PUBLIC BILL COMMITTEE

LOCALISM BILL

Sixteenth Sitting

Thursday 17 February 2011

(Afternoon)

CONTENTS

Clauses 90 to 96 agreed to.
Schedule 9, as amended, under consideration when the Committee adjourned till Tuesday 1 March at half-past Ten o’clock.
Members who wish to have copies of the Official Report of Proceedings in General Committees sent to them are requested to give notice to that effect at the Vote Office.

No proofs can be supplied. Corrigenda slips may be published with Bound Volume editions. Corrigenda that Members suggest should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons, not later than

Monday 21 February 2011

STRICT ADHERENCE TO THIS ARRANGEMENT WILL GREATLY FACILITATE THE PROMPT PUBLICATION OF THE BOUND VOLUMES OF PROCEEDINGS IN GENERAL COMMITTEES
The Committee consisted of the following Members:

**Chairs:** MR DAVID AMESS, † HUGH BAYLEY

† Alexander, Heidi (Lewisham East) (Lab)
† Barwell, Gavin (Croydon Central) (Con)
† Bruce, Fiona (Congleton) (Con)
† Cairns, Alun (Vale of Glamorgan) (Con)
† Clark, Greg (Minister of State, Department for Communities and Local Government)
Dakin, Nic (Scunthorpe) (Lab)
† Dromey, Jack (Birmingham, Erdington) (Lab)
† Elliott, Julie (Sunderland Central) (Lab)
† Gilbert, Stephen (St Austell and Newquay) (LD)
† Howell, John (Henley) (Con)
† Keeley, Barbara (Worsley and Eccles South) (Lab)
† Lewis, Brandon (Great Yarmouth) (Con)
† McDonagh, Siobhain (Mitcham and Morden) (Lab)
Mearns, Ian (Gateshead) (Lab)
† Morris, James (Halesowen and Rowley Regis) (Con)
† Neill, Robert (Parliamentary Under-Secretary of State for Communities and Local Government)
† Ollershaw, Eric (Lancaster and Fleetwood) (Con)
† Raynsford, Mr Nick (Greenwich and Woolwich) (Lab)
Reynolds, Jonathan (Stalybridge and Hyde) (Lab/Co-op)
† Seabeck, Alison (Plymouth, Moor View) (Lab)
Simpson, David (Upper Bann) (DUP)
† Smith, Henry (Crawley) (Con)
† Stewart, Iain (Milton Keynes South) (Con)
† Stunell, Andrew (Parliamentary Under-Secretary of State for Communities and Local Government)
† Ward, Mr David (Bradford East) (LD)
† Wiggin, Bill (North Herefordshire) (Con)

Sarah Davies, Committee Clerk

† attended the Committee
Public Bill Committee

Thursday 17 February 2011

(Afternoon)

[HUGH BAYLEY in the Chair]

Localism Bill

Clause 91

Duty to co-operate in relation to planning of sustainable development

Amendment proposed (this day): 194, in clause 90, page 61, line 36, at end insert

‘or is a body which has been designated as a Local Enterprise Partnership by the Secretary of State.’

‘(7) The Secretary of State may designate a body as a Local Enterprise Partnership where they are satisfied that it meets the following conditions—

(a) the body is established for the express purpose of furthering the economic development of a specific geographic area,

(b) the area concerned consists of more than one local authority area,

(c) the membership of the body consists of representatives of local authorities, other public bodies or persons whose activities are based in the area concerned,

(d) there are at least half of the members of the body each of whom are not representing a local authority or other public body and whose business activities are based in the area concerned, and

(e) the organisation or body has a written constitution.’.—(Mr Ward.)

1 pm

Question again proposed. That the amendment be made.

The Chair: I remind the Committee that with this we are discussing new clause 8—Local enterprise partnerships—

‘(1) For the purpose of this section England may be divided into economic areas to form the basis of a Local Enterprise Partnership (LEP). The boundaries of the economic areas for each LEP are to be decided by the leaders of local authorities and are subject to approval by the Secretary of State.

(2) A local enterprise partnership can be established under this section as a body corporate as and when the board members of such an organisation consider appropriate.

(3) On being established as a body corporate a local enterprise partnership may be given formal powers by the Secretary of State to—

(a) request or have first refusal on the assets and liabilities of a regional development agency in their area;

(b) oversee local skills strategy and to influence public investment in skills.

(4) A local enterprise partnership shall have the following purposes—

(a) working with Government to set out key investment priorities, including transport infrastructure and supporting or coordinating project delivery;

(b) coordinating proposals or bidding directly for the Regional Growth Fund;

(c) supporting high growth businesses, for example through involvement in bringing together and supporting consortia to run new growth hubs;

(d) making representation on the development of national planning policy and ensuring business is involved in the development and consideration of strategic planning applications;

(e) leading changes in how businesses are regulated locally;

(f) strategic housing delivery, including pooling and aligning funding streams to support this;

(g) working with local employers, Jobcentre Plus and learning providers to help local workless people into jobs;

(h) coordinating approaches to gaining funding from the private sector;

(i) accessing and delivering European Regional Development Funding;

(j) exploring opportunities for developing financial and non-financial incentives on renewable energy projects and Green Deal; and

(k) becoming involved in delivery of other national priorities such as digital infrastructure.’.

I believe that Mr Ward had just started to intervene on the Minister when the Committee adjourned this morning, so I cannot tell him that his intervention is too long for a few seconds yet.

Mr David Ward (Bradford East) (LD): Thank you, Mr Bayley.

May I set the tone for this afternoon’s sitting by dealing with common ground? I think there is a general acknowledgment that we want local enterprise partnerships to succeed. We have gone through the history—

The Chair: Order. May I guide the hon. Gentleman? He appears to be making a winding-up speech, but I understood that he was making an intervention to question the Minister.

Mr Ward: I was just refreshing everyone’s memory.

The Chair: We are now fully refreshed, and I think that the hon. Gentleman was going to put a question to the Minister.

Mr Ward: The question was: given the common ground on supporting LEPs—we want them to succeed—and the acknowledgement that the duty to co-operate needs to be beefed up a little, does it not seem strange that the LEPs are not statutorily required to be part of that duty?

The Minister of State, Department for Communities and Local Government (Greg Clark): I am grateful to my hon. Friend for refreshing our memories. A lot has happened since we last met. I told the Committee that the LEPs cover 70% of the population, and, as if by magic, the figure is now 87%.

Jack Dromey (Birmingham, Erdington) (Lab): Keep talking.

Greg Clark: Subject to the Whips, if we are here much longer, we might get to the 100% I believe the Opposition were looking for.

My hon. Friend the Member for Bradford East captured the essence of our proceedings. We note that he and the Opposition might not have abolished the regional development agencies, but given that that is happening, we have a common interest in ensuring that the arrangements that replace them are as successful as possible.
Barbara Keeley (Worsley and Eccles South) (Lab): I give way to the hon. Lady, who also wanted to catch my eye towards the end of this morning’s sitting.

Barbara Keeley: I want to raise a point of information first. The Minister said that Manchester covers Salford constituencies, but it does not. Salford is a city in its own right that sits at the side of Manchester. The LEP might be shared, but Manchester definitely never covers Salford.

My question is about our concern over the signals the Government are sending over LEPs—that is the crux of what we are saying. We talked about the north-west, and Lancashire does not have an LEP, although it is a large area where regeneration and growth are important. Does not the Minister have concerns? We might be at 87%, but what about the 13%? There is no regeneration or growth going on, and very mixed signals are being sent out.

Greg Clark: I should have referred to Greater Manchester rather than the city of Manchester. I know from friends and colleagues in Manchester that such differences are very important.

I am very familiar with the situation in Lancashire, as is the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk). There is great appetite in Lancashire, on the part of businesses and Lancashire Members from all parties, to form an arrangement that, I think, is almost there. The discussion has been about whether there should be a single LEP for Lancashire or whether, to reflect some of the differences in local identity and different conceptions of economic geography to which the hon. Lady alludes, two LEPs for Lancashire would be the best approach. I know that Members on both sides of the House are keen that the arrangements should be in place.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): May I come back to our earlier discussion about London? The right hon. Gentleman will be aware that it is precisely London that has accounted for the rapid growth in the coverage of LEPs since our debate this morning. I welcome the creation of a LEP to cover the whole region of London—the area that is covered by the Greater London authority. That seems to be a proper recognition of the role of economic development across London. However, there is a question about Croydon, on which the hon. Member for Croydon Central might be able to give us clarification. Is Croydon part of the London LEP, part of the coast to capital LEP, which I think it was proposing, or part of both? [Interruption.] If it is part of both, is the Minister confident that there is not some double counting here?

Greg Clark: I will check the arithmetic, but I am sure that there has been no double counting. I am delighted that the right hon. Gentleman asks the question because, as my hon. Friend the Member for Croydon Central indicated from a sedentary position, it is indeed part of both, which is a significant reflection of the natural economic geography that we were talking about before lunch. As my hon. Friend knows, Croydon is very much part of London, but it is also part of an innovative proposal: the coast to capital LEP, which takes in a swathe of business activity with a lot in common from Croydon through to Gatwick and down to the south coast. This helps illustrate why the understandable desire to—[Interruption.] Does my hon. Friend the Whip want to intervene?

Bill Wiggin (North Herefordshire) (Con): Carry on, but keep it brief.

Greg Clark: I am devastated that the Whip is not taking as close an interest in my remarks as I might hope, but—[Interruption.]

The Chair: Order. It is extremely unusual for a Chair to have to tell a Minister who has the floor that there is too much chatter going on in the room.

Greg Clark: I will bring my remarks to a more rapid conclusion, which I am sure will meet the approval of the Whip—the pecking order is clear. It is right and proper that Croydon is part of both LEPs. Both are partnerships. Croydon will contribute to them both, and that is why we are taking this approach. If this were to be defined in statute in the way proposed, difficulties would be created that would hinder that.

I take to heart the suggestions of the hon. Members for Birmingham, Erdington and for Worsley and Eccles South. In the spirit of what we have said before, we want the duty to co-operate to be meaningful and significant. It is important that matters of local economic co-operation are adequately reflected in the powers. We have had evidence from different groups—whether from the Local Government Association or from planners—that capturing this duty to co-operate by creating LEPs in a statutory form might not be the right approach. However, I will reflect on our debate and come back on Report with some suggestions as to how to deal with these matters.

At the risk of incurring the displeasure of my hon. Friend the Member for North Herefordshire, I shall touch briefly on the particular point that the hon. Member for Birmingham, Erdington made about the sale of assets of the RDAs. It is absolutely right that the sale of any Government asset should protect value for money for the taxpayer. We are required to do that: it is the taxpayers’ investment and the taxpayers’ funds. The process that the Department for Business, Innovation and Skills is conducting will ensure that the local groups who might have an interest in taking on these assets have the chance to make a proper case. It will also meet the principle in the growth White Paper that assets and liabilities should be taken together so that there is no possibility—which was envisaged—of toxic assets, with liabilities left with local communities and the assets spirited away. It is important that the two are managed together. The Public Accounts Committee requires an approach that emphasises value for money, and I hope that hon. Members accept my assurance that our intention is that the arrangements will secure that.
We accept, and want to promote, the importance of local economic co-operation in the duty to co-operate, and I will come back with suggestions about how that might happen. Given those reassurances, I shall be grateful if my hon. Friend the Member for Bradford East withdraws the amendment.

Mr Ward: On the basis of those welcome comments, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 90 ordered to stand part of the Bill.

 Clause 91

LOCAL DEVELOPMENT SCHEMES

Jack Dromey: I beg to move amendment 151, in clause 91, page 61, line 41, leave out subsection (2) and insert

‘omit subsection (3) of section 15 of the Planning and Compulsory Purchase Act 2004 and insert—

'(3) The local planning authority must have regard to sustainable development and Town Centre First Policy, as defined in accordance with subsection (4).

(3A) The Secretary of State must lay before Parliament an order to define sustainable development and Town Centre First Policy.

(3B) A statutory instrument containing an order under this section may not be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament.”’.

I am grateful for the Minister’s constructive response to the previous debate and I look forward to our next stage of dialogue in the context of the duty to co-operate. We shall leave new clause 8 on the table, but let us hope that we can make progress in those discussions.

May I seek your guidance, Mr Bayley? My right hon. Member for Greenwich and Woolwich has tabled amendment 188. Should I speak to that amendment now or after my right hon. Friend has moved it?

The Chair: We will have a separate debate on amendment 188. You stick to your amendment.

Jack Dromey: Thank you, Mr Bayley.

Amendment 151 deals with the “town centre first” policy. It would put in place a statutory duty to ensure that local development schemes have regard to sustainable development, which we have already discussed at some length. We propose, crucially, that the schemes should also include a “town centre first” policy. The amendment would ensure that sustainable development and the “town centre first” policy were permanent and robust elements of national planning, that communities had legal certainty, and that the advantages of new retail development complemented other forms of retailing. The duty would ensure that councils would no longer fear legal challenges if they wished to take decisions that were not in the developer’s interest, but in the greater public interest—the interest of sustaining our town centres. I shall refer later to a fascinating debate on that subject that was held before Christmas in which concern was expressed by Members of all parties, as well as the experience of my constituency.

The new duty would make the rule clear and unequivocal, as well as making it easier for councillors and developers to work together. Members on both sides of the House recognise that high streets are vital to the economic and social health of our communities. The debate to which I referred was held in Westminster Hall and was unusually well attended, with 26 Conservative and Liberal Democrat Members in the Chamber. There was unanimity in the views expressed by Members of all parties because, albeit in different ways, everyone was saying the same thing. Our high streets come in many forms in large city centres, market towns, suburbs and villages, and the duty would apply to them all. As was said in that debate, successful high streets require planning and management strategies that are built for the long term, including effective partnerships between the public and private sector.

As was reflected in that debate, high streets have a special place in the heart and habits of the people of Britain. At its best, the high street is a place where people go not only to shop, but to find services, access leisure facilities, and meet friends in bars, pubs and restaurants. It is therefore an important part of the make-up of our local communities, so it deserves to be protected and promoted.

1.15 pm

High streets vary in nature, from a row of shops on the one hand to complex city centres on the other. It is not true that they are universally in decline; on the contrary, some are succeeding—in particular, but not exclusively, those in more affluent areas. Evidence of the ability to turn around decline can be seen in some of the great city centres. In Birmingham, when the bullring was rightly bulldozed, a vibrant city-centre high street took its place. Manchester city centre has experienced remarkable repopulation and regeneration. That said, high streets have suffered in the downturn. There are 12,000 fewer shops on our high streets than there were two years ago, so we must ensure promotion of investment in, and growth of, the retail sector.

In 2010, 87% of supermarket development that was given planning approval was for one of the four big supermarkets. Supermarkets tend to build out of town, because it is cheaper and more convenient for them to do so. However, there are many examples of supermarkets having made a success of in-town retailing, which has provided many additional benefits to the communities concerned. It is a sad reality, nevertheless, that too many high streets are still in slow decline. We cannot allow such decline to continue.

Decline occurs most often in poorer areas and is characterised by empty shops, poor environment, lack of investment, and the growth of pound shops and charity shops. The use of the high street decreases as the quality of the offer is eroded. That is allied to the flight of the multiples—the household names—to shopping malls and out-of-town shopping centres. In too many high streets a vicious circle of decline is destroying the community fabric—the shopping and social fabric—and condemning too many of our citizens to shopping and socialising in high streets that are not what they once were.

That situation is dramatically evidenced in my constituency. The heart of Erdington is its high street. I must have heard the same thing several hundred times:
“The high street is not what it once was.” People have a real sense of regret as they look back to the golden era of that street, and they want the regeneration that will once again make it a place to which people can be proud to go. It is clear from evidence to the Committee from the Town and Country Planning Association, Planning Aid, the Federation of Small Businesses, and the Association of Convenience Stores that regeneration is clearly needed to turn the tide.

Our proposal would lay the basis in primary legislation for a “town centre first” planning policy of the kind that has, in various ways, been in place for 15 years. Crucially, it would ensure that councils and communities have the strength, the certainty, and the vital tools to promote their centres.

At present, planning policy statements refer to and define “town centre first” policy, but we know that such statements may be subject to change and might be superseded by the new national planning policy framework. As we have already discussed, the framework has not yet been set out, and it may not include definition of “high street first” in the way that is necessary. Unless we are able to make progress in the next stage of discussions with Government, the planning policy framework will not be on a statutory basis, either.

We believe that the issue of the high street is so important that it warrants specific legislation, and that it is necessary to stand up for local people, and for councils who stand up for local people, not least because councils are often threatened with inquiries and legal actions when seeking to act on community decisions relating to planning permission as it affects high-street and out-of-town developments. This is despite the fact that they have complied with existing national planning policy. The law that we propose would reduce the threat of legal action and give councils and communities more freedom and more power.

In the spirit of localism, with which we strongly agree, the amendment does not prescribe the decisions that will be made at local level. This is not Whitehall telling town hall what to do. Furthermore, nothing in the “town centre first” policy prevents communities opting for out-of-town developments if that is the express will of the community. The amendment, therefore, will not prohibit the development of out-of-town retail developments, but will ensure that town centres are given the priority that they rightly deserve in view of their pivotal role at the heart of our communities.

We place a high priority, as I am sure all Members do—this was reflected in a Westminster Hall debate held before Christmas—on the regeneration of our local high streets. We are trying, including on an all-party basis. We are trying in Erdington, and I welcome the fact that we have made some progress in my constituency. Sainsbury’s has agreed to move back into the high street, and I hope that Mothercare will follow, having agreed, the amendment does not prescribe the decisions that will be made at local level. This is not Whitehall telling town hall what to do. Furthermore, nothing in the “town centre first” policy prevents communities opting for out-of-town developments if that is the express will of the community. The amendment, therefore, will not prohibit the development of out-of-town retail developments, but will ensure that town centres are given the priority that they rightly deserve in view of their pivotal role at the heart of our communities.

We place a high priority, as I am sure all Members do—this was reflected in a Westminster Hall debate held before Christmas—on the regeneration of our local high streets. We are trying, including on an all-party basis. We are trying in Erdington, and I welcome the fact that we have made some progress in my constituency. Sainsbury’s has agreed to move back into the high street, and I hope that Mothercare will follow, having moved out of the high street to the Fort retail park, despite requests from hundreds of local mothers who wanted it to stay.

On the subject of the regeneration of the high street, it is right that we should have public service facilities in those streets. I welcome the opening of the NHS health and well-being walk-in centre on Erdington High street, to which so many of our citizens now go. It is a matter for regret, however, that the much-needed Connexions office has closed; it was a lifeline, helping out-of-work young people to get into work or training, or to better themselves.

While there are some disturbing long-term trends that give rise to legitimate concerns, the decline of that great British institution, the high street, is not inevitable. However, if the public good is to be realised, if we are to have high streets of which we can be proud and if the private market is to flourish through investment in high streets, it is crucial that we have a clear statement in the Bill. Then we might see the public sector working in partnership with the private sector to the benefit of the communities that we represent, built on that presumption of “high street first”. I hope that the Committee will feel able to support our amendment.

A strong statement by Parliament on “high street first” is all the more important in light of a profoundly worrying report published earlier this week by the Association of Convenience Stores—the “Voice of Local Shops”, as it calls itself. A research project undertaken on its behalf found that the number of vacancies in centres across the country has reached 26,000, and that one in seven high-street shops is empty. The ACS, which represents local shops, supports the amendment. Its chief executive, James Lowman, has said:

“We need a change in the law and by amending the Localism Bill MPs have a chance to show their constituencies that there is about the high streets at the heart of their communities. This new law would be a positive step toward ensuring the diverse vital and vibrant shopping is a visible sign of the economic recovery.

Without those clauses, communities could be left at the mercy of the big developers who could use the crisis as a way of forcing through plans for big out of town stores which would have a devastating effect on the long term prospects for our high streets.

We have already gained significant support from across the country.

The powerful evidence in the ACS report relates to some of our constituencies. Let me start with my constituency: in Birmingham, taken as whole, 25% of shops now stand vacant. In St Austell the figure is 29%; in Sunderland it is 20%; in Watford it is 20%; and in Bradford it is 25%. Those figures are profoundly worrying. I hope that, in light of the genuine all-party consensus of concern, we will be able to stand by local people, local shops and local high streets.

**Greg Clark:** I join the hon. Gentleman in paying tribute to the work of the Association of Convenience Stores, which has campaigned for the amendment and for such an approach. I share his recognition of the vital place that our high streets have in our national life—one that they have had for many years. It is important that that should continue.

The hon. Gentleman is used to giving us history lessons, but we have a piece of living history on the Committee. My hon. Friend the Member for Croydon Central was a special adviser to John Gummer, who, as Secretary of State, introduced the “town centre first” policy, so the Committee has a degree of expertise. We should pay tribute to that very wise and far-sighted Secretary of State and his choice of adviser. My hon. Friend’s interest in the subject continues today.

I agree with the hon. Member for Birmingham, Erdington: it is crucial that we respect and, where possible, look to strengthen the role of our high streets
in our national life and in our towns and cities. I have great sympathy with the intention behind his amendment. The clauses on neighbourhood planning, which we have yet to address, provide a ready-made opportunity for towns and neighbourhoods to specify that they want their high streets to have a vibrant future, and to specify how they do and do not want them to develop. That is an important opportunity. Some of the proposed amendments to those clauses suggest that local businesses should be given a greater voice in the design of neighbourhood plans, which reflects the hon. Gentleman's interest.

The hon. Gentleman knows that the place for “town centre first” is in policy, rather than in legislation. That does not in any way undermine its importance. It is a good example of an important and worthy issue that one could extend, with any number of other worthy issues, thereby getting rid of policy altogether and legislating for everything. The subject is classic territory for policy.

The hon. Gentleman mentioned that the national planning policy framework is being revised in parallel with the Bill. He has my assurance that the “town centre first” policy will continue to be strongly expressed. Indeed, my firm intention of reviewing the policy to make it more accessible and clearer will increase the clarity and visibility of that policy in the suite of our national planning policy framework. That is the right place for a policy, so while I do not disagree with the hon. Gentleman’s case for ensuring that town centres come first, I hope that he will accept that policy is, as it always has been, the place to capture such matters.

1.30 pm

Jack Dromey: The Minister is right that public policy can be expressed in different ways. The clear message that we need to send from the Committee—we are at one on that—is that successive Governments stand by that commitment to “high street first”. It is to be welcomed that the hon. Member for Croydon Central has played a part in such matters. I know that my hon. Friend the Member for Tooting (alarmed) has been present. It might have been a small part, but it was no doubt a noble, historic one. There is a clear consensus on the objective. The issue is how we give effect to that, not least because, as the Minister knows, it is not just a question of the regeneration of the high street and of what local people want, both of which are crucial. Sometimes, councils taking decisions in the best interests of their local high street, and acting on the wishes of their local communities, still face challenges.

There are, therefore, some real issues here. How do we stand on the side of what local people want, and of what councils do on behalf of local people because they say that that is what they want? On the basis that it is agreed that we will address this issue in the context of the national planning policy framework, we are content to have next-stage discussions accordingly. If we were to engage the key stakeholders in those discussions, including the Association of Convenience Stores, that would send a welcome message from this Committee. They would warmly welcome that. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

**Mr Raynsford:** I beg to move amendment 188, in clause 91, page 61, line 41, leave out subsection (2) and insert—

“(3) The scheme must contain an assessment expressed in numerical terms concerning the level of housing need and demand in the district of the local planning authority, together with the authority’s proposals for addressing such need and demand.

(3A) The proposals referred to in subsection (3) shall include the authority’s plans relating to the provision of housing, including affordable housing, in its district.”

**The Chair:** With this it will be convenient to discuss new clause 6—*Housing assessment report*—

'(A) A local authority must carry out an assessment in accordance with this section—

(a) prior to the preparation of a development plan document; and

(b) when required by the Secretary of State to do so.

(2) The assessment referred to in subsection (1) must, in relation to any period specified in the requirement, assess housing provision and the provision of related services in the authority’s area, including in particular—

(a) the nature and condition of the housing stock;

(b) the needs of persons living in or wanting to live in the area for housing accommodation including affordable housing;

(c) the demand for, and availability of, housing accommodation;

(d) the needs of persons in the area for, and the availability of, housing accommodation designed or adapted for persons with special needs; and

(e) any other matter specified in the requirement.

(3) A requirement under subsection (1)—

(a) must specify the period in relation to which the assessment is to be carried out and the Housing Assessment Report prepared;

(b) may make provision as to—

(i) the procedure to be followed in carrying out the assessment and preparing the Housing Assessment Report;

(ii) the time in which the Housing Assessment Report is to be prepared;

(iii) the form of the Housing Assessment Report and the matters which it is to include;

(iv) the consultation to be carried out by the local authority on its proposed Housing Assessment Report; and

(v) the documents and information relating to the Housing Assessment Report and its preparation which are to be available.

(4) Without prejudice to subsection (3)(b), the Housing Assessment Report must state how the local authority is to comply with its duty under the Equality Act 2010 so far as relating to the matters included in the Housing Assessment Report.

(5) A local authority must provide a copy of its Housing Assessment Report to any person who requests it.

(6) Two or more local authorities subject to a requirement under subsection (1) may exercise their functions under this section jointly in relation to their combined areas.

(7) The Secretary of State must exercise power under subsection (1) so as to ensure that every local authority area is included in a Housing Assessment Report.

(8) A local authority—

(a) must provide the Secretary of State with or make public such information as may be required, in such form and at such times as may be required, about the authority’s implementation of its Housing Assessment Report;
needs. That is a localist way of proceeding. I sincerely calculated the need and demand for housing in their is that there should be an obligation on local authorities to that. However, the principle behind the amendment more detailed formulation, and I will leave him to speak goes further than that in his new clause, which is a much relating to the provision of housing, including affordable housing”.

Mr Raynsford: Amendment 188 and new clause 6 are supported by my hon. Friend the Member for Birmingham, Erdington, and both would place obligations on local authorities when developing their local plans to set out how they have calculated housing need in the area and how they will meet that need. That is fundamental to the whole debate.

We Opposition Members have a different view from the Government about how best to deliver housing. The Government say that their approach will deliver the homes that are needed. If they genuinely believe that, they must support the amendment. If they do not, there will be no way for local communities to assess the extent to which their local authority has calculated the need for housing in the area and how it intends to meet it. Without that, the fears that Labour Members have expressed are likely to be realised.

Without wider, national or regional oversight, the sum total of local authority housing provision will fall far, far short of the levels necessary to meet the country’s needs. We have to realise just how dire a situation we are facing. Today, the Home Builders Federation published figures showing record low housing numbers for 2010 of just 102,000 new homes. That is the lowest number since 1923, and at a time when it is estimated that 230,000 are needed each year. The figures are dire and the prognosis is even worse. When we hear directors of major house builders, such as Rick Willmott from Willmott Dixon, saying to the industry “prepare for a five-year recession”, we realise just how serious a position we are in. If there is continued under-supply of housing for five years or more, a huge number of our fellow citizens will be without adequate housing prospects.

I challenge the Government, if they really believe that their new approach will deliver the homes, to accept the amendment, because that is the way that we, they and local communities will be able to check whether it is working. It will provide the proof that the hon. Member for Henley claimed to be offering on Tuesday. It does not impose any national or regional obligations on local authorities. This is not a top-down approach, but simply a requirement that individual local authorities, when preparing their local development plan, should include “an assessment expressed in numerical terms concerning the level of housing need and demand in the district of the local planning authority, together with the authority’s proposals for addressing such need and demand.

The proposals referred to … shall include the authority’s plans relating to the provision of housing, including affordable housing”.

My hon. Friend the Member for Birmingham, Erdington goes further than that in his new clause, which is a much more detailed formulation, and I will leave him to speak to that. However, the principle behind the amendment is that there should be an obligation on local authorities to set out at the local level the basis on which they have calculated the need and demand for housing in their area, and to set out how they intend to meet those needs. That is a localist way of proceeding. I sincerely hope that on reflection, the Government will accept that the amendment is fundamental to the Bill and, indeed, to the validity of their own argument, and will agree to it.

Jack Dromey: There is substantial read-across between the amendment tabled by my right hon. Friend the Member for Greenwich and Woolwich and the new clause, and we would welcome the adoption of either. The purpose of the new clause is to ensure that local plans integrate land-use planning, and housing strategies and their delivery.

We believe that all local authorities should be required to undertake a strategic assessment of housing need and to provide the necessary evidence to inform the development of housing strategies and planning policies within their areas. This information should be a key input in determining the amount of housing required— including affordable housing and housing designed specifically for those with care and support needs—and in allocating a sufficient amount of land to meet requirements.

The amendment is required not least because the need for housing is pressing and growing. For example, we know that 1.76 million households, the equivalent of 4.5 million people, were on housing waiting lists in 2009, an increase of 23% over the preceding five years. We also know that housing need will continue to rise steeply in the coming years, because Government projections suggest that nearly 258,000 new households will form every year in England between 2006 and 2026. More than 2.7 million people in England are living in overcrowded homes, and that figure is expected to rise to more than 3 million by 2011-12.

As I have said, we also know that the Government’s hasty decision to revoke the regional spatial strategies has proved hugely damaging to house building in this country. It has created a vacuum at the heart of the planning system and, as we have rehearsed in Committee, plans for more than 200,000 homes have been scrapped. Indeed, research commissioned by the National Housing Federation and carried out by Tetlow King Planning shows that the Government’s directive in May 2010 permitting councils to ignore the regional targets has allowed plans for 201,500 homes to be dropped. The industry expects that figure to rise to at least 300,000 over the next 12 months.

In addition, research by the Home Builders Federation shows that during 2010, as those reforms took effect, there was a steady fall in the number of planning permissions granted to developers for new homes in England—from more than 40,000 in the first quarter to slightly more than 30,000 in the third quarter. The results for the third quarter showed how planning permissions to build new homes have dropped alarmingly from 2007-08 levels and are now at one of the lowest levels for the past five years.

The Minister for Housing and Local Government, the right hon. Member for Welwyn Hatfield (Grant Shapps) has stated that for the Government, “Success will be more homes, failure will be less homes.” On the evidence so far, failure is within his grasp. A step towards success would be the acceptance of the amendment proposed by my right hon. Friend the Member for Greenwich and Woolwich, or the new clause.
I stress that new clause 6 would not impose national or regional targets on local authorities. Local authorities would be free to address the housing need in their areas as they see fit, and to arrive at local plans in full consultation with local people and communities. Amendment 188 would, however, help to ensure that all local authorities properly assess housing need in their areas and set out how they intend to address that need. It would ensure that local authorities make robust assessments of housing need to inform their new local plans based on the collection, analysis and publication of data on affordable and other housing needs, particularly for the most vulnerable in our communities.

If local authorities clearly set out in local plans how they intend to address housing need, crucially, local people will be far better placed to hold their local authority to account on the success or otherwise that it has achieved. If clear aspirations are not set, local people are likely to find it difficult to assess how well their local authority is performing. New clause 6 would be entirely consistent with the aims of improving transparency and helping to enable local people to gain a clear understanding of what their local authority is planning in relation to housing delivery. It would also be consistent with the Conservative party’s own document “Open Source Planning”, which I read avidly not quite nightly. The document sets out that in developing their local plans, councils will be expected to ensure, as a minimum, “the provision of good data by the local planning authority to the electorate in the neighbourhoods, so that they can develop their vision for their community on a well-informed basis (this will need to include analysis by the council of the likely need for housing and for affordable housing for local people in each neighbourhood”).

Admirably expressed—it could almost have been lifted out by way of an amendment to the Bill. Actually, that is precisely what we have done.

1.45 pm

Surely Ministers accept that local communities and authorities will not be able to develop, in the words of “Open Source Planning”, their “vision for the development” needed in their area, and will not be able to plan effectively to meet the need for housing, without the provision of good data. Ministers must also surely accept that such data are essential to enable local people to hold their councils to account.

We want greater collaboration and involvement of local people and communities in the planning system. We all share that clear objective—it is common ground across the House—but we must ask the Government how it will be possible to achieve it without a detailed analysis of housing need. Surely there is a clear need for evidence about local housing need, including the need for social rented and affordable housing. Local citizens deserve nothing less, and they also deserve nothing less than an evidence base that would allow local councillors and local authorities to lead the debate about the benefits of housing development by, for example, demonstrating its importance in addressing housing affordability and creating employment opportunities. Such evidence would allow councils to do that in a sensible way and, crucially, it would allow citizens’ voices to be heard in the process.

There is a precedent for the introduction of such a duty in the form of clause 126, which creates a duty on local authorities to publish a strategic tenancy policy. We therefore hope that, in the interests of transparency, consistency in the Bill, and giving local people a real say, Ministers will agree to new clause 6.

Heidi Alexander (Lewisham East) (Lab): I had not planned to speak on the clause, but several issues that have been raised are close to my heart, so I would like to make a short contribution.

I welcome the amendments tabled by my hon. Friend the Member for Birmingham, Erdington, and my right hon. Friend the Member for Greenwich and Woolwich, because housing and the availability of housing are probably the biggest issues in my constituency. When I have my advice surgeries on Friday afternoon, person after person comes in to speak to me about the lack of housing, particularly affordable housing. It is important that local authorities across the country understand existing requirements.

My first point is that I understand the lack of prescription in the amendments, and the point about local authorities doing the research themselves, but the housing needs of my constituents will not be solved in Lewisham alone. Given the availability of land in the inner city, we have to look at how local authorities can work together to address problems.

My second point—as I said, this will be a brief contribution; I am sure everyone will be relieved by that—is that the assessment of need is important as well, because we need to think about our changing population. Yesterday, I spoke at a National Housing Federation event that marked the launch of “Breaking the mould: Re-visioning older people’s housing”, a report that looks at the housing needs of older people. Considering the changes in demographics, it is incumbent on us to ensure that people have suitable housing in later life. In the UK, 8.5 million people are over the age of 65. By 2031, that will increase to 15.8 million. There are distinct regional differences, particularly for the over-85s, who have very specific housing needs. In London, the number of over-85s will increase by 25% over the next 10 years. In the home counties, that group will increase by 100%.

There is, therefore, a large challenge, but having an ageing population is a great opportunity, too; I do not want to talk negatively about our population ageing. However, we must do something to ensure that people have suitable homes.

At the event yesterday, I was struck by the comments of a gentleman who was promoting an extra care scheme in north London. He was shocked by the hostility towards the proposed development. Members of the Committee may wonder, “What’s not to like about an extra care scheme?” but residents in the area say that it is too big, too wide or too ugly. There is always a reason to be against something. We need to ensure that the public sector can assess what is required, collate the evidence and then have a debate with the public about what needs to change.

Jack Dromey: My hon. Friend has great experience as a local authority councillor and deputy mayor, and others on the Committee have similar experience. Will she comment on the problems that can arise in gaining
acceptance for the requirement to meet the housing needs of local vulnerable groups? In some circumstances, people do not understand the nature of that need and may be concerned about who is coming into their community.

Heidi Alexander: Many communities are fearful of change, and that is one of the initial obstacles that we need to get over to win the debate on why housing needs to be built in this country. In my experience, housing development is a bit of a dirty word, and I suspect that, when we get into neighbourhood planning, we will get into that debate.

Many vulnerable groups have housing needs. I mentioned the elderly population, but the recently homeless and women who have suffered domestic violence are two other groups. Trying to find sites for homeless hostels is hard, because there is a huge amount of fear about the way that those sorts of facilities will be managed. It sometimes takes a brave local authority and a brave local councillor to stand up and say that it can be made to work.

The amendment will not necessarily pick up this issue, but we have not yet mentioned the provision of Gypsy and Traveller sites in relation to the revocation of the regional spatial strategies and some of the proposed changes to neighbourhood planning. I am skipping forward a bit, but how many neighbourhood plans will say that they want a Gypsy and Traveller site in their community? Equally, with the revocation of regional spatial strategies, there will be no requirement for a certain number of pitches to be provided in overall areas.

Mr Raynsford: My hon. Friend rightly highlights the absence of a requirement coming from a regional level for the provision of accommodation for unpopular groups. We represent London constituencies, where a regional body will remain. It is likely that in London, particularly after next year’s election, we will have a Mayor who is committed to ensuring that there is a responsible view towards housing provision for all sections of the community. In the whole country, however, London will be unique, because there will be no regional framework anywhere else. That could result in London having to make disproportionate provision for unpopular groups, because of the lack of it elsewhere.

Heidi Alexander: My right hon. Friend makes a valid point, and I agree with his concerns. I will draw my contribution to a close, and I thank the Committee for its patience.

GregClark: I am pleased to respond to the amendments in the names of the right hon. Member for Greenwich and Woolwich, and the hon. Member for Birmingham, Erdington. We share the view that more housing is needed, and the statistics published on completions last year reflect the problem that the Bill attempts to address. The previous system turned people against development, and made it more difficult to persuade people that development was in their interests; that is the problem we faced. It is significant that, in England, the average number of homes built during the 13 years of Labour Government was lower than in every single one of the previous 50 years, apart from one. That shows the problem that we are dealing with.

I will not try the Committee’s patience by rehearsing the arguments in favour of the Bill’s reforms, but they are twofold. First, if people are involved locally from an earlier stage, they are more likely to be in favour of development, rather than resistant to it. Secondly, if people are allowed to share in the benefits of development, they will turn into enthusiasts for it. That is what the Bill is about. It is pro-growth and, in particular, it is designed to secure a greater contribution to housing, so it is important that the changes are made.

The provisions deal with the problem mentioned by the right hon. Member for Greenwich and Woolwich, and the hon. Member for Birmingham, Erdington. They have addressed the right problem, but they have given the wrong solution. Despite what the right hon. Member for Greenwich and Woolwich said, his solution is centralising and prescriptive. Proposed new subsection (3) in amendment 188 specifies that a required procedure is to be followed in carrying out the assessment. It specifies a time, the form of the housing assessment report, and the matters that it includes. The form of the consultation that is carried out by the local authority is included, as are details on the documents and information. That is a very prescriptive method, which is not in the spirit of what he described.

Mr Raynsford: The Minister refers to new clause 6, in the name of my hon. Friend the Member for Birmingham, Erdington. If he looks at my amendment, he will see that it is not prescriptive. It simply sets out a requirement that the scheme, which is to be run by a local authority, “must contain an assessment expressed in numerical terms concerning the level of housing need and demand in the district of the local planning authority”.

That is not prescriptive; it simply asks a local authority to carry out the assessment and publish its figures.

Greg Clark: The right hon. Gentleman expressed support for new clause 6, and I assumed that it carried across. That is a useful difference, because the degree of specification suggested by Opposition Front Benchers is not consistent with the way that we need to approach such matters. The new clause is over-prescriptive and is unlikely to have the effect that they want.

Jack Dromey: The approach that we are taking is very much in line with the approach preferred by the right hon. Member for Greenwich and Woolwich first, and then those of the hon. Member for Birmingham, Erdington.

The approach that we are taking is very much in line with the approach preferred by the right hon. Member for Greenwich and Woolwich, which is to require that there should be a rigorous and numerical assessment of housing need. That is one of the key tests of the soundness of the local plan, and if it fails, the plan will not be adopted. Neighbourhood plans will be required to conform with that, too, so that every neighbourhood plan, to address the point made by the hon. Member for Lewisham East, cannot suggest a total amount of housing that is less than the amount in the local plan—only more—so we are very concerned to make sure that the test is numerical, rigorous and defensible. The way that the right hon. Member for Greenwich and Woolwich would do that is better than the way that the hon. Member for Birmingham, Erdington would do it.
2 pm

**Jack Dromey:** The principle is the one that we all support in “Open Source Planning”: there should be rigorous assessment and information provided so that communities can have a real say in the development of the local housing plan. For clarity, we would be more than comfortable withdrawing the new clause in favour of amendment 188, which was tabled by my right hon. Friend the Member for Greenwich and Woolwich. It seems the Minister is responding positively to that amendment, and we hope that he will therefore embrace it.

**Greg Clark:** I am grateful for the hon. Gentleman’s concession that the over-prescriptive approach is not right. However, the thrust and intention of the approach favoured by the right hon. Member for Greenwich and Woolwich is already available and, indeed, will be required and strengthened by the national planning policy framework. He is aware that section 13 of the Planning and Compulsory Purchase Act 2004 requires a wide range of assessments to be made, and PPS3 in the current suite of national planning policy statements requires councils to undertake the types of assessment that he specifies. I am not minded to put that in the Bill, for reasons that I will come to in a moment. My approach is to invite professional bodies to make recommendations for robust methodologies that can be shared with members of the public, so that they can be held to account.

There are two reasons why it is inappropriate to put the measures in the Bill. First, statutory provisions already exist in PCPA, and are strong. The reference and, indeed, the practice of national policy is very well understood and accepted, and we intend to strengthen it in the review that we are undertaking. Secondly, as in the example of the “high street first” policy, if we were to specify particular requirements on local authorities for housing need assessments, we would be invited to—indeed, I would be churlish to refuse the request—to specify, for example, the means by which the economic development prospects of particular councils needed to be discharged. I could add the environmental assessment. Singling out housing considerably expands the scope of primary legislation.

I am at one with the right hon. Gentleman in requiring an absolutely clear, transparent, robust numerical assessment of housing need. Powers are available in planning law to do that. They will be reinforced, and we will strengthen their importance by making sure that no plan can be assessed and found sound unless it conforms to a rigorous assessment; indeed, every neighbourhood plan has to go beyond that.

I share the views of the hon. Member for Birmingham, Erdington, and the right hon. Member for Greenwich and Woolwich about the absolute primacy placed on housing and making sure that the plans are meaningful and not invented for the purpose of simply ticking a box. The way to do that is through the powers available, consistent with how it has been done, rather than by taking a novel approach that would lead in a direction that would result in us encumbering the Bill with many other areas. I ask the hon. Member for Birmingham, Erdington, to withdraw his new clause and the right hon. Member for Greenwich and Woolwich to withdraw his amendment; if they are unwilling to do so, we will have to decline to support them.

**Mr Raynsford:** That was a most unconvincing response from the Minister. He asked us to take on trust the contents of the national planning policy framework, which we know will not be available for scrutiny for some time. In a sitting last Thursday, he gave us his best guess as to when it might be available, and undertook to make it available. We have to take that on trust; we do not know.

We know how much attention the Government have paid elsewhere in the Bill to requiring local authorities to do things that they want them to do. That is why there has been so much criticism from local government about the very prescriptive requirements that we are discussing. For example, the provisions on assets of community value prescribe in immense detail what the authority must do, and how it is to respond if a community group decides that it wants something listed as an asset of community value. However, when we come to something as fundamental as housing—the right of our fellow citizens to have a home—his Government, dismantling the existing structure, have not got the decency to put in the Bill a provision requiring local authorities to make a proper assessment of housing need and demand in their area, and to set out their plans to meet that need. That is the basis of a proper localist approach: requiring the authority to do that, enabling local communities to assess whether their authority is meeting its responsibility, and allowing interested groups to look at the sum of the local plans, to see whether they add up to what is necessary to meet the national requirement. Without that, I am afraid to say the Government’s position is a sham.

**Jack Dromey:** Is my right hon. Friend as perplexed as I am that on something as fundamental as housing, and when we all support what was said in “Open Source Planning about housing, planning and related information, Ministers are resisting writing their own policy clearly into law?

**Mr Raynsford:** My hon. Friend makes an extremely good point, and he probably has as good a view as I do of the reasons for that. It does not reflect well on the Government. If they were seriously believed that their new scheme would deliver, they would have no hesitation in accepting the amendment. That would show their bona fides in wanting to ensure that the localist approach can, for the reasons I outlined, deliver increased housing. It would allow local communities to see what their council’s plans were. It would enable them to evaluate whether those plans were adequate to meet the defined needs and demand in the area, and it would enable other interested parties to assess whether the sum of the parts added up to the country’s need. Without such a provision, we are essentially leaving the housing needs of the country in limbo for a long period, without an adequate framework for challenging failure.

It discredits the Government that, on something as fundamental as housing, they are trying to get us to accept that there is no need to put in the Bill this underpinning for their localist approach. I sincerely hope that members of the Committee will have the courage of their convictions and will vote for my amendment. It is not prescriptive; it is not, as the Minister tried to pretend, an unreasonable imposition. To be fair, he did then recognise that he was referring to new clause 6, and that the amendment is not prescriptive.
It simply sets out a procedure. The Minister’s view is that the rest of the planning framework and procedures are sufficient to deal with the matter. As I have said already, that view has not deterred him from putting a vast number of very prescriptive requirements in the legislation, on matters to which the Government attach importance. I am afraid the only conclusion I can draw is that they do not attach the importance they should to rectifying the country’s housing crisis.

The Chair: Before the Committee votes on the amendment, it might be helpful if I explain that I have heard from Mr Dromey that he would like the Committee to vote on new clause 6. That will happen later, because the Committee will go through all the clauses in the Bill before we formally vote on new clauses. The Clerk has made a note and will indicate when it is the appropriate time. At that point, the Chair will ask the hon. Gentleman whether he still wishes to press the new clause to a Division.

Question put, That the amendment be made.

The Committee proceeded to a Division.

The Chair: Order. As a matter of courtesy to members of the Committee, I should say that as we no longer have two Doorkeepers, the locking process takes a bit longer than the notification to lock the doors. I have to deem that the doors are locked at the point that I say, “Lock the doors.” One Member came into the room after I had said that—I had a nod from both Whips—so I did not hear that Member’s vote.

The Committee having divided: Ayes 7, Noes 13.

Division No. 24]

AYES

Alexander, Heidi
Dromey, Jack
Elliott, Julie
Keeley, Barbara

McDonagh, Siobhain
Raynsford, rh Mr Nick
Seabeck, Alison

NOES

Bruce, Fiona
Cairns, Alun
Clark, rgh Greg
Gilbert, Stephen
Howell, John
Lewis, Brandon
Morris, James
Raynsford, Mr Nick
Smith, Henry
Stewart, Iain
Stunell, Andrew
Ward, Mr David
Wiggin, Bill

Question accordingly negatived.

Clause 91 ordered to stand part of the Bill.

Clause 92

ADOPTION AND WITHDRAWAL OF DEVELOPMENT PLAN DOCUMENTS

Jack Dromey: I beg to move amendment 133, in clause 92, page 63, line 33, at end insert—

"(7) For section 23 (adoption of local development documents) insert—"

“(4) Subject to the subsection (6) if a development plan document has not been adopted by the appointed day it cannot constitute a reason for refusing planning permission.

(5) For the purposes of subsection (4) the appointed day shall be the earlier of—

(a) 3 months from the date of the recommendation given by the person appointed to carry out the independent examination; or
(b) the date set for adoption as contained in the local planning authority’s local development scheme; (c) 31 December 2012; and
(d) such other date as the Secretary of State may direct.

(6) Subsection (4) does not apply in relation to a replacement or revision of an adopted development plan document.”

The amendment gives us an opportunity to explore the Government’s thinking, to address some legitimate concerns and, we hope, to get some answers. It is designed to explore the Government’s commitment to the presumption in favour of sustainable development and to impress on them the concerns expressed to us by numerous organisations about the delays that the introduction of local plans might bring to the planning system.

The amendment would place a deadline on local authorities so that they would need to have an up-to-date development plan in place by the end of 2012, after which a presumption in favour of sustainable development would apply. There is no doubt that the introduction of local plans might add substantial delays to the planning system. At present, only 25% of local authorities have completed local development frameworks. We are worried that there will be no clear planning policy at a local level in the intervening period, thus adding further uncertainty into the system. If one thing is clear, certainty is crucial in the best interests of the community and the best interests of investors in the community. In the absence of a time limit, the production of local plans could add a further three to four years to the process, as well as giving rise to substantial delay, confusion and cost.

2.15 pm

A presumption in favour of sustainable development was central to the thinking outlined in “Open Source Planning”. It said:

“we will legislate that if new local plans have not been completed within a prescribed period, then the presumption in favour of sustainable development will automatically apply”.

Once again, we are attempting to set out the Conservative party’s stated policy in the Bill.

Are the Government still of the view that facilitating sustainable development is a key objective of the planning system and that it should form part of the statutory framework? Do they believe that there should be a presumption in favour of sustainable development if local plans are not in place within a specific period? The presumption in favour of sustainable development has been described by Ministers as the golden thread at the heart of the reconfigured planning system. We also understand that the Government intend to include a presumption in favour of sustainable development in the national planning policy framework, which is yet to be published. That was certainly the original intention, but in light of the welcome debate that we had earlier this week, we shall now be discussing whether we can go one step further in the Bill.

Do the Government agree that the presumption in favour of sustainable development and the timetable should be included in the Bill to make it clear that, in the absence of relevant plans, proposed developments
that meet the necessary standards will usually be permitted? The amendment would ensure that sustainable development was not prejudiced by plans emerging late. Local authorities have had since 2004 to get local development frameworks—LDFs—in place. Under the amendment, the presumption would become effective from the end of 2012. Our modest, sensible proposal is in line with “Open Source Planning”, and it is certainly in line with our thinking as Her Majesty’s Opposition. I also think that it is in line with the thinking of the Liberal Democrats. If I am right, can we not arrive at a sensible conclusion and make sure that sustainable development will not be put at risk as a consequence of unreasonable delay?

**Greg Clark:** It was refreshing to hear the hon. Gentleman because I thought that I was listening to a speech made by my hon. Friend the Member for Henley. I was impressed by what the hon. Gentleman said. It has been suggested that I should be resistant to the amendment—this will probably cause heart attacks among my officials—but he made a good case.

We very much intend that the presumption of sustainable development should apply, but there are some practical issues on which we shall need to reflect. The hon. Gentleman and others will know of an earlier intention under the 2004 Act to set a drop-dead date for LDFs to be introduced, but that requirement had to be repealed because it proved impossible to meet. The previous Government’s ambition that the plans should not be delayed was similar to ours, but they found that it was difficult to achieve in practice.

I will reflect very carefully on the hon. Gentleman’s suggestion. It is entirely consistent with the approach that we wanted: to send a signal that the presumption would apply and could not be held at bay by failure to produce a plan. I will reflect on that point, and particularly the practicalities of introducing it, and return to the House on Report.

**Jack Dromey:** I thank the Minister for once again responding constructively and we look forward to dialogue with Ministers accordingly. Given that response, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

**Clause 92 ordered to stand part of the Bill.**

**Clause 93 ordered to stand part of the Bill.**

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**Clause 94**

**COMMUNITY INFRASTRUCTURE LEVY: APPROVAL OF CHARGING SCHEDULES**

**Jack Dromey:** I beg to move amendment 134, in clause 94, page 64, line 16, at end insert—

‘(A) In section 205 subsection (2) after “land”, insert “without prejudicing the provision of affordable housing in accordance with the development plan”.

(1B) In section 211 (amount of levy) after subsection 2(c) insert—

“(d) if affordable housing is not for the time being included as infrastructure in the list of infrastructure in section 216(2) the cost of providing affordable housing in accordance with the development plan”.’

**The Chair:** With this it will be convenient to discuss the following:

Amendment 135, in clause 94, page 64, line 19, at end insert

‘including on the provision of affordable housing’.

Amendment 136, in clause 94, page 66, line 25, at end insert—

‘(7A) In section 220 (procedure) insert—

(1A) CIL regulations must make provision for exceptions to the payment of CIL where that would prejudice the provision of affordable housing in accordance with the development plan”.

**Jack Dromey:** Let me get straight to the heart of the issue by saying that the amendment would ensure that the community infrastructure levy was set at a level that would not prejudice the delivery of affordable housing. Before we come to the substance of the amendment, however, I would like to welcome the fact that we are able to move it. Before the election, the Conservative party’s “Open Source Planning” document described the previous Government’s approach as “unnecessarily complicated”. In the same document, the party that now leads the coalition Government said it would “scrap CIL”. I therefore warmly welcome a broken promise on the part of the Conservative party in favour of a coalition of support across the House that it would be sensible to maintain the CIL. However, I must say to Liberal Democrat Members that, had it been the junior party in the coalition breaking that promise, I fear it might have been against a background of photos of Members signing a pledge saying “Scrap the community infrastructure levy”.

Our amendments on the CIL would ensure that, crucially, it would be set at a level that would not reduce the likelihood of affordable housing being delivered in accordance with the local plan. It is vital that when a combination of CIL and affordable housing requirements makes development unviable, there is a clear mechanism that allows CIL to be waived, in whole or in part, so that levels of affordable housing do not automatically fall as a consequence. These amendments would ensure that affordable housing was taken into account when setting the CIL and require CIL regulations that make provision for an exceptions process to be specified in the charging schedule.

In “Open Source Planning”—once again—the Conservative party set out a commitment to ensure that affordable housing was exempted from their then proposed replacement, the local tariff, which is now mercifully in the dustbin of history. The document said this would “act as a powerful economic incentive for developers to include affordable housing as part of their proposed development.”

Now that the Government have decided to stick to the CIL, do they think that there is a need to ensure that the levy does not restrict the building of affordable homes? We would welcome a clear statement by Ministers on that position.

**Greg Clark:** Given that the hon. Gentleman has mentioned “Open Source Planning” several times, I hope that he has paid my hon. Friend the Member for Henley royalties for his use of that influential and seminal document.

I take the remarks made by the hon. Member for Birmingham, Erdington in the spirit in which they are intended. We reflected on the CIL, as bequeathed by the
previous Government. It is not without its flaws—it is complex. Even the name of it is hardly a clear demonstration to communities as to what they can expect as a contribution to development, and the fact that it is not more widely known is part of the problem that we face.

This goes back to a remark that the right hon. Member for Greenwich and Woolwich made a few days ago: taking a year zero approach to these matters is probably not the most helpful approach. We would not have started from CIL as the legislation has been drafted, but it is a mechanism that gets money into communities to assist with the infrastructure needs that come with development. It is part of the package of measures that I mentioned earlier that allows people to share in the benefits of development and to have some recognition that the effects of development will be addressed. That is the reason why we are continuing with the CIL.

Henry Smith (Crawley) (Con): Will my right hon. Friend reassure us that when developers are paying under section 106 agreements, they will not face effectively double taxation by paying the CIL as well?

Greg Clark: I can give my hon. Friend exactly that reassurance. This is designed to replace the even more opaque system of section 106 agreements and put it in place a clear tariff basis so that any developer contemplating development is clear in advance about what contribution they will need to make to the wider infrastructural needs of the area. That is absolutely right. One replaces another, so section 106 agreements are reserved for very site-specific issues, as opposed to the more general contribution it currently makes.

Mr Raynsford: I shall pass over the fact that the right hon. Gentleman prefers the formulation of CIL developed by the previous Government to section 106, which he described as even more opaque but was, of course, developed by the previous Conservative Government. Is it the Government’s intention that section 106 should be used not only for site-specific provisions, but for the provision of affordable housing? I understand that the Government have stated their commitment to section 106 being available for affordable housing in addition to CIL payments.

Greg Clark: I will come on to address that precise point later because it is important.

Let me address the amendments before us. It is important that there is no point having the payment if it jeopardises the provision of affordable housing, which we are all in favour of. Section 211 of the Planning Act 2008 requires the charging authority—I dare say that that was in the minds of our predecessors—to have regard to the economic viability of development in setting the charge, including a consideration of affordable housing, so that needs to be taken into account now. That is further reinforced by the requirement for local planning authorities to have regard to the Secretary of State’s guidance, which says that the CIL schedule of charging must take development costs into account and should consider the effect on affordable housing. We reiterate our commitment to that principle. It is also worth emphasising that social housing—affordable housing—is exempt from payment of the levy, so our commitment is further reflected in that way. The measures and reforms that we have in mind for CIL far from undermine the viability of affordable housing. It is important that that does not happen, especially at this time, so our approach will continue.

2.30 pm

The right hon. Member for Greenwich and Woolwich asked about the use of section 106 payments to pay for affordable housing. I have received representations suggesting that the provision of affordable housing might be a proper use of CIL. It would provide a greater opportunity for revenue to flow into affordable housing if it were regarded as part of the infrastructure of a community, which, in many respects, it is. It is clearly part of the essential make-up of an area that has an infrastructural effect. I want to reflect on those representations and consider whether clarifying the definition in such a way would be make things clearer and provide not only protection, but an increased opportunity for affordable housing. I hope that the right hon. Gentleman will be satisfied, but will also welcome my contemplating and considering those representations.

Mr Raynsford: I am grateful to the right hon. Gentleman for that. He raises an interesting proposition, but he will understand that clarity is essential. Until now, the assumption has been that CIL would be calculated in a way that reflected infrastructure needs, excluding support for affordable housing. If that is to change, it will clearly have an impact on the viability of developments and on how local authorities choose to set the figure for CIL for their areas. When does he expect to be in a position to give greater clarity on the Government’s conclusions? I do not object to the principle of provision for affordable housing being within CIL, but there must be clarity on how the process will operate.

Greg Clark: That is not the case at the moment, and it will not be until any change has been contemplated. The people producing charging schedules can perfectly reasonably not regard affordable housing. I do not make any indication that we will adopt the policy, but when clauses are published, representations are received. In the spirit of the debate that we had on other clauses, I think that this is an interesting proposal. We will consider it and reflect on it. At any rate, the protection, and the questions of the viability of affordable housing and of the legitimacy of testing the rates set against the effect on affordable housing, will remain. The protection is undoubted, and I hope that that addresses the question that I dare say is behind the amendments.

Jack Dromey: There is a degree of confusion as to exactly what the Government are saying. I sense that the Minister wants to engage and be constructive, and he agrees that we have identified issues of legitimate concern. Given that, will he be prepared, as on other matters, to consider this further in dialogue and, if appropriate, to table amendments on Report?

Greg Clark: I am happy to make that commitment. Particular concerns have been expressed, and while we think that the powers are very strong now, I am happy to undertake personally to involve the hon. Gentleman in discussions and to come back to the House on Report.
Jack Dromey: In those circumstances, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.
Clause 94 ordered to stand part of the Bill.

Clause 95

Use of Community Infrastructure Levy

Question proposed, That the clause stand part of the Bill.

Heidi Alexander: I seek clarification on proposed new section 216A(1) of the Planning Act 2008, which gives local authorities the ability to pass on CIL to a person “other than that authority”. Will the Minister clarify the Government’s intentions?

Mr Ward: I want to express my general views on CIL and set it within a context for the record. I tabled an amendment, which I have since withdrawn, on this general issue of what to do with CIL receipts. As a councillor, I was very keen on section 106 funding because not many councillors knew about it, but my colleagues and I did. We used it quite effectively in our ward. The funding is quite constrained, and we would have liked far more discretion on using it outside the immediate area of the development and on more specifically targeted initiatives within the ward. Nevertheless it was very useful. I am pleased to be able to make these comments, because I am confused about section 106 funding and how it fits with CIL.

We are looking to increase the discretion and flexibility of local authorities on spending money. I cannot remember the figure for the specific ring-fenced grants that are available to local authorities, but it is very high. That money was freed up by the comprehensive spending review and announced in the local government settlement. One of the strong messages was that at a time when local authorities were facing financial difficulties, they were at least being allowed more discretion over some of their specific funding and direct grants. I welcome that, but why do we not extend it to CIL, too?

It would be helpful if local councillors were allowed to use the proceeds from CIL for purposes other than the building or upgrading of local infrastructure. If they want to spend it on that, let them, but it should be at the discretion of local authorities. That would allow local residents to directly benefit from large developments within the ward. The funding is quite constrained, and we would have liked far more discretion on using it outside the immediate area of the development and on more specifically targeted initiatives within the ward. Nevertheless it was very useful. I am pleased to be able to make these comments, because I am confused about section 106 funding and how it fits with CIL.

Barbara Keeley: Moving on from the hon. Gentleman’s questions, I have a couple of points. My local council, Salford city council, has some concerns about this, and I have some questions. There is a fear that, even though a levy called the community infrastructure levy is being retained, it may not be possible to use the funds to fund required infrastructure. When the regulations are drawn up, will they specify that the other person specified will be required to spend those funds on infrastructure? I understand that infrastructure means many different things. In some cases, it might be roads, in others play areas or youth facilities. There is a whole variety of things that it could be, and those properly should be decided locally. Will the levy have to be spent on infrastructure? That is absolutely key.

We are also concerned to know what proportion might go to other persons and what proportion might be retained, because, as my hon. Friend the Member for Lewisham East has said, that is not clear. Too much uncertainty surrounds the matter as it is specified in the Bill.

Jack Dromey: I have two questions. First, following on from my hon. Friend the Member for Worsley and Eccles South, are the Government concerned that councils may use the levy for projects that are not related to infrastructure or business development? Secondly, some concerns have been expressed about the loose definition in clause 95 of expenditure. Subsection (3)(b) refers to: “expenditure on future ongoing costs”.

For clarity, perhaps the Minister can provide the Government’s interpretation of “ongoing costs.”

Greg Clark: I am grateful for the questions, because they give me the chance to say a little more about our intentions. As I have said, we were minded not to repeal CIL, and we thought that it was best to make use of what is on the statute book. We think that the current definitions are constraining in a number of respects, as I mentioned in relation to affordable housing and whether it should be considered part of the infrastructure. We want to reflect on that, and I intend to consult before making use of the powers that are available here.

A balance must be struck in the community infrastructure levy. It is an opportunity to have local people recognise that development is not against their interest but contributes to a better community for them. Indeed, the more they feel that that is the case, the more likely they are to accept and even encourage development and so, as it were, the cake grows. It is important to see the uses to which these funds can be put as a means of encouraging development by allowing people to participate in the returns. At the same time, that must be balanced against the explicit and quite specific need to provide the roads that connect the developments to the rest of the community.

It is worth reflecting, in the way that the hon. Member for Worsley and Eccles South suggested, on whether the proposals are drawn in precisely the right way at the moment, and on whether local communities should have more discretion over how the funds are deployed, which is the point that my hon. Friend the Member for Bradford East made. It is worth reflecting on that so that we can achieve the right balance between ensuring that we have enough funds to provide the roads, railways and other contributions, and ensuring that we are making greatest use of the possibility for people very locally to see some benefits of development.

We will, therefore, consult on that, and I want to reflect on two aspects of it. Consistent with the approach that we are taking of amending rather than repealing or replacing the measures, the question of the definition of infrastructure is important. We must consider whether affordable housing is a legitimate opportunity. In addition,
providing a piece of infrastructure that is funded through CIL and not being allowed to contribute to its maintenance costs in the future, seems to me to be a rather perverse situation. If one can build something that is clearly a piece of infrastructure but one does not have the funds to maintain it in good condition, we should reflect on that. In answer to the question that was raised by the hon. Member for Birmingham, Erdington, we are looking at the ongoing costs, which are what we have in mind. We will consult on that, however.

Mr Raynsford: I had not intended to contribute to this debate, but I feel that I have to say something. What the Minister has been saying is, in many ways, admirable. He is clearly wrestling with difficult issues and trying to come up with the most sensible solutions, and I wholly support that. However, this is an abuse of the legislative system. We are considering legislation, and the convention is that the Government come forward with agreed policy, and the detail of how that policy will apply should be available for the Committee to scrutinise so that we can satisfy ourselves that their properly defined proposals will work. We simply cannot do that. We have been asked in this whole section to accept a series of assurances from the Minister that he will consult, think further and make changes. Unless he does that to an extraordinarily tight timetable—when I asked him a question on an intervention about the timetable, he was not able to give a precise answer, and I am not surprised—we simply will not be able to do our duty. We cannot properly scrutinise, because we are presented with a clear, defined policy and the detailed definition of how it will be put into effect but a series of thoughts on what is, clearly, an evolving policy. The Government are ruminating, thinking, considering the matter.

I welcome that. In many areas, I hope the Government will go on thinking, because, frankly, a lot of what they put in the Bill is not adequate and needs further thought, but I wish they would have done that thinking before they presented a Bill to Parliament and asked us to scrutinise it. Frankly, it makes a mockery of the scrutiny process in Committee. We simply cannot wrestle with the detail because we do not know what it will be.

Greg Clark: As ever, the right hon. Gentleman tries to have it both ways. In the previous debate, he castigated us for resisting his amendment, which he said would be a clear improvement to the Bill. In this case, we have received representations, including from Front-Bench and Back-Bench Opposition Members, as to the desirability of including neighbourhoods in a greater and more flexible way than the current legislation provides, but he criticises us for that as well. As I said when I gave evidence to the Committee, I take the process of scrutiny seriously. I believe that there is broad agreement on many of the principles of the proposal, but there is expertise in this Committee and the House, and we have an opportunity during the Bill’s progress through the House to make improvements as we can.

The right hon. Gentleman will know that CIL is available to local authorities. It is not required of them but is an option available to them, so the provision in no way places any burdens or obligations on them. The only question that we are addressing—it would be unreasonable to close our ears to representations—is whether we ought to make the provision more empowering, but what they have is there, and it holds. Determining whether we want to extend the flexibility seems a perfectly reasonable way to proceed.

Reflecting on the debates in Committee and considering that it is only two months since Second Reading, we have made substantial progress. Leaving aside the more knockabout exchanges, we have made improvements and commitments to improve the Bill. We have some way to go before the Bill completes its parliamentary stages. I made a commitment to the Committee when we took evidence that I would be reasonable in considering representations. If the right hon. Gentleman observes his own strictures and makes no further contributions on the basis that we are absolutely certain that the Bill will be amended in no other way, I am sure that my hon. Friend the Member for North Herefordshire—the Whip—will be delighted.

Mr Raynsford rose—

The Chair: Mr Raynsford is provoked.

Mr Raynsford: I could not let that stay on the record. The Minister mistakes two separate processes. He says that we have already made improvements; we have not—the Bill is exactly the same as it was when it was presented. The purpose of scrutiny in Committee is to improve the Bill, but the Government have resisted all our amendments.

Greg Clark: The right hon. Gentleman is an experienced parliamentarian and was a Minister, so he knows how to interpret the commitments and undertakings that I have given to the Committee. Having taken Bills through Parliament, he knows that it is not in the experience of Committees directly to adopt particular amendments that are promoted without their being subject to the House’s due diligence and reflection. He does the Committee and me a disservice in not reflecting some of the commitments that I have made.
Mr Raynsford: I do not, and I was going to observe that the Minister has given a series of commitments that we look forward to seeing delivered on Report. When we have pressed him for a timetable on some such commitments, however, he has been, shall we say, reluctant to confirm that we will see positive outcomes.

The crucial point is that the Minister has not given commitments to give further consideration to concerns, but that the policy issue is not clear. On issues such as the community infrastructure levy, he will know that it matters fundamentally to local authorities whether provision for affordable housing is part of the CIL level that they set. If it is, they will set it at a different level from that which they would set if they knew that any provision for affordable housing should be handled separately under section 106. Although I take the Minister’s point that the CIL is there for local authorities to use, in effect, until there is greater clarity on that policy, they are in a difficult position. It would be foolish of them to set in place provisions that would have to be altered rapidly because of a change of Government policy on the CIL.

The Government should not be reconsidering policy in Committee. Yes, we should be considering the detail of how the policy is put into effect—that is the subject of debate in Committee, that is when we should be looking to improve the provisions in the Bill. The convention is that the Government come with legislation on policy that has already been defined, which is not the case here. We are dealing with a difficult situation—it is like wrestling with jelly, because on many issues the Minister has said, “We’re thinking about this; we might do it this way; we might do it that way.” That is not how procedures should be handled in Committee.

Greg Clark: Again, I fundamentally disagree. The right hon. Gentleman’s experience from his own Government was in stark contrast to this. They came to the House with Bills that were being written during their process through Parliament. The most recent Planning Act to be considered had more clauses inserted during its passage than it started out with.

It has been noted elsewhere, and all hon. Members would acknowledge, that proceedings have been remarkable, because although the Bill deals with a very ambitious and far-reaching set of reforms, a degree of common ground has been achieved in what seemed before to be unlikely areas of consensus. We have reached agreement on the shape of the future in a way that many people doubted when we started. When it comes to the particular issue of sale, I will only make the point that all we are looking to improve the provisions in the Bill. The amendment that I am speaking to addresses this in a way that might do it this way; we might do it that way.” That is not how procedures should be handled in Committee.

Mr Bayley: As the new Chair of the Committee, I am not going to take your speaking time, but I think it would make sense—as we are going to have a long debate about the schedule, which has all the meat in it—for you to catch my eye when we discuss the schedule.

Clause 96 ordered to stand part of the Bill.

Schedule 9

NEIGHBOURHOOD PLANNING

Greg Clark: I beg to move amendment 158, in schedule 9, page 288, line 34, at end insert ‘to whom a proposal for the making of a neighbourhood development order has been made’.

The Chair: With this it will be convenient to discuss Government amendments 159 to 163.

Greg Clark: I will speak briefly to this set of technical amendments, but to provide an overture to what we anticipate will be a long debate—no doubt to the further displeasure of my hon. Friend the Member for North Herefordshire—and to speak in advance, rather than saving my contribution to be a surprise at the end, at the risk of provoking once again the right hon. Member for Greenwich and Woolwich, I intend to be constructive in my approach.

Our discussions in recent days have shown that the idea that communities should be able to have greater control and influence on their locality is common ground between us. I think that the hon. Gentleman the Member for Birmingham, Erdington confirmed that the Opposition favour the principle of neighbourhood planning.

The question that arises is how to do it. That is what I suspect the debate will be about: whether we have precisely the right way, or whether there are suggestions as to our approach. If we are addressing the best way of engaging in neighbourhood planning, the question that arises first is what is the definition of neighbourhoods? The amendments that I am speaking to address this in particular. It is pretty easy where there are existing democratic structures such as parish councils and town councils—everyone knows that. So the first question is that areas that do not have those democratic
arrangements be able to participate? Our view is that they should, and we have suggested a number of means by which they can do that.

Henry Smith: I should like to extend that questioning. A large part of my constituency consists of London Gatwick airport. Could that facility be considered a neighbourhood?

3 pm

Greg Clark: We will come on to debate these points, but I want to frame the debate. What I am saying is that, if there are areas that are not covered by existing democratic organisations, there is a question before the Committee, on which I intend to take constructive views, as to what is the best set of arrangements we can put in place for that. Some suggestions will no doubt be made by hon. Members, including my hon. Friend the Member for Crawley himself.

The first question is what arrangements should be made where there are no existing arrangements in place? The second relates to comments made by the hon. Member for Lewisham East. There are local authorities which are very progressive and very keen on devolving power to their communities and neighbourhoods—those do not present a difficulty—but, just as over community rights, there are some councils that might be inclined, now or in future, to try to frustrate the opportunity that we envisage for communities to define themselves. So a second theme of the debate—again, I want to take a constructive approach to this—is how can we safeguard the rights of those communities who are being frustrated by an authority that is not in the mainstream, not in the swim of the localist reforms that we have in mind? There are arrangements around that.

I ask members to bear these in mind as the key questions: what are the arrangements where no democratic bodies exist; and how can we make sure that we have adequate, but not onerous, protections for communities against those councils—I hope that they will be few—that may seek to thwart or subvert their entitlement? I said that I have been impressed by the spirit in which the hon. Member for Birmingham, Erdington has approached these issues. The duty to co-operate was a good example of that. There are clearly improvements that can be made. I am open to such suggestions and I hope that it will enable members’ contributions to know that they have a receptive audience and we can proceed on those lines.

Let me address the proposals in this set of amendments. They are technical, one might even say comical, in that the drafting of the Bill neglected to specify that for a neighbourhood to apply to Birmingham city council to have its neighbourhood designated. With your permission, Mr Bayley, I move the technical amendments that correct that small anomaly.

The Chair: As the Minister said, these are narrow, technical amendments. I know that colleagues want to discuss the wider issues in the schedule about neighbourhood development orders. I think it will make more sense to debate those general issues under the third group of amendments, starting with amendment 206. Unless there are people who want to question the Government amendments or seek to oppose them, we should move to a vote.

Alison Seabeck (Plymouth, Moor View) (Lab): I have a simple question. Is the amendment to proposed new section 61K(4), which says, “for the purpose of correcting errors that they have made”, simply for the correction of factual errors, rather than policy changes?

Greg Clark: That is precisely the case.

Amendments made: 158, in schedule 9, page 288, line 34, at end insert ‘to whom a proposal for the making of a neighbourhood development order has been made’.

Amendment 159, in schedule 9, page 288, line 35, after ‘order’ insert ‘to which the proposal relates’.—(Greg Clark.)

Jack Dromey: I beg to move amendment 140, in schedule 9, page 288, line 37, at end insert ‘those voting constitute at least 20 per cent. of those eligible to vote in that referendum’.

The Chair: With this it will be convenient to discuss amendment 141, in schedule 9, page 297, line 30, after ‘order’, insert ‘and those voting constitute at least 20 per cent. of those eligible to vote in that referendum’.

Jack Dromey: Let me say from the start that the Minister was right when he said that it is common ground that encouraging neighbourhoods to have greater ownership of their neighbourhoods and to develop neighbourhood plans is a thoroughly noble objective. He is also right to say that there are no democratic arrangements in place—a parish council, for example—issues arise about what arrangement should be put in place by way of a neighbourhood forum to establish a neighbourhood plan. In discussing the amendments, we will address some real and legitimate concerns that the Government must allay, and I hope that they will accept some of our amendments.

I want to be relatively brief, because the amendments relate to wider concerns, which we will come to in amendments to the schedule, about the legitimacy of the process through which neighbourhood development orders and neighbourhood plans are made. The amendments place a threshold of 20% of those eligible to vote on referendums for approval of neighbourhood development orders and neighbourhood plans.

Before I move on to the reasons behind the amendments, I want to explain that, as I have said, we are in favour of neighbourhood planning in principle. Local decision making has clear and obvious benefits. The people who live in an area understand its problems. They have views on how things could be improved, and if their views become reality, they will have an incentive and thus a commitment to make them succeed. Therefore, they will—if we get it right—give their time, police the detail of agreements and do all that they can to make their areas pleasant places to live and work.
Any proposals that seek to empower local people should do so fairly, and should ensure that people with different levels of resources, knowledge and expertise are able to benefit equally. The principle is sound, but the question is whether all citizens will be able to avail themselves of the opportunities in the Bill. It is also crucial that we ensure that actions that arise from such proposals command a reasonable level of support from the communities concerned, particularly where plans have a material impact on the lives of citizens and where they live and work.

It is with that in mind that we have assessed the Government's proposals on the processes to make neighbourhood plans and neighbourhood development orders. Regrettably, the proposals, as they stand, have fallen short. The Government's proposals are wholly inadequate and run the risk of being utterly undemocratic in how they work in practice. Under the proposals, bizarrely, it is possible for only three people from a community to be involved in the creation of a neighbourhood plan. As I have described, that could be three men or three women and a dog in the Dog and Duck. Only three people have to be members of a neighbourhood forum, and only one of those members would be required to vote through the plan in a referendum. As the legislation stands, it runs the risk of producing an outcome that is both undemocratic and farcical. The plans have the potential to affect the lives of thousands of people living in a community. We therefore believe that it is only right that such actions should be backed by at least a significant minority of that community.

The imperative for such a requirement increases when one considers, if our later amendments are not successful, that only three people could introduce such plans to make development orders and neighbourhood plans. The purpose of proposing a threshold for the referendums is to ensure that, crucially, there is a degree of legitimacy and acceptance of the outcome of the exercise. We need to have a debate on the level at which to pitch the threshold. For both a referendum on a neighbourhood development order and a neighbourhood plan, we propose that they are declared valid only if voted for by at least 20% of those entitled to vote in that referendum. We strongly believe that that is a reasonable requirement and will guard against a very small minority in a community being able to impose their will on others, including on those who do not vote. As I have made clear, we want neighbourhood plans to have integrity and support from the community, and we want them to be legitimate. Unless we address the issue of how we ensure that they truly represent communities, there is a risk of the noble concept of the neighbourhood plan being called into disrepute in some areas. In conclusion, we hope that the Government take on board our concerns regarding the legitimacy of the proposals, and either accept our amendment or commit to return to this House at a later stage with their own proposals.

**Greg Clark:** Parliament has debated at some length the question of thresholds in referendums in recent days and weeks, both in the House and in the other place. It has come to a view, on a very important question that will be before us in May, that it would be inappropriate to have a threshold in place. That is consistent with the practice, as the hon. Gentleman will know, for various types of referendums we have had in this country. I think that the last time a threshold was set was for the 1979 referendum on devolution for Scotland. It is a major constitutional principle, as evidenced in discussions this week on whether to set in place thresholds for referendums. To do so in this case would be inconsistent with the settled view of the House, which has considered the matter in many different circumstances, even as recently as late last night. It is worth pointing out that the requirement to have a referendum is in itself a very strong safeguard. Some people outside the House have questioned whether it is essential, and whether we should not just make sure that parish councils, town councils or neighbourhood forums are open enough, and consider whether either a majority of the council or a single meeting should be sufficient.

3.15 pm

We have taken to heart the issues that the hon. Member for Birmingham, Erdington raised about ensuring that literally everyone in the community has the opportunity to state their views on these matters. That is why we have included the provision for a referendum, which is contrary to what happens elsewhere in planning policy. For example, the adoption of a local plan does not require a resolution of the whole electorate; it just requires a resolution of the council. The fact that we are debating the issue at all is testament to the attention we give it.

**Heidi Alexander:** Does the Minister really think it is right that, for example, 2% of the population in an area can vote on a neighbourhood plan and perhaps then 50% of that 2%—1%—actually sets out what the future shape of that area should be? Does he not have any concerns about the quality of information that would be available for people to base their decisions on or about the ability of people to give their time to make balanced decisions on what is before them? Certainly, given my own experience, I have significant concerns about all the things I have just mentioned.

**Greg Clark:** The hon. Lady raises a classic objection to ballots or referendums without either a compulsion to vote—as is the case in Australia—or a threshold. The same argument applies to electing Members of Parliament. In some constituencies, there is little more than a majority—and, in some cases, less than that—in support of the winning candidate, as no doubt the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hazel Grove will argue very strongly in the referendum campaign to come.

It is a consistent principle that we give people the opportunity—the right—to vote, but we do not compel them to do so. Crucially, we do not wish to encourage a perverse consequence of having a threshold: abstention campaigns that subvert the process. One of the classic objections to setting thresholds in parliamentary elections, local authority elections or referendums is that they provide the opportunity and, indeed, the incentive for opponents of a particular cause not to argue their case or encourage people to participate in the democratic process and debate. Instead, opponents encourage people to stay away, so that they can subvert the views of those who have the commitment to vote by staying at home. The threshold then falls below the required level. This is a much debated policy. Time and again, the House has
come to the view that we should not provide a get-out for people who oppose a measure by giving them the opportunity to encourage people to stay at home. We should not have such a policy in place.

Jack Dromey: “Perverse” is absolutely the right word. Would it not be utterly perverse for a handful of people to be able to take fundamental decisions affecting the health and well-being of their local community? Why do we have the figure of three? Why have a figure so absurdly low that it is likely to lead to perverse outcomes in some communities?

Greg Clark: The hon. Gentleman is confusing two different clauses. That figure refers to the composition of neighbourhood forums, not to the referendums that are available there. In reflecting on these matters, we should follow our consistent practice. Just last year, a Select Committee of the House of Lords held an inquiry into the role of referendums, and it recommended that there should be a general presumption against the use of voter turnout thresholds because of the evidence presented to it regarding the ability of abstaining voters to defeat proposals. The matter has been aired fully and properly.

Jack Dromey rose—

Greg Clark: If it is about the question of three, that is for a later point in the proceedings. Is it about the threshold?

Jack Dromey: No, but they are, with the greatest respect to the Minister, inextricably interlinked. Why three? If the Minister would like to address that question later, I am comfortable with that, but what is the basis for what the Government are proposing?

Greg Clark: I will, of course, address it, but I am sure that you will instruct me to do so, Mr Bayley, when we are debating the appropriate clause.

Heidi Alexander: I think that my question comes at their relevant point. I would like to return to the comparison that the Minister made in response to my earlier intervention. He discussed the fact that we do not set a threshold for turnout at a general election. The big difference, however, is that people grow up in this country thinking that it is their civic duty to vote, and I would like more people to think that. It is a big thing to decide who will be the Prime Minister of this country. The nature of people’s environment is also a big thing. We have already discussed how difficult it is to engage people when drawing up policies and visions for an area. Yes, people want to be involved in a particular planning application when they say, “No, we don’t want it,” but my concern—I wonder whether the Minister sees this at all—is that it is going to be very difficult to engage people and persuade them to give up their time to make sure that we have a 75% turnout, which is what I would love to see in referendums on local development plans.

Greg Clark: I agree with the hon. Lady—I would like to see that level of turnout. The whole thrust of our reforms is to give people a reason to participate in their local community. The fact that decisions have been made on a local plan by remote, specialist committees in the town hall has put people off over the years, and I hope that giving people the opportunity to shape the future of their neighbourhood will encourage them to participate. I hope that they will be encouraged by voices in their community to take an interest in matters. I hope that neighbourhood plans will be of great importance, but we should consider some other important areas for which we, or others, do not set thresholds for participation. For example, one could hardly think of a role of greater importance for the world than that of the President of the United States. There is no requirement for, or compulsion on, people to vote, or for the election to be declared null and void if a certain threshold is not reached. Important though neighbourhood plans are, giving people the opportunity to vote, rather than compelling them to do so or requiring certain thresholds, is the right approach.

Several hon. Members rose—

Greg Clark: I shall give way to my hon. Friend the Member for Croydon Central, and then to the hon. Member for Worsley and Eccles South. I think that all the views available will have then been expressed.

Gavin Barwell (Croydon Central) (Con): Will my right hon. Friend confirm that the previous Government allowed referendums to introduce new governance arrangements for local authorities without setting any turnout threshold whatsoever?

Greg Clark: My hon. Friend is right. We have discussed the Mayor of London, and the hon. Member for Lewisham East is a former deputy mayor of Lewisham. I do not suppose that she declined to participate in that election on the basis that the original referendum was not legitimate because a majority of people did not vote. Did a majority of people vote to create the post of mayor of Lewisham?

Heidi Alexander: I did not know that this was how it worked, but I am more than happy to respond to the Minister. I did not actually live in Lewisham when the referendum took place. I do not believe that a majority of people took part in it. Nevertheless, I return to my earlier point. The Minister has invited me to respond, so I will take 20 seconds to make one other point. He might accuse me of a frivolous use of public money, but my experience of the planning system and developing neighbourhood-type plans in Lewisham was that the only way to get people other than the usual suspects into the room was to pay them to be part of a public consultation on developing a neighbourhood strategy in Deptford and New Cross. When we advertised on public forums, we always saw exactly the same, small number of people. That goes to the heart of the problem, and it is why we are suggesting a threshold on the number of people who take part in referendums.

The Chair: That was a long intervention, but it was an intervention, believe it or not.

Greg Clark: It has become quite a long debate on a pretty straightforward matter. All that I would say, gently, to the hon. Member for Lewisham East is that I regard, as I am sure she does, the mayorality of Lewisham as a pretty important matter for the people
of Lewisham. Although she did not live in Lewisham at the time of the referendum, if she considered it such a constitutional outrage that this post was created without a majority of the people of Lewisham voting for it, I dare say she would have declined to serve in that capacity. We have a tradition of not having referendums. The right hon. Member for Greenwich and Woolwich is uncharacteristically silent on the matter. No doubt because on a previous occasion in the House, he was the Minister responsible for the Greater London Authority Act 1999, which had no threshold requirement for participation. There is precedent.

This is not a party issue, although the amendment was tabled by the Opposition. For better or worse, the country has taken a view that to impose threshold requirements when people are invited to go to the ballot box is not the right way to proceed.

Barbara Keeley rose—

Greg Clark: I will finally give way to the hon. Lady and then I think we should move on.

Barbara Keeley: I am astonished, because we were all kept here last night until 12.20 am, while the Government pushed through a Bill that would bring about a referendum on the voting system, the whole purpose of which is to get to 50% plus one. The Government believe that voting in parliamentary elections should be on the basis that the elected candidate reaches 50% plus one.

Greg Clark: I am astonished. The reason we were here last night was to insist that we do not introduce a threshold. The point of our late nights and their Lordships having—

The Chair: Order. I remind the Minister that we are debating today's business, not yesterday's, about thresholds relating to local planning.

Greg Clark: We are, but I would hate to think that their Lordships had their sleepovers in vain, rather than asserting the important principle that was reasserted last night that we do not have thresholds in referendums. That has been the consistent practice of the House and the country over the years. I suggest that the Committee does not accept the amendment.

Mr Raynsford: The Minister implied that all the issues had been discussed, but I think he has omitted one consideration. I should like to consider the whole issue of thresholds and referendums seriously and identify the one important issue that he has not addressed: the difference between a compulsory referendum and an advisory referendum.

When I introduced the Greater London authority legislation, I made provision for a referendum and there was no threshold. That and the last Government's other devolution arrangements for Scotland and Wales were all based on advisory referendums. The Government said that they would not act unless there were a yes vote, but they were not bound to act if, for example, the outcome of the referendums had been derisory. [Interruption.] Some hon. Members think that that is ridiculous, but it is constitutionally correct. The Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst knows that. We said that before legislating we would first sound out the people of the areas affected and proceed with legislation only if there were a yes vote.

Alun Cairns (Vale of Glamorgan) (Con) rose—

Mr Raynsford: If the hon. Gentleman waits for a moment, he may find that the point that he wants to make will be made. I understand that this is an important but subtle issue. If a clear body of opinion was expressed in a referendum, it is very unlikely that the Government would not act on it. However, at least there was the discretion that, if the outcome of the referendum had either been derisorily small or so close and the number of people voting so low as to undermine the viability, the Government would have had the opportunity to say, “On reflection, having sounded people in the area, we have decided not to proceed.”

Alun Cairns: The right hon. Gentleman is talking semantics, particularly on the point about the Welsh Assembly referendum. There would have been an outcry in Wales if the Government had not accepted the conclusion of that referendum. He blows a hole in his argument in that the majority was a fraction—less than 1%—on a very poor turnout, the exact opposite of the point that he is making.

3.30 pm

Mr Raynsford: I entirely accept the hon. Gentleman's point. However, if the turnout had been 5%, the Government could have said, “This was a very finely balanced outcome, on a derisorily small turnout, and we won’t proceed.” I accept that the feeling in Wales at the time was in favour of devolution. Therefore, even though the balance was pretty fine, the Government felt that they were right to proceed, although not doing so still remained an option. That arrangement was sensible, because it avoided what happened in Scotland in 1979, which was referred to by the Minister of State, Department for Communities and Local Government, the right hon. Member for Tunbridge Wells. A threshold was set in advance and, although there was a clear vote in favour of devolution in Scotland, the then Government could not proceed, because the threshold had not been met.

My hon. Friends the Members for Lewisham East and for Birmingham, Erdington rightly highlighted the point that, if there is a derisorily small turnout in a referendum for a neighbourhood plan—that could happen for precisely the reasons identified by my hon. Friend the Member for Lewisham—the council will have to proceed, because such a referendum will be mandatory under the Bill. It will not have an option. It cannot say, “We have listened to the referendum. People have had an opportunity, and we have assessed the vote. Yes, it was a yes vote, but only three people actually voted—two in favour and one against—which represents only 2% or 1% of the neighbourhood. Therefore, we do not think it is right to proceed, given all the costs, time and commitments involved.” The Government expect costs of £15,000, £17,000 or £20,000 to develop a neighbourhood plan. The council has to do it, despite a derisory outcome.

Again, we have the problem of the Government’s very prescriptive approach to localism. If they leave the
The Government are not being localist; they are being prescriptive. Proposed new section 61E(4) of the Town and Country Planning Act 1990 states:

“A local planning authority...must make a neighbourhood development order if more than half of those voting in a referendum under that Schedule have voted in favour of the order”.

There is no discretion for the local authority, and no scope for it to apply common sense in extreme circumstances. That will not happen all the time, but the Government should think more about it. In some mayoral referendums, we have seen pretty low turnouts, and there might be derisorily small turnouts in those on neighbourhood plans. What do Government Members think about what the TaxPayers Alliance and others would say if a local authority was committed to spend £20,000 in developing a neighbourhood plan on the flimsy basis of three people voting—two in favour and one against? That would clearly be nonsense.

I urge the Government to listen to my hon. Friends and to think again. The Minister could think again—he has shown that he is willing to do so, and perhaps he will on my point—and change proposed new subsection (4), so that the local authority must have regard to the outcome of the referendum but is not bound to implement a neighbourhood plan if the yes vote is derisorily small. Alternatively, he could accept the concept of a threshold. I prefer the former because that is localist; it gives the local authority some discretion and protects against absurd situations. It is genuinely a common-sense argument. I ask the Minister to think again.

**Greg Clark:** I am sure that my hon. Friend the Member for North Herefordshire will tell me, “I told you so.” I provoked the right hon. Gentleman to respond, and my hon. Friend is slapping his forehead in despair. The right hon. Gentleman constantly amazes us. The chutzpah that he brings to the proceedings knows no bounds. He can make a passionate defence of the practice of previous Governments and can make an equally passionate defence of the opposite of the practice of previous Governments. During the whole period when he was a Government Member, we did not have a threshold on a single referendum. We had a referendum on Scotland, on Wales and on the north-east regional assembly, which I think was his idea. We had a Mayor, new arrangements London and different mayoral referendums everywhere. At no point was there a suggestion of a threshold. I will check the debates on such matters to see whether he made it clear to the electorate that, if there were a low turnout, the Government were minded to disregard the result.

**Mr Raynsford:** I did.

**Greg Clark:** I am interested to hear that. I do not remember it being a prominent part of the campaign at the time. We are consistent with the practice of both parties. It is worth reflecting that any neighbourhood development plan put to a referendum must be certified by the local authority as being sound and unable to contain any of the perverse elements that Opposition Members worry about. That is one of our preconditions. To describe giving the opportunity for neighbourhoods to adopt a neighbourhood plan on the basis of a referendum as in some way anti-localist makes me think that we are with Alice in Wonderland, rather than in Committee scrutinising the Bill.

**Brandon Lewis (Great Yarmouth) (Con):** Will my right hon. Friend give way?

**Greg Clark:** I will, one last time.

**Brandon Lewis:** I am grateful to my right hon. Friend. On the requirement for the referendum to be sound, would that include protecting people against the rather worrying thing that we have heard from Lewisham about paying people to take part?

**Greg Clark:** That is a novel approach that I have never heard of; in parliamentary terms, it is a criminal offence. I enjoy a period during election campaigns of being advised by my agent that I am not allowed to buy anyone a drink in my constituency. I am grateful for the sanctity that that gives me. I am surprised to hear of such a thing, but I think that the hon. Member for Lewisham East is about to correct matters.

**Heidi Alexander:** The hon. Member for Great Yarmouth must have completely misheard what I said. I was explaining the process of drawing up a local master plan for part of the borough of Lewisham. To make sure that a wide cross-section of people took part in the consultation events that led to the plan being developed, we paid individuals a small sum to participate to get as wide a cross-section as possible. I know of no circumstances in which Lewisham has ever paid anyone to participate in a form of referendum or vote on anything. I hope that the Minister accepts that that was what I was referring to.

**Greg Clark:** I am sure that the Committee accepts the hon. Lady’s clarification. I urge the Committee to decline to support the amendment.

**Jack Dromey:** We will press the amendment to a Division.

**Greg Clark:** On a point of order, Mr Bayley. Will there be a threshold for the vote?

**The Chair:** That is not a point of order for the Chair.

**Jack Dromey:** Looking around, I think that 12 will do us.

Without pre-empting a debate that we are due to have shortly, we must bear in mind the admirable concept of neighbourhoods developing neighbourhood plans that really make a difference to their neighbourhoods, with local people involved in shaping their future. The Minister runs the risk of bringing into utter disrepute that concept by the extraordinary combination of having no threshold, while three men or three women in the Dog and Duck have the capacity to initiate the process. Therefore, we will press the amendment to a vote.

**Question put,** That the amendment be made.
Mr Ward: I beg to move amendment 206, in schedule 9, page 290, line 9, leave out from ‘if’ to end of line 10 and insert—

'(a) the relevant authority has carried out a Community Governance Review for that area,
(b) it is designated by a local planning authority as a neighbourhood forum for that area, and
(c) for the purposes of paragraph (a) a Community Governance Review is as defined in the Local Government and Public Involvement in Health Act 2007, Part 4, Chapter 3, section 79.'.

The Chair: With this it will be convenient to discuss the following: amendment 207, in schedule 9, page 290, leave out lines 14 to 27 and insert—

'(5) A local planning authority may designate an organisation or body as a neighbourhood forum if the authority is reasonably satisfied that—

(a) it is established for the express purpose of furthering the social, economic and environmental well-being of individuals living, or wanting to live or businesses registered;
(b) the membership of the organisation or body is open to individuals living, or wanting to live, or businesses registered, in the neighbourhood or area concerned;
(c) it is competent to undertake the task of preparing a neighbourhood plan with appropriate professional support; and
(d) it is representative of different sections of the community.

(6) A local planning authority may set such conditions on the designation of a neighbourhood forum such as probity, transparency and any other conditions the local planning authority deems appropriate and set out in the document required under paragraph 1 of Schedule 4B.'.

Amendment 137, in schedule 9, page 290, line 22, after ‘open’, insert ‘only’.

Amendment 138, in schedule 9, page 290, line 25, leave out ‘3’ and insert ‘20’.

Amendment 139, in schedule 9, page 290, line 26, at end insert—

‘(ca) that at least one of the members within paragraph (c) is a councillor of the local authority for the electoral area in which the organisation or body is based.’.

Amendment 208, in schedule 9, page 290, leave out lines 28 to 30.

Amendment 191, in schedule 9, page 290, line 41, leave out ‘not’.

Amendment 192, in schedule 9, page 290, line 41, at end insert—

‘if the local planning authority are satisfied that the neighbourhood forum does not comply with the reasonable conditions placed on its operation.’.

Amendment 142, in schedule 9, page 296, line 38, at end insert—

‘(4A) The Equality Act 2010 is amended as follows.

It may be helpful to the Committee if I say that I will first call Mr Ward to speak to his amendment, and then I will call the Opposition Front-Bench spokesperson. In effect, we should have a stand part debate on the issues in the clause. This group of amendments includes amendment 138, which is about whether the Dog and Duck is big enough or whether larger venues would be required.

Mr Ward: It is the Dog and Gun in my constituency. I was willing to vote as I did in the last Division, because although I dislike referendums, I dislike thresholds even more. I am struggling on this provision, however, and I hope that the Minister will listen carefully to what I have to say.

I mentioned the story about the art gallery and the eyes that seemed to be looking at each person from a different viewpoint, and this measure is a classic example. Many members of the Committee will say that they do not see the problem. They are aware of easily defined local communities that are already capable of being described as a community, or possibly as a parish or “parishable.” They are distinct communities that would relish the opportunity to develop a plan. That is not my experience of many of the communities that I know.

Believe it or not, although the Bradford district contains about 600,000 people, two-thirds of it is rural. The third that is not rural is made up of former council estates, grown and grown, in many cases through overdevelopment. Some 50, 60 or 70 years ago, they were distinct communities that would not see the problem. They are aware of easily defined local communities that are already capable of being described as a community, or possibly as a parish or “parishable.” They are distinct communities that would relish the opportunity to develop a plan. That is not my experience of many of the communities that I know.

It may be helpful to the Committee if I say that I will first call Mr Ward to speak to his amendment, and then I will call the Opposition Front-Bench spokesperson. In effect, we should have a stand part debate on the issues in the clause. This group of amendments includes amendment 138, which is about whether the Dog and Duck is big enough or whether larger venues would be required.
3.45 pm

There is nothing wrong with the principle of having much greater community involvement in planning, and I welcome it. The question is whether the new neighbourhood planning framework is not only fair, but workable in many communities. My principal concern about delivery relates to the neighbourhood forums for non-parished areas. Unlike parish councils, neighbourhood forums are seemingly accountable to nobody, and there is no obligation for members to disclose financial interests. It is not long ago that we discussed the importance of requiring local councils to have registers of interests for members, but such bodies and organisations do not have to declare any financial interest in a plan's outcome. As a result, they will not and cannot command the necessary community legitimacy—and I think legitimacy is the right word. Do they legitimately represent their communities on plans that are drawn up?

There may be ways of making neighbourhood forums marginally accountable. I believe, however, that they can be successfully underpinned only by some parish-style accountability, with a clear electoral mandate. There are difficulties to do with boundaries, and in a place such as Bradford, there are no obvious parish boundaries to work from. Believe me, it causes difficulties. As well as social difficulties, it can be ethnically divisive. In an extremely segregated area such as Bradford, one can easily imagine a neighbourhood forum seeking to omit a particular street or estate from a neighbourhood area, for the purpose of excluding particular groups from the process. That is the reality of many areas. In my constituency, there are places where the whole street is from one particular European country, while the next street is from another. There are two or three streets together that are of one particular Baradari, and others that are of a completely different one. I do not know how one legitimately forms a cohesive plan for neighbourhoods in such areas.

Amendment 206 seeks to give communities the opportunity to re-establish parish or community councils in urban areas before neighbourhood forums are formed—and that is possible. The newest parish council in Bradford is in an area that, despite being called a parish council, is probably 80% Muslim. A former regeneration company decided to use the vehicle of a parish council as a successor body at the end of its life. It is possible for any community to have an elected body of a parish council nature. Parishing overcomes nearly all the problems of accountability and representation, and the boundary issues for neighbourhood planning in urban areas. I would have thought that it would also fit in very well with the Government's localist agenda, giving people an opportunity to engage democratically at a much lower level, empowering communities to make their own decisions about the issues that matter in their area.

A method of doing that, in the form of a community governance review, exists in legislation; it is set out in the Local Government and Public Involvement in Health Act 2007. The reviews are carried out by local authorities, which can make recommendations to set up a new parish or community council. My amendment would make the review mandatory before a new neighbourhood forum is set up, to establish whether people want to set up a new parish council. That route seems sensible, and I would think that I would be supported by those already involved with parish councils. I guess the argument against it is that it probably slows down a process.

When anybody was rushing her, my grandmother used to say, “He must have a bus to catch.” The Government are acting as though they have a bus to catch. We have time for this; if we go forward with the proposals for parish areas, we have time to parish others, or at least to include local, accountable and democratically elected bodies that take on the role of the neighbourhood forums. That would be an extension of democracy to a lower level, which is in line with the localism agenda.

Most of the Bill is very business-light. I am surprised, as it was initiated by the Government side, which includes so many Conservative Members. There is a missed opportunity in the Bill: local businesses are given no legal right to be involved in the neighbourhood planning process. That issue is covered by one of the amendments. Businesses are an integral part of many communities. It is right that they should have a role in shaping commercial development in an area. Amendment 207 addresses that by allowing business rate payers registered in the neighbourhood area to form part of the neighbourhood forum. The hon. Member for Crawley asked about the Gatwick area. In my view, an industrial estate or business park composed entirely of ratepayers should have the same rights to initiate a neighbourhood development plan. No doubt the Minister will refer to that.

Withdrawing a designation on the basis of there being no criteria makes sense when we have not set any clear criteria, but in proposed new section 61F(5), there are some criteria. They are not strict enough for my liking, but criteria are set for what a local planning area should be like. So why can we not withdraw designation if it stops being like that? There is an illogical aspect to the Bill, in that having decided that something can be designated because of certain criteria, we cannot later say that it should not be designated if it stops being like that. I would like the Minister to address that point in particular, but my main concern is the nature of the bodies, their lack of accountability, the unworkability of creating the forums, and their legitimacy in many communities that I am familiar with.

Jack Dromey: I shall speak to amendments 137 to 139, 142 and 191 to 193. Once again, it is a pleasure to follow the hon. Member for Bradford East, who has identified some serious issues, which I hope will be sensibly addressed during our debate. I stress once again that unless Ministers listen to the concerns expressed, they run the risk of establishing a new framework, which will quickly fall into disrepute. The issues of representativeness, integrity and legitimacy are absolutely key, and we hope that we will be able sensibly to address them during the debate.

As I said in an earlier debate, we are returning to a common theme in this part of the Bill, which is the democratic legitimacy of the process by which neighbourhood plans and neighbourhood development orders are made. I should like once again to express the Opposition’s support for the principle of neighbourhood planning. Anything that sensibly, properly and fairly increases local participation in the shaping of communities is a thoroughly good thing. We have real concerns, however, about the representative nature and democratic legitimacy of the framework that the Government have presented in the Bill.

We also have real concerns about the social and economic ramifications of the proposals. As the hon. Member for Bradford East has clearly recognised in his
amendment, there are real dangers that the proposals will create a divide. The hon. Gentleman spoke with passion about his community; I, too, represent a community where some of the concerns that he expressed would be felt very strongly. Along with many of the organisations that have given evidence, and that we have met, we believe that the Government are creating a two-tier planning system at the local level. It will be a two-tier system democratically, economically and socially. We do not believe that our amendments will necessarily solve all the problems that have been identified, but they will improve the proposals. We hope that at the end of our debate the Government will go away and rethink the proposals in their entirety, so that we can return to a sensible outcome that we can all support.

Amendments 137 to 139 seek to improve the democratic legitimacy of the Government’s proposed neighbourhood forums. We want to increase the number of members required to constitute a neighbourhood forum from three to 20, and we want a requirement for one of them to be an elected councillor.

Amendment 142 seeks to apply the Equality Act 2010 to neighbourhood forums, and amendments 191 to 193 seek to ensure that local authorities can rule on the appropriateness of a local area for neighbourhood forums and the forums themselves, not least for the reasons that the hon. Member for Bradford East indicated. It cannot have escaped the Government’s notice that their proposals will create a significantly different system in different parts of the country. Intrinsically, there is no problem with the creation of different systems—if there being a certain flexibility—provided that they pass certain tests. Do the proposals create systems that are genuinely representative; that are transparent and open; that are accountable to the community in which they are based, financially accountable; and that allow equal access, regardless of background, geography and resources, financial or otherwise?

On all counts, the proposals set out in the Bill do not meet those tests. It is clear to us, having analysed the proposals and having heard and read evidence from a whole range of organisations, that the proposals are fundamentally flawed and unfair. They will create a two-tier system in more ways than one.

I am looking in the direction of the Whips to see what they have concluded as a result of their discussions, and any moment now—

Bill Wiggin: When you sit down, we can adjourn.

Jack Dromey: I have great pleasure in sitting down. 
Ordered, That the debate be now adjourned.—(Bill Wiggin.)

4 pm
Adjourned till Tuesday 1 March at half-past Ten o’clock.