licence holders and licensing authorities?

The Scrutiny Councils initiative provided helpful feedback on many aspects of how the new regime is operating. Although the initiative has formally concluded, we have maintained our special relationship with the participating councils and continue to seek their views on how the regime is bedding down. In addition, DCMS carried out a short snapshot survey of all authorities (27% response) to gauge an indication of the level of licensing activity. This will be followed up with a formal statistical survey in 2007. The Department continues to operate its Advisory Group of a broad range of stakeholders and the High Level Group of senior strategic stakeholders.

Q13 The Committee notes that revised guidance to licensing authorities and the police was laid before Parliament and came into force in June 2006, following an interim review. What timetable is envisaged for the expected formal, comprehensive review of the guidance? What research has been undertaken to support this review? What role will the work of the ten scrutiny councils have in the formal comprehensive review?

The revised guidance will be issued for consultation in January 2007. The redrafted document has been drawn up in close consultation with a sub group of the Department's main stakeholders, including local government representatives. In line with their request to ensure that the issue of new guidance fits with the timetable for reviews of individual licensing policies, DCMS aims to lay the new guidance before Parliament in the late Spring following a three month consultation. This would give Licensing Authorities eight months to consider the new guidance and consult on updated licensing policies. Scrutiny Council recommendations that were relevant to the guidance (for example, greater clarity on when a variation to a licence is required) were taken forward as part of the comprehensive review.

Q14 The Government declined to follow the Committee's suggestion that further work should be done to establish the feasibility of a slip rule for licence applications. Given that in their final report, the ten scrutiny councils also urged consideration of a slip rule, will the Government revisit the issue?

The supplement to the guidance to licensing authorities recommended that application forms should not be returned if they contained obvious and minor factual errors that could easily be amended. This will be carried forward in the new guidance and stakeholders will be able to make further comment on how helpful this has been when they respond to that consultation. We remain of the view that the introduction of a slip rule in the legislation is unnecessary and risks restricting the flexibility of licensing authorities. However, this does not rule out introducing flexibilities for licensing authorities in relation to particular elements of the process if that would help simplify the system for applicants. We will look at this as part of the simplification plan.

See also following annexes:*

Annex A - Scrutiny Council Report

Annex 1 – Excel Spreadsheet

Annex B - Research into Live Music Licensing

Annex C - DCMS snapshot survey of licensing facts and figures

Annex D – DCMS simplification plan

* not printed.

List of unprinted written evidence

Additional papers have been received from the following and have been reported to the House but to save printing costs they have not been printed and copies have been placed in the House of Commons Library where they may be inspected by Members. Other copies are in the Parliamentary Archives and are available to the public for inspection. Requests for inspection should be addressed to the Parliamentary Archives, Houses of Parliament, London SW1A 0PW (Tel 020 7219 3074; email: archives@parliament.uk). Hours of inspection are from 9:30am to 5:00pm on Mondays to Fridays.

Annex A to the Government Memorandum on Re-Licensing – Scrutiny Council Report

Annex 1 to the Government Memorandum on Re-Licensing – Excel Spreadsheet

Annex B to the Government Memorandum on Re-Licensing – Research into Live Music Licensing

Annex C to the Government Memorandum on Re-Licensing – DCMS snapshot survey of licensing facts and figures

Annex D to the Government Memorandum on Re-Licensing – DCMS simplification plan

Formal Minutes

Tuesday 9 January 2007

Members present:

Dr Phyllis Starkey, in the Chair

Sir Paul Beresford
Mr Clive Betts
John Cummings

Dr John Pugh
Emily Thornberry

The Work of the Committee in 2005-06

Draft Report (*The Work of the Committee in 2005-06*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 20 read and agreed to.

Annex agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

A Paper was ordered to be appended to the Report.

Ordered, That the Appendix to the Report be reported to the House.

[Adjourned till Monday 15 January at twenty past four o'clock.]

Reports from the Communities and Local Government Committee in the current Parliament

The following reports have been produced by the Committee in the current Parliament. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

On 27 June 2006, by Order of the House, the Committee on the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions was succeeded by the Communities and Local Government Committee and all proceedings of the former Committee were deemed to be proceedings of the latter. Reports marked * were reported to the House and published as Reports from the ODPM Committee.

Session 2005–06

*First Report	ODPM Annual Report and Accounts	HC 559 (<i>HC 1072</i>)
*Second Report	Re-licensing	HC 606 (<i>Cm 6788</i>)
*Third Report	Affordability and the Supply of Housing	HC 703-I (<i>Cm 6912</i>)
*First Special Report	Government Response to the Committee's Fourth Report of Session 2004–05, on the ODPM Annual Report and Accounts 2004	HC 407
*Second Special Report	Government Response to the Committee's Eleventh Report of Session 2004–05, on the Role and Effectiveness of The Local Government Ombudsmen for England	HC 605
*Third Special Report	Government Response to the Committee's Seventh Report of Session 2004–05, on the Role and Effectiveness of the Standards Board for England	HC 988
*Fourth Special Report	Government Response to the Committee's First Report of Session 2005–06, on the ODPM Annual Report and Accounts 2005.	HC 1072
*Fourth Report	The Fire and Rescue Service	HC 872-I (<i>Cm 6919</i>)
Fifth Report	Planning Gain Supplement	HC 1024-I (<i>Cm 7005</i>)