Public Bill Committee

LOCALISM BILL

Twenty-fourth Sitting

Thursday 10 March 2011

(Afternoon)

CONTENTS

New clauses considered.
Clauses 201 to 203 agreed to, one with an amendment.
Schedule 24 agreed to.
Clauses 204 to 207 agreed to, some with amendments.
Written evidence (Appending to proceedings) motion agreed to.
Bill, as amended, to be reported.
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.

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not later than

Monday 14 March 2011

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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)
† Ollerton, 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 10 March 2011

(Activity)

[Mr David Amess in the Chair]

Localism Bill

New Clause 11

COMMUNITY RIGHT OF APPEAL

'(1) The Town and Country Planning Act 1990 is amended as follows.

(2) In section 78 (appeals to the Secretary of State against planning decisions and failure to take such decisions) after subsection (2) insert—

"(2A) Where a planning authority grants an application for planning permission and—

(a) the authority has publicised the application as not according with the development plan in force in the area in which the land to which the application relates is situated; or

(b) the application is one in which the authority has an interest as defined in section 316;

certain persons as specified in subsection (2B) below may by notice appeal to the Secretary of State, provided any one of the conditions in subsection (2C) below are met.

(2B) Persons who may by notice appeal to the Secretary of State against the approval of planning permission in the circumstances specified in subsection (2A) above are—

(a) the ward councillors for the area who have lodged a formal objection to the planning application in writing to the planning authority, or where there is more than one councillor, all councillors by unanimity;

(b) any parish council or neighbourhood forum by two thirds majority voting, as defined in Section 61F, covering or adjoining the area of land to which the application relates is situated; or

(c) any overview and scrutiny committee by two thirds majority voting.

(2C) The conditions are:

(a) section 61W(1) of the Town and Country Planning Act 1990 applies to the application;

(b) the application is accompanied by an Environmental Impact Assessment;

(c) the planning officer has recommended refusal of planning permission.

(3) Section 79 is amended as follows—

(a) In subsection (2), leave out "either" and after "planning authority", insert "or the applicant (where different from the appellant)";

(b) In subsection (6), after "the determination", insert "(except for appeals as defined in section 78 (2A) and where the appellant is as defined in section 79 (2B)).".—(Stephen Gilbert.)

Brought up, read the First time, and Question proposed (this day). That the clause be read a Second time.

1 pm

Question again proposed.

The Chair: I remind the Committee that with this we are discussing the following: new clause 15—Efficient and effective planning—

'(1) Regulations may be made under this section with the purpose of securing the more efficient and effective operation of the procedures under the Planning Acts and in particular to give effect to the recommendations of—

(a) the Killian Pretty report, and

(b) the Penfold Review.

(2) Regulations under this section may—

(a) apply an enactment with or without modification;

(b) include provisions disapplying, modifying the effect of or amending an enactment.

(3) Regulations under this section—

(a) shall be made by statutory instrument;

(b) shall not be made unless a draft has been laid before and approved by resolution of each House of Parliament.'.

New clause 19—Compensation for compulsory purchase—assumptions as to planning permission—

'(1) The Land Compensation Act 1961 is amended as follows.

(2) For sections 14, 15 and 16 substitute—

"14 Planning permissions - actual and assumed

(1) For the purpose of assessing compensation in respect of any compulsory acquisition, the matters to be taken into account in ascertaining the value of the relevant interest shall include—

(a) any planning permission for development on the relevant land or any other land which is in force at the valuation date;

(b) the prospect, in the circumstances known to the market at the valuation date, of any other such planning permission being granted in the future; and

(c) the value attributable to development on the relevant land by itself or together with other land for which planning permission could reasonably have been expected to be granted where the assumptions mentioned in subsection (3) are made ("appropriate alternative development").

(2) In determining the value attributable to appropriate alternative development for the purpose of subsection (1)(c) account shall be taken of—

(a) any planning permission for appropriate alternative development which could reasonably have been expected to be granted on an application considered on the valuation date where the assumptions mentioned in subsection (3) are made; and

(b) the prospect, on the assumptions mentioned in subsection (3), but otherwise in the circumstances known to the market at the valuation date, of planning permission for other development being granted in the future.

(3) The assumptions referred to in subsections (1) and (2) are that the circumstances at the date of determination of the application are the same as exist at the valuation date except that—

(a) the statutory project had been cancelled on whichever of the following dates shall apply—

(i) the date of first publication of notice of the making of the compulsory purchase order as required under the Acquisition of Land Act 1981;

(ii) the date of first publication of notice of the application for compulsory purchase powers contained in any order to be made by the Secretary of State under any enactment; or

(iii) the date of first publication of notice of the deposit in Parliament of the Bill containing the power to purchase the land compulsorily;
(b) no action has been taken (including acquisition of any land, and any development or works) by the acquiring authority, wholly or mainly for the purpose of the statutory project; and

(c) there is no prospect of the same project, or any other project to meet the same or substantially the same need, being carried out in the exercise of a statutory function, or by the exercise of compulsory purchase powers.

(4) In this section “the statutory project” means the project, for which the authority has been authorised to acquire the relevant land, for a purpose to be carried out in the exercise of a statutory function.

(5) In cases of dispute, the area of the statutory project shall be determined by the Upper Tribunal as a question of fact subject to the following matters—

(a) the statutory project shall be taken to be the area of implementation of the authorised purposes within the area of the compulsory purchase instrument, save to the extent that it is shown (by either party) that it is part of a larger project; and

(b) save by agreement or in special circumstances, the Upper Tribunal shall not permit the authority to advance evidence of a larger project, other than one defined in the compulsory purchase instrument or the documents published with it.”.

(3) For section 17 substitute—

“17 Alternative development certificate

(1) For the purpose of determining the permission or permissions to be taken into account under section 14(2)(a), either of the parties directly concerned may, at any time after the date of first publication of a notice mentioned in section 14(3)(a), apply to the local planning authority for an alternative development certificate.

(2) An “alternative development certificate” is a certificate stating—

(a) the opinion of the local planning authority as to the appropriate alternative development (if any) for which permission is to be taken into account under section 14(2)(a); and

(b) a general indication of any conditions, obligations or requirements to which the permission would reasonably have been expected to be subject.

(3) Subject to any appeal made under section 18 of this Act, or any direction of the Upper Tribunal given following such an appeal, an alternative development certificate shall be conclusive of the matters stated in it for the purposes of assessing compensation.”.

(4) For section 18 substitute—

“18 Appeals against alternative development certificates

(1) Where the local planning authority has issued an alternative development certificate under section 17 of this Act in respect of an interest in land—

(a) any person entitled to claim compensation in respect of the compulsory acquisition of that interest, or

(b) any authority possessing compulsory purchase powers and by whom that interest is proposed to be acquired,

may appeal to the Upper Tribunal against that certificate.

(2) In relation to any appeal made under this section the Upper Tribunal may—

(a) determine the timing and scope of the hearing of the appeal, having regard to any related compensation reference;

(b) direct that the appeal be determined on its own, or at the same time as a reference relating to the determination of compensation for which the certificate is required; and

(c) direct that the hearing of the appeal should take the form of a local inquiry before a planning inspector appointed by the Secretary of State, and that the inspector be given delegated power to determine the appeal on behalf of the Tribunal.”.

(5) For section 19 substitute—

“19 Application of certificate procedure in special cases

(1) Subsection (2) applies where—

(a) the person entitled to an interest in land which is proposed to be acquired by an authority possessing compulsory purchase powers is absent from the United Kingdom; or

(b) the compensation payable in respect of the interest falls to be determined by the valuation of a surveyor under section 58 of the Land Clauses Consolidation Act 1845.

(2) A surveyor appointed for the purpose described in subsection (1) may apply to the local planning authority for an alternative development certificate under section 17 before valuing the interest.

(3) Sections 17 and 18 shall apply to an application made under this section.

(4) An application made under this section shall be accompanied by a statement specifying the date on which a copy of the application has been or will be served on each of the parties directly concerned.

(5) Where the local planning authority issued a certificate to a surveyor following an application under this section, the authority shall serve copies of the certificate on both the parties directly concerned.

(6) For sections 20 and 21 substitute—

“20 Power to prescribe matters relevant to Part III

(1) The provisions which may be made by a development order shall include provisions for regulating the manner in which applications under section 17 and 19 and appeals under section 18 are to be made and dealt with, respectively, and in particular—

(a) for prescribing the time within which an alternative development certificate is required to be issued;

(b) for prescribing the manner in which notices of appeals under section 18 are to be given, and the time for giving any such notice; and

(c) for requiring local planning authorities to provide the Secretary of State and such other persons (if any) as may be prescribed by or under the order with such information relating to the application as may be prescribed.”.”

The Minister of State, Department for Communities and Local Government (Greg Clark): If I had kept an eye on the clock, I would have concluded my remarks before we were obliged to adjourn. However, I think I have responded to the constructive points made by my hon. Friend the Member for St Austell and Newquay.

The Bill will enhance the role of plan making and give local people a far greater ability to have their wishes expressed in plans. When decisions depart from that, which I hope will be rarely, it is right that locally elected people, rather than the inspectorate, make the decision. I shall reflect on the Bill’s provisions to ensure that the primacy of the plan is unambiguous, as we intend. In fact, some weeks ago, when we considered amendments about establishing the importance of plan making over the development control appeals route, I undertook to reflect on whether we could make the provisions even less ambiguous. I will certainly do that, and I hope that that answers the understandable concerns raised by my hon. Friend. I hope that he has been persuaded to withdraw new clause 11, to which I am grateful to have had the chance to respond.
Barbara Keeley (Worsley and Eccles South) (Lab): I would like to speak to new clause 19, which is about compensation for compulsory purchases. It is a pleasure to serve under your chairmanship, Mr Amess, particularly now that we have reached the new clauses in the Committee's last sitting.

Locally led regeneration is crucial to our communities, but there is a feeling that it is being undermined by the system for compulsory purchase and compensation. As we know, local authorities use compulsory purchase orders to secure the control of land that they need to deliver the regeneration of an area, and that is essential to the delivery of infrastructure such as Crossrail. The statutory provisions that govern the compensation payable for compulsory purchase are now widely thought to be over-complicated and, in some cases, out of date. That can result in extended negotiations and, unfortunately for those involved, litigation. Compensation payments to landowners can be delayed and can become unpredictable, and I will give examples of that.

One area of particular concern is how to ascertain the planning status of land that is being compulsorily acquired. To assess the value of land for compensation purposes, assumptions must be made about what development might have been permitted through the planning system were it not for the compulsory purchase order. For example, could a dilapidated factory that is being acquired have been redeveloped for housing, or must it have remained in industrial use? Clearly, reaching the right answer to that question can have a dramatic effect on the compensation paid for the land.

There is a feeling that the rules governing the statutory planning assumptions are in need of reform. That has been highlighted in the Lands Tribunal, the Court of Appeal and the House of Lords—the Supreme Court will now be the final court of appeal. Two cases in particular have resulted in seemingly perverse outcomes that demonstrate the failings of the existing system. In the case of Greenweb Ltd v. Wandsworth council, the claimant received compensation in the Court of Appeal of £1.6 million for a piece of land that was 0.22 acres, or some 20 yards by 50 yards. It was established to be worth only £15,000 outside the compulsory purchase system, and it had been bought for £30,000. In that case, we had £1.6 million versus £15,000. A little-known law that was intended to compensate victims of German wartime bombing had been invoked during the procedure, which meant the land had to be valued as if it had planning permission for housing, when it had, since 1979, had planning permission only for use as open space. Wandsworth council therefore had to pay £1.6 million for the land, rather than some price between £15,000 and £30,000.

Press reports from that time make interesting comments on the case. The judge who reluctantly ordered Wandsworth council to pay that very large sum described the law as "utterly deplorable". The council appealed against the valuation by the Lands Tribunal, arguing that the law was absurd, but three Appeal Court judges upheld the decision, while making clear their serious concerns about the fact that the legislation, based on wartime bombing, still existed. Lord Justice Sir Richard Buxton called on councils to lobby the Government for repeal of the law to avoid the unmeritorious deprivation of very scarce funds that occurred in this case.

Lord Justice Sir John Thomas said it was "highly regrettable" that taxpayers had to fund the purchase of the land for more than 100 times its true value, and Lord Justice Sir Stanley Munro said that he upheld the law "most reluctantly".

The second case shows the law working the opposite way. In Spirerose v. Transport for London, the claimant received significantly reduced compensation in the House of Lords, compared with that awarded by the Lands Tribunal and later supported in the Court of Appeal. A legal technicality meant that the land could not be valued as if it had planning permission, although it almost certainly would have got it; it could be valued only according to the hope of getting planning permission, which is a much weaker claim. Transport for London had to pay only £400,000, as opposed to the £608,000 that the land was said to be worth.

Interesting press reports tell us that Michael Orlik, an expert in public law, said:

"It may be that Parliament should consider whether the present system is fair to landowners or whether the law should be changed. The case will have important implications for compulsory purchase valuations. The difficulty with this decision from the point of view of landowners facing a compulsory purchase is that once a Government body or local council has announced its decision to proceed with a new project by compulsory acquisition, the landowner will not be able to obtain planning permission for an alternative scheme because the land is required for a public purpose. He will therefore—"

as in this case—

"only be able to obtain hope value, not the full development value. I think this is something Parliament may need to look at."

The Greenweb v. Wandsworth council case was in 2008, and the Spirerose v. Transport for London case was in 2009, so they are recent cases. In the second case, the constraints of the current law prevented a proper assessment of the planning status of the land at the valuation date.

New clause 19 would prevent the issues involved in those two cases and similar issues from occurring, and the Bill is a suitable place to introduce that new reform. The new clause would replace the statutory planning assumptions in sections 14 to 21 of the Land Compensation Act 1961 with ones based on the recommendations of the Law Commission reports, "Towards a Compulsory Purchase Code", which were published in 2003 and 2004.

The Minister may tell me that the previous Labour Government could have done something at the time. If he does, I shall say that it was not considered a priority to bring forward a planning Bill, but this Bill, which we have debated for so many weeks, can change that situation; much is already changing in planning legislation, with the localist principles being brought in for neighbourhood planning, and the new policy planning framework.

The new clause would introduce a new alternative development certificate that is more relevant to the modern planning system than the certificate of appropriate alternative development that it would replace, and it would be of more assistance in assessing compensation. The new certificate would reflect the planning situation at the date on which the compensation is assessed, whereas the existing certificate is based on the planning situation when the compulsory purchase order was first made. Clearly, a compulsory purchase might have been made decades before such a situation arises. The new certificate would be issued by the local planning
authority, as is currently the case, but appeals would be to the Lands Chamber of the Upper Tribunal, rather than to the Secretary of State—given the other provisions in the Bill, that would perhaps consider easing the load on the Secretary of State. The Lands Chamber of the Upper Tribunal also determines disputes on compensation for compulsory purchase generally.

The case for reform through the new clause is supported by the Compulsory Purchase Association; the Royal Institution of Chartered Surveyors; the Law Commission; obviously, the Institute of Revenues Rating and Valuation; and the planning and environment committee of the Law Society. Those who acquire land and those who represent landowners whose land is being acquired recognise the need for reform. Situations do not often arise in which we can see injustice on both sides of a case—for those having to pay for land and for those trying to sell it.

The new clause would not change the basic approach to compensation for compulsory purchase. It would provide the same broad rights within a clearer and fairer system that would allow land required for regeneration and infrastructure to be acquired compulsorily, with a more efficient use of public and private resources. Given everything that we have said in Committee and in the House recently, it is important to help councils that are in situations such as that faced by Wandsworth council. Most importantly, the change would save local authorities much-needed resources and would help to encourage regeneration schemes, which are vital for the growth that the economy needs.

Jack Dromey (Birmingham, Erdington) (Lab): We are in our last sitting, Mr Amess, so I want to say that it has been a privilege to serve under your chairmanship and that of my hon. Friend the Member for York Central (Hugh Bayley).

Like the hon. Member for St Austell and Newquay, I am a new boy, albeit an older one. It has been a fascinating experience, and the Committee has done important work, with mature debate. We have had sharp disagreements, but we have found a degree of consensus too, particularly on the planning provisions. We have agreed that the Bill should be carried forward in the next stage. To do that, we need the necessary resources and time, and we need to consider the recommendations of Killian-Pretty and Penfold reviews, which are in our last sitting, Mr Amess, so I want to say that it has been a privilege to serve under your chairmanship and that of my hon. Friend the Member for York Central (Hugh Bayley).

I now come to new clause 15, tabled by the hon. Member for St Austell and Newquay. It focuses on changing working practices, simplifying the landscape, improving the interaction between planning and non-planning consents, managing the landscape and so on. I stress again that those things commanded substantial consensus across the political spectrum and in the world of planning. Not all of them commanded consensus, but most did. New clause 15 would ensure that the recommendations in the Killian-Pretty and Penfold reviews can be taken forward at the next stages.

We would welcome the Minister's comments.

1.15 pm

Greg Clark: I am grateful to the hon. Members for Worsley and Eccles South, and for Birmingham, Erdington, for raising the issues. The hon. Lady proves herself an accomplished parliamentarian when she anticipates the arguments that I will deploy against her and effectively rebuts them, so I will not say that the situation reflects badly on the previous Government because they did not take up the chance to deal with a very real set of concerns. She is right to draw our attention to the courts' determinations over a period of time.

Our reason for not including the measures in the Bill—as every Member of the Committee knows, it is already pretty full with 207 clauses—is, I am sure, the same as the previous Government's reason: in legislation, we have to draw a line somewhere, and the matters are quite technical and complex. We judged, perhaps incorrectly, that the appetite of the Committee to take on more than 207 clauses might be limited, but that is clearly not the case. Such is the enthusiasm under your chairmanship, Mr Amess, that there is clearly appetite for more.

I will reflect seriously on what the hon. Lady, who has been expertly advised, has said. We will sit down with those experts to consider whether, if we were to find space, it would not open up a whole set of other concomitant changes and amendments to the law that might seriously overburden our work. I cannot give a commitment that we will be able to include the measures, but I will certainly, with an open mind, consider the representations that she and others have made to see whether we can do so.

I now come to new clause 15, tabled by the hon. Member for Birmingham, Erdington, which is once again a Henry VIII clause that he urges on us. I find myself shocked once again.

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is the hand of history.
Greg Clark: It is clearly the hand of history. The hon. Member for Birmingham, Erdington, referred to the Soviet Union; the new clause establishes powers for a Tsar to exercise. The hon. Gentleman was described to me as the power behind the throne in the Labour party these days. Perhaps he is the Rasputin of the Labour party. Perhaps he has had a conversion during the party. Perhaps he has had a conversion during the 

Jack Dromey: I am aware of the Government's rather interesting "one in, one out" approach towards regulation; Opposition Members would settle for "one in, 50 out."

Greg Clark: The hon. Gentleman takes an ingenious approach. All I can say is that I am very glad that the sensitivities of the right hon. Member for Greenwich and Woolwich are not offended. He is not with us this afternoon, but his blood pressure would have risen again and the words "constitutional outrage" would no doubt have been on his lips.

We endorse the conclusions of the Killian-Pretty and Penfold reviews. They were both excellent reports, and all three authors have done a service to the country through the work that they put into their reports and the recommendations that they made. Of course, in the Bill, we are taking into account many of their recommendations. The simplifying of national planning policy, acknowledging the crucial importance of pre-application discussions, and community engagement are very much part of the Bill. There is a lot in the Bill.

We found, on reflection, that we did not need the power to introduce the other measures that are necessary. There is other statute, including the Town and Country Planning (Development Management Procedure) (England) Order 2010, that can, I am advised, be used to that effect.

If the hon. Gentleman looks at the drafting of the Bill, I am sure that he would not consider that we have been reluctant to recommend procedures for simplifying things, with the best of intentions, when necessary. I daresay he will be comforted to hear that we do not consider the new clause necessary to implement the useful and important measures in the Bill. If he is looking forward to a future role for himself, I fear that we are going to deprive him of having this particular power if our positions are ever reversed. With that reassurance that the measure is not necessary to achieve what is aimed at, I hope that he will not press new clause 15 to a Division.

Barbara Keeley: We will not press new clause 15 or new clause 19 to a Division, which will save a bit of time and will be popular with the Committee. I thank the Minister for his assurances on new clause 19. There is an important issue there, and much as the Government always seem to have other opportunities to bring forward legislation, the Bill seems the right place for the measure, so I hope that the Minister will look seriously at it. We have urged that many other clauses be withdrawn, so if he is keen to keep his Bill to 207 clauses, I can suggest a few others that he might leave out.

Stephen Gilbert (St Austell and Newquay) (LD): I am grateful to my right hon. Friend the Minister for his comments on new clause 11, but I want to press him slightly further on a few points. Importantly, my right hon. Friend acknowledged that under the reforms, departures from a local or neighbourhood plan would still be possible. He said that some degree of flexibility was necessary and that the question was who should decide on such departures. He said that rather than the remote and unelected Planning Inspectorate, it should be the local authority that decides, as it is better placed to make a sensitive judgment, and I completely agree with that.

Of course, the local authority already makes the decision when planning consent is a departure from the local plan, and it must advertise that when it occurs. Under the reforms, local authorities are meant to draw up plans in close consultation with local communities. In those circumstances, if the local authority agrees on a departure from the plan, it is fair for the community to have a further right of appeal. It is an important check, so that if a community decides to challenge a departure, the matter can be looked at again by an independent body—in this case, the Planning Inspectorate. If the Planning Inspectorate is the right body for developers to appeal to—there is nothing in the Bill that restricts or removes those provisions—why is it not also the correct body for local communities to have recourse to in limited circumstances?

It is still my contention, and that of my hon. Friend the Member for Bradford East, who sadly cannot be with us today, that a limited community right of appeal would be an important check and balance in the Bill. It would add to the suite of community rights and would be an important check against the ability of developers to steamroller unwanted applications through. I must say that new clause 11 is supported by several well-respected organisations, including Friends of the Earth, the National Trust, the Open Spaces Society, the Royal Society for the Protection of Birds, the Woodland Trust, the World Wildlife Fund, the Campaign for National Parks, Buglife and Amphibian and Reptile Conservation. I am particularly grateful for the support that the Campaign to Protect Rural England gave in researching the new clause.

My right hon. Friend the Minister has brought another red herring—if I may put it that way, Mr Amess—to the Committee's attention, which is the question of cost. At the moment, a planning application can ultimately be appealed through judicial review, which is hugely expensive, complicated and time-consuming for local communities that go down that route. New clause 11 simply says that we need a level playing field when it comes to the rights of the developer and the rights of the community. I welcome the Minister's commitment to reflecting on the matter. With that in mind, I am happy to withdraw the new clause for now, although I signal my intention to return to the matter on Report. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 12

Tenancy deposit schemes

'(1) Section 213 of the Housing Act 2004 (requirements relating to tenancy deposits) is amended as follows.
(2) For subsection (3) substitute—
"(3) Where a landlord receives a tenancy deposit in connection with a shorthold tenancy, the deposit must be protected by the landlord within the period of 14 days beginning with the date on which it is received.".'
(3) For subsection (4) substitute—

“(4) For the purposes of this section, a deposit is protected when the landlord complies with such requirements of an authorised scheme as fall to be observed by a landlord for the purpose of subsection (1).”.

(4) In subsection 5(b), delete “initial”.

(5) After subsection (8), insert—

“(8A) Where a person becomes the landlord of premises held under a tenancy to which subsection (1) applies, but in respect of which the provisions of subsections (3) and (6) have not been complied with, for the purposes of this section that person shall be deemed to have received the deposit on the date of transfer of the reversion.

(8B) Where a shorthold tenancy in respect of which a tenancy deposit was paid by the tenant began before the commencement date of this section, and after the commencement date a replacement tenancy is entered into, the landlord shall be deemed to have received the deposit for the purposes of this section on the day on which the replacement tenancy began.”.

(6) After subsection (9), insert—

“(9A) For the purposes of this Chapter a replacement tenancy is a tenancy (whether of the same premises as those let under the earlier tenancy or otherwise)—

(a) which comes into being on the coming to an end of an assured shorthold tenancy, and

(b) under which, on its coming into being—

(i) the landlord is a person who (alone or jointly with others) was a landlord under the earlier tenancy; and

(ii) the tenant is a person who (alone or jointly with others) was a tenant under the earlier tenancy; and

(iii) under which the deposit, or part of the deposit, received by the landlord under the earlier tenancy (or under a previous tenancy) is retained by the landlord.”.

(7) Section 214 of the Housing Act 2004 (proceedings relating to tenancy deposits) is amended as follows.

(8) In subsection (1) for paragraph (a) substitute—

“(a) that the deposit has not been protected in accordance with section 213(4) or that section 213(6) has not been complied with; or”.

(9) In subsection (2) for paragraph (a) substitute—

“(a) that the deposit has not been protected in accordance with subsection (4) or that subsection (6) has not been complied with; or”.

(10) In subsection (3) after (b), insert “(unless the tenancy in question and any replacement tenancy have ended)”.

(11) For subsection (4) substitute—

“(4) The court must also order the landlord to pay to the tenant—

(a) the deposit’s reasons for his failure to comply with his obligations under this Chapter; and

(b) whether the landlord knew, or ought to have known, of his obligations; and

(c) the length of time taken by the landlord in complying with his obligations.

(8) In considering the extent of the landlord’s knowledge under subsection (7)(b), the court shall assume that the landlord knew, or ought to have known, of his obligations unless the contrary is proved.

(9) In this section references to a tenant include any person or persons who is or was the tenant under a tenancy to which section 213(1) relates, or under any replacement tenancy.”.

(13) Section 215 of the Housing Act 2004 (sanctions for non-compliance) is amended as follows.

(14) In subsection (1) for paragraphs (a) and (b) substitute—

“(a) the deposit has not been protected (see section 213(4)), or

(b) the deposit is not being held in accordance with an authorised scheme”.—(Stephen Gilbert.)

Brought up, and read the First time.

Stephen Gilbert: I beg to move, That the clause be read a Second time.

I shall not detain the Committee for long. New clause 12 would simply improve existing tenancy deposit schemes so that legislation works better for tenants and landlords. It would clarify the circumstances in which landlords must protect deposits, and give judges greater discretion over the size of the penalty for landlords’ non-compliance to ensure that it is proportionate.

As the Committee probably knows, Government-backed tenancy deposit protection schemes were introduced in April 2007. The legislation was designed to set out clear responsibilities and time scales for landlords to protect tenants’ deposits, and to provide a quick, efficient way of resolving deposit disputes. Such schemes benefit more than 2 million households in the private rented sector. Those 2 million households’ deposits have been protected, and that includes my own, so I probably need to declare an interest.

Ambiguities in the existing legislation have meant that it is failing some private tenants because they do not have their hard-earned deposits protected. It is also failing landlords, who struggle to find accurate information, and the process is wasting the time of the courts and the advice services. In the past year, for example, citizens advice bureaux dealt with almost 15,000 inquiries relating to tenancy deposit protection. Almost 4,000 people went to the housing charity Shelter for advice relating to their rent deposit, three in four of whom did not have their deposits protected. Despite the best efforts of the previous Government to introduce much-needed protection in this area, the system is not quite working as the House intended. Each of the individual schemes that provide tenancy deposit protection, as well as national landlord and property organisations, has given strong support to improving the schemes and, indeed, to new clause 12. The broad support for such change is a clear sign of the need for reform to ensure that legislation works better.

The first provisions of new clause 12 are designed to clarify the circumstances in which landlords must protect deposits. It removes the “initial requirements” wording in the original legislation and instead requires landlords to protect their tenants’ deposits by complying with the requirements of one of the authorised schemes. The original wording implied compliance with the initial requirements of the individual schemes, but the courts have found that particularly difficult to enforce and landlords have been unclear about which requirements they were supposed to follow. The amended wording
would make the requirements much clearer, so landlords would have a much stronger idea of their responsibilities and the courts would find it easier to make judgments.

The new clause clarifies specific grey areas in existing legislation. First, ex-tenants, as well as current tenants, would have access to recouse if their landlord failed to protect their deposit. Secondly, if a tenancy that began before the introduction of tenancy deposit protection schemes was subsequently renewed, the landlord would be required to protect the deposit. Finally, if a property changed hands, the new landlord would also be under an obligation to protect the deposit.

The second aspect of new clause 12 would give judges greater discretion over the penalty for a landlord’s non-compliance. The new wording would remove the all-or-nothing sanction of three times the deposit, and it would enable judges to make a discretionary judgment as to whether the landlord should pay a penalty of between one and three times the amount. As hon. Members are aware, judges have been reluctant to impose the full penalty of three times the deposit, particularly when the landlord had protected the deposit but outside the strict 14-day limit. A Court of Appeal judgment of 11 November 2010 concluded that the sanction of three times the deposit does not apply if the landlord belatedly protects the deposit at any time up to and including “the eve of the trial of a claim for the penalty damages”.

The existing provision is not only not proportionate in law, but not working in practice.

1.30 pm

By giving judges discretion on the level of sanction that they can apply, new clause 12 would ensure that they would be better able to take into account the range of factors that contributed to a landlord’s non-compliance on protecting a tenant’s deposit. That would enable them to impose lower penalties on landlords who were evidently ignorant of their responsibilities, and higher penalties on landlords who wilfully failed to protect their tenants’ deposits. I believe that the change would lead to more proportionate sanctions for landlords, while offering a clear incentive for them to comply with the will of the House. I have no intention of pressing the new clause to a Division, but I shall be grateful if the Minister will respond to some of these issues.

Andrew Stunell: I thank my hon. Friend for tabling the new clause. It addresses a relevant and topical issue, and I am sympathetic to its main thrust, which is to clarify the issues raised in the recent court hearings to which he referred.

Like the dissenting judge in such cases, we think it right that sanctions for non-compliance with tenancy deposit obligations should be robust and a disincentive to bad practice. The ambiguity in the present wording should certainly be put right, and I congratulate my hon. Friend, and my absent hon. Friend the Member for Bradford East, on their attempt to do that.

Unfortunately, new clause 12 goes beyond that basic aim because it would make changes that do not flow from the Court of Appeal decision. Sadly, it also misses one of the issues that did arise in the Court of Appeal, and I will deal with that omission first. The key finding of the Court of Appeal concerned the application of a financial penalty for non-compliance with the requirements of tenancy deposit protection legislation in a situation when the tenancy is still in place and the landlord has protected the deposit after the deadline of 14 days. While the new clause tackles that issue, one of the reasons behind the Court’s view concerned the ability of a landlord to use section 21 of the Housing Act 1988 to evict a tenant when they were found to be in breach of tenancy deposit protection legislation. Under the legislation as it stands, a landlord who fails to comply with the deposit protection legislation cannot use section 21 to evict a tenant. That is important, because section 21 is one of the key characteristics of assured shorthold tenancies to which the tenancy deposit scheme relates. It allows a landlord to evict a tenant, having given reasonable notice, on a non-discretionary basis and without having to give a reason. The ability to gain possession of their property is key to a landlord’s confidence in letting out that property in the first place, and in the current economic climate, we would not want to undermine that confidence.

As the Court of Appeal pointed out, under the tenancy deposit protection legislation as currently drafted, it could be argued that once a landlord has failed to protect a deposit, they would be unable to use section 21 in connection with that tenancy, even when they had subsequently protected the deposit and, where appropriate, paid the fine imposed by the court. That outcome is not the intention of the legislation and we are therefore clear that any amendments aimed at tightening up the requirement to protect tenants within 14 days must also address that point.

The Government’s view is that to address fully the concerns underlying the Court of Appeal’s decision, it is important to allow the courts greater discretion than currently available when setting the financial penalty. My hon. Friend the Member for St Austell and Newquay relayed the current regime to the Committee. However, subsection (11) of the new clause does not offer sufficient flexibility, because as well as allowing flexibility up to a maximum tariff, it still leaves the minimum of one times the deposit. We think that there should be no lower limit. If the objective of such legislation is to encourage landlords to comply and to protect the deposits they take, it cannot be right to levy a substantial penalty when a well-intentioned landlord had made a mistake that, for instance, could result in the deadline for protection being missed by only one day. It is essential that the courts have the discretion to do justice in those de minimis cases, but that would not be possible if the minimum sanction were to be the payment of a penalty equal to the full amount of the deposit.

As I mentioned, the new clause also contains measures that, although they seek to clarify legislation, go beyond issues considered by the Court of Appeal. Proposed new subsection (8A) of the Housing Act 2004, which the new clause would insert, is particular example of that. I understand the wish to clarify what happens when a landlord acquires a property with an existing tenancy in place, and it turns out that the associated deposit has not been protected, but my hon. Friend’s proposal would place all the responsibility and cost of rectifying that on the incoming landlord, regardless of the facts and regardless of who was responsible. That cannot be right in cases when, for whatever reason, the
outgoing landlord has not assigned the deposit to the new landlord. The matter needs further consideration, and I am not even convinced that legislation is the answer. Proposed new subsection (8B) is less problematic, and I have great sympathy with the wish to clarify the situation. However, there does not seem to be convincing evidence of a widespread or intractable problem.

I am grateful to my hon. Friend the Member for St Austell and Newquay and for Bradford East for tabling the new clause, which has drawn attention to the Court of Appeal’s decision. I welcome the fact that it will not be pressed to a Division, and I assure them that I shall reflect further on how the matter might best be addressed in the future.

Stephen Gilbert: I am grateful to my hon. Friend. Rarely am I told that I am going too far and not far enough at the same time, but before I exhaust the Committee’s patience and the Government Whip sends me to Shanghai, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 13

HOMELESS PERSONS: ADVICE AND ASSISTANCE

‘After section 184 of the Housing Act 1996 (Inquiry into cases of homelessness or threatened homelessness) insert—

“(1) An authority may, in the course of its enquiries under section 184, provide advice and assistance to the applicant for the purpose of the prevention of homelessness.

(2) The applicant’s housing needs shall be assessed before the advice and assistance is provided under subsection (1).

(3) The advice and assistance provided under subsection (1) must include information about the likely availability in the authority’s district of accommodation appropriate to the applicant’s housing needs (including, in particular, the location and sources of such accommodation).

(4) The advice and assistance provided under subsection (1), including the assessment of the housing needs of and options available to the applicant, shall, in addition to the information specified in subsection (3), set out the steps which in the opinion of the authority are required to resolve the applicant’s housing needs.

(5) Any advice and assistance or offer of future assistance provided or made in accordance with subsection (4) shall be notified in writing to the applicant at the time when such provision or offer takes place or as soon as reasonably practicable thereafter.

(6) Where at any time prior to the making of a decision under section 184(3) the authority proposes to procure or arrange for accommodation which is made in the circumstances described in subsection (3)—

(a) is an offer of a fixed term tenancy (within the meaning of Part I of the Housing Act 1988) for a period of at least twelve months; and

(b) is accompanied by a statement in writing which specifies the term of the tenancy being offered and explains in ordinary language—

(i) that there is no obligation to accept the offer, but

(ii) that if the offer is accepted, the authority may decide that the applicant is no longer homeless or threatened with homelessness and the consequences of such a decision, and

(iii) the implication of the applicant deciding not to accept the offer.

(8) A notification or statement under subsection (2) or subsection (4)(b) shall inform the applicant of his right to seek independent advice in respect of the matters contained in that document.”.’—[Barbara Keeley.]”

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 7, Noes 14.

Division No. 37]

AYES

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

NOES

Barwell, Gavin
Bruce, Fiona
Cairns, Alan
Clark, rh Greg
Gilbert, Stephen
Howell, John
Lewis, Brandon
McDonagh, Siobhain
Mears, Ian
Reynolds, Jonathan
Morris, James
Neill, Robert
Ollershaw, Eric
Smith, Henry
Stewart, Iain
Stunell, Andrew
Wiggin, Bill

Question accordingly negatived.

New Clause 14

PRIVATE RENTED SECTOR ACCREDITATION SCHEMES

‘(1) Every local housing authority must operate one or more voluntary accreditation schemes for landlords in the private rented sector.

(2) An authority may operate a landlord accreditation scheme itself or in conjunction with other persons and may delegate performance of this function, or aspects of this function, to another person.

(3) The Secretary of State shall by order:

(a) define the nature and scope of accreditation schemes;

(b) prescribe the criteria for membership of accreditation schemes;

(c) prescribe requirements as to the professional qualifications or standards of persons who will operate an accreditation scheme in conjunction with the authority or to whom it intends to delegate performance of this function;

(d) establish standards of conduct and practice (“the minimum standards”) with regard to the disposal and management of residential accommodation which shall be required as a condition of membership of accreditation schemes, including requirements as to the condition of premises let by accredited landlords;

(e) provide for a system of inspection of premises and monitoring of compliance with the minimum standards;

(f) provide for means of redress where there has been a clear failure to meet minimum standards, including provision for termination of membership and procedures for review of decisions;

(g) make provisions concerning any matter relevant to the objectives, management and operation of accreditation schemes; and

(h) permit the scheme to consider and take action where a complaint is received or there are grounds for considering whether enforcement actions should be taken under legislation in relation to any premises owned or managed
by a member of an accreditation scheme, in such circumstances and subject to such conditions as may be prescribed.’.—[Barbara Keeley.]"

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 7, Noes 14.

Division No. 38]

AYES

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

McDonagh, Siobhain
Mearns, Ian
Reynolds, Jonathan

NOES

Barwell, Gavin
Bruce, Fiona
Cairns, Alun
Clark, rh Greg
Gilbert, Stephen
Howell, John
Lewis, Brandon
Morris, James
Neill, Robert
Ollershaw, Eric
Smith, Henry
Stewart, Iain
Stunell, Iain
Wiggin, Bill

Question accordingly negatived.

New Clause 17

INTEGRATED TRANSPORT AUTHORITIES AND PASSENGER TRANSPORT EXECUTIVES

‘(1) The Local Transport Act 2008 is amended as follows.

(a) after section (98), insert—

“CHAPTER 2A
GENERAL POWERS

98A General powers of Integrated Transport Authority

‘(1) An ITA may do—

(a) anything it considers appropriate for the purposes of the carrying-out of any of its functions, or otherwise for the purpose of improving the effectiveness and efficiency of transport in, through, to or from any part of the integrated transport area (its “functional purposes”),

(b) anything it considers appropriate for the purposes incidental to its functional purposes,

(c) anything it considers appropriate for purposes indirectly incidental to its functional purposes through any number of removes,

(d) anything it considers to be connected with—

(i) any of its functions, or

(ii) anything it may do under paragraph (a), (b) or (c), and

(e) for a commercial purpose or otherwise anything which it may do under any of paragraphs (a) to (d) otherwise than for a commercial purpose and to do it anywhere in the United Kingdom or elsewhere.

(2) An ITA’s power under subsection (1) is in addition to, and is not limited by, the other powers of the ITA.

98B Boundaries of the general power

‘(1) Section 98A(1) does not enable an ITA to do—

(a) anything which the ITA is unable to do by virtue of a pre-commencement limitation, or

(b) anything which the ITA is unable to do by virtue of a post-commencement limitation which is expressed to apply—

(i) to its power under section 98A(1),

(ii) to all of the ITA’s powers, or

(iii) to all of the ITA’s powers but with exceptions that do not include its power under section 98A(1).

(2) If exercise of a pre-commencement power of an ITA is subject to restrictions, those restrictions apply also to exercise of the power conferred on the ITA by section 98A(1) so far as it is overlapped by the pre-commencement power.

(3) Where under section 98A(1) an ITA does things for a commercial purpose, it must do them through—

(a) a company within the meaning given by section 1(1) of the Companies Act 2006, or

(b) a society registered or deemed to be registered under the Cooperative and Community Benefit Societies and Credit Unions Act 1965 or the Industrial and Provident Societies Act (Northern Ireland) 1969.

(4) Section 98A(1) does not authorise an ITA to do things for a commercial purpose in relation to a person if a statutory provision requires the authority to do those things in relation to the person.

(5) Section 98A(1) does not authorise an ITA to borrow money.

(6) In this section—

“post-commencement limitation” means a prohibition, restriction or other limitation imposed by a statutory provision that—

(a) is contained in an Act passed after the end of the Session in which the Localism Act 2011 is passed, or

(b) is contained in an instrument made under an Act and comes into force on or after the commencement of section 98A(1);

“pre-commencement power” means power conferred by a statutory provision that—

(a) is contained in an Act passed no later than the end of the Session in which the Localism Act 2011 is passed, or

(b) is contained in an instrument made under an Act and comes into force before the commencement of section 98A(1);

“statutory provision” means a provision of an Act or of an instrument made under an Act.

98C Power to make a provision supplemental to section 98A

‘(1) If the Secretary of State thinks that a statutory provision (whenever passed or made) prevents or restricts ITAs from exercising power conferred by section 98A(1) the Secretary of State may by order amend, repeal, revoke or disapply that provision.

(2) If the Secretary of State thinks that the power conferred by section 98A(1) is overlapped (to any extent) by another power then, for the purpose of removing or reducing that overlap, the Secretary of State may by order amend, repeal, revoke or disapply any statutory provision (whenever passed or made).

(3) The Secretary of State may by order make provision preventing ITAs from doing under section 98A(1) anything which is specified, or is of a description specified, in the order.

(4) The Secretary of State may by order provide for the exercise by ITAs of power conferred by section 98A(1) to be subject to conditions, whether generally or in relation to doing anything specified, or of a description specified, in the order.
The power under subsection (1), (2), (3) or (4) may be exercised in relation to—

(a) all ITAs,
(b) particular ITAs, or
(c) particular descriptions of ITAs.

Before making an order under subsection (1), (2), (3) or (4) the Secretary of State must (whether before or after the passing of this Act) consult—

(a) such ITAs,
(b) such representatives of ITAs, and
(c) such other persons (if any),
as the Secretary of State considers appropriate.

98D Procedure for orders under section 98C

(1) Subsection (2) applies where—

(a) section 18(11) of that Act were omitted,
(b) references to section 14 of that Act were references to
(c) such other persons (if any),

4 March 2011

Barbara Keeley: I beg to move, That the clause be read a Second time.

The new clause would give the six integrated transport authorities a general power, similar to that of the fire and rescue authorities, in recognition that integrated transport authorities are single purpose authorities. The provisions have been drafted using the same structure as those setting out the general powers for fire and rescue authorities, but with changes to reflect the differences between integrated transport authorities and fire and rescue authorities.

The six integrated transported authorities and their passenger transport executives represent the six largest city regions outside London, which are home to 11 million people. They contain core cities that are major drivers of our economy—such as Leeds, Liverpool, Newcastle, Sheffield and Birmingham—and cover larger areas such as Greater Manchester. The integrated transport authorities and passenger transport executives are the strategic bodies that plan, promote, procure and provide the public transport networks that these conurbations rely on to keep them moving and that underpin their development.

The impact assessment on the general power of competence for fire and rescue authorities—it seems that we debated it only yesterday—states:

“Stand alone fire and rescue authorities will need a similar power (to that of local authorities) to address the lack of sufficient freedoms and flexibilities to do things that they might properly wish to do which benefit or contribute to their purposes. Freeing up fire and rescue authorities by providing general powers in the same vein as for local authorities, will therefore promote radical devolution of power away from Westminster and Whitehall”. It would seem perverse, having discussed those powers, that integrated transport authorities were not seen to need a similar power to address the lack of freedoms and flexibilities that may affect what they might properly wish to do. I shall set out some examples of those.
[Barbara Keeley]

The major reason why integrated transport authorities require a general power is the straightforward fact that they want to deliver better services more efficiently through collaborative working, which will become increasingly important in these times. Without a general power, the integrated transport authorities and their passenger transport executives will not have the legal comfort that local authorities will enjoy, which we debated extensively in our earlier sittings.

Services in the public sector are being challenged to do more with fewer resources, and to work in different ways to deliver services. Transport authorities should be able to support growth through local enterprise partnerships, so their ability to work collaboratively across partners will be increasingly important as these new structures develop. A functional general power would facilitate working in that way much more readily. It would put beyond doubt the legal uncertainty that might hold back innovative initiatives in metropolitan areas. In non-metropolitan areas, the transport function sits with the local authority, which will have a general power of competence, so this starts to be a divide between transport authorities that have that general power, and ones that do not.

A general power for the integrated transport authorities and their passenger transport executives would assist them in joint procurement, partnership working and innovative service provision. For example, the Government have said that they want the majority of public transport journeys to be made using smart ticketing by 2014, and they have provided passenger transport executives and Bristol, Nottingham and Leicester local authorities with funding to achieve this. The PTEs are working with Bristol, Nottingham and Leicester authorities on issues such as systems testing, data analysis and ticketing equipment to ensure that that Government objective is met in a timely and cost-effective way. However, if, as we imagine, the Bill completes its passage through Parliament without any change to the general power of competence, local authorities in Nottingham, Leicester and Bristol will have that power to engage in joint enterprises and deliver such programmes, but passenger transport executives will not.

1.45 pm

There are a few other areas in which a general power might offer improvement, such as in the provision of real-time information and other technologies, for which joint service provision and shared back offices would deliver efficiencies and help to reduce costs. It will become increasingly important to facilitate joined-up service delivery, and a general power would help to permit that. Passenger transport executives would then be able to take a bigger role in joining up services across districts and help realise efficiencies, which would be important in the metropolitan areas that I have talked about. Allowing greater innovation in how transport authorities procure services will be key. For example, individual areas could deliver unique services and look at commercial opportunities, such as supporting visitor attractions. I have not yet managed to get in a plug for the fact that Salford will become the host of Media City and for the BBC’s move to Salford. That will be a major visitor attraction, so transport to and from that part of Salford will be important.

The ability of transport authorities and their executives to work closely with the new local enterprise partnerships would be enhanced by a general power, as they might need an opportunity to provide some of the things that might not be the same as a transport authority’s. That would help to establish suitable governance arrangements and help the bodies to join initiatives started by local authorities.

The integration of transport is key. It is frustrating for our constituents if they can make a journey by one method—for example, by bus or by tram in Greater Manchester—but not get a joined-up service that takes them to where they want to go. A general power would allow passenger transport executives to do anything reasonable to pursue that aim. For example, passenger transport executives might adopt a greater role on rail stations, and a general power would help them to integrate better, such as by assuming responsibility for railway land and non-railway land. The ownership of land around transport facilities might be unclear, and the acquisition of that land might help. A general power would assist integrated transport authorities to secure transport provision into and out of their areas, such as through increments to long-distance rail franchises linking to London or other cities—I hesitate to mention High Speed 2 at this point.

I hope that those examples have helped the Committee to understand that a general power would give integrated transport authorities and passenger transport executives greater legal comfort to pursue some of the things that I have talked about, which well-being powers are not able to give. The general power of competence is important, because it will allow that for local authorities and fire and rescue authorities.

Finally, I would like to touch on an anomaly. On Monday, a Delegated Legislation Committee will consider the draft Greater Manchester Combined Authority Order 2011. I think the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst, will be a member of the Committee, as will I. The order aims to establish a combined authority for Greater Manchester. If Parliament agrees to the order, it will dissolve the transport authority and transfer its functions to the new Greater Manchester combined authority. This Bill would give a general power of competence to those 10 local authorities, so the Greater Manchester combined authority, as the transport authority, will have a general power. It will be the only one to have that; other transport authorities will not. It is important that the Committee supports the new clause so that all our transport authorities are put on the same footing.

Andrew Stunell: As this might be the last time that I speak in this Committee, even though one can never tell with these things, I would like to add my thanks and congratulations to you, Mr Amess, and other members of the Committee on the hard work that has been put in on this landmark Bill, in which we have all enjoyed participating.

I can make some common cause with the hon. Lady on new clause 17 because she and I share an integrated transport authority. From Monday onwards, if that go to plan, we will share a combined authority. The hon. Lady has rightly pointed out that there are some ambiguous or anomalous consequences of the different
structures of the country’s transport authorities. It is important that such bodies, like local authorities, have the suitable powers to perform their roles. As she rightly pointed out, different cases have different circumstances.

We are about to create a new specific case for Greater Manchester, so we need to be sure that any powers provided by Parliament are the right ones, and that we do not leave any unintended gaps or create any unintended consequences.

Integrated transport authorities and passenger transport executives are the responsibility of the Secretary of State for Transport. I am sure that he will be interested in the points that have been made, so I will ensure that the relevant parts of *Hansard* are drawn to his attention. I am sure that the appropriateness of the available powers is something that he will want to consider in light of the views of the sector and, more widely, of the local government community. With those reassurances, I hope that the hon. Lady will feel that she does not need to press the new clause to a Division.

**Barbara Keeley:** I thank the Minister for offering to pass on our comments in the debate, as well as the substance of the new clause, to the Secretary of State for Transport. I will also write to him, so I hope that we will have a response on Report. I therefore beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

### New Clause 21

**POWERS OF SECRETARY OF STATE**

‘If the Secretary of State thinks that a statutory provision (whenever passed or made) requires a local authority to fund a service from which its residents do not benefit the Secretary of State may by order amend, repeal, revoke or disapply that provision.’—(Gavin Barwell.)

Brought up, and read the First time.

**Gavin Barwell** (Croydon Central) (Con): I beg to move, That the clause be read a Second time.

I join other Committee members in expressing my gratitude to you, Mr Amess, and Mr Bayley for the way in which you have chaired the proceedings. I thank the Clerks for their support, and also the hon. Member for North Herefordshire for his patience with my occasional desire to delay the proceedings.

**Bill Wiggin** (North Herefordshire) (Con): There might be a Chinese visit.

**Gavin Barwell:** I will not delay proceedings for long on this occasion, for fear that some other foreign country might benefit from my presence.

I want to reassure Labour Members—particularly the hon. Member for Birmingham, Erdington, who may be worried that I seek to add to his count of Henry VIII clauses with the new clause’s wording. First, I do not intend to press the new clause to a Division, and secondly, my desire is to focus on a specific issue that affects my constituency. I suspect that it also affects other parts of south London, and it has been noted that a number of Members from south London constituencies are on the Committee, but it is a shame not to see the right hon. Member for Greenwich and Woolwich here this afternoon. It was not possible to draft a more specific clause, for reasons that I will come to.

As Members know, I represent Croydon Central. I have lived there all my life, and I do not see myself living anywhere other than south London. It is a great privilege to represent my home town in Parliament, which is only slightly blighted by the fact that this building was built on the wrong side of the River Thames. That is mitigated a little, however, by the correct location of City Hall.

In a number of ways, my constituents feel that they are being asked to pay for things that they do not benefit from. People write to me about the Olympics, questioning why there is a council tax levy for it in Croydon when in Essex districts, much closer to the Olympic park, there is not. I also get businesses asking why they are being asked to pay a supplementary business rate for the Crossrail scheme, when my constituency does not benefit directly. In those two cases, I give fairly robust replies that such projects benefit Greater London as a whole, and it is right that all Londoners contribute.

The particular example that I wish to raise, however, is the Lee valley regional park levy, which council tax payers right across London have to contribute to. For Members who are not aware of that issue, the Lee valley regional park authority was created by the Lee Valley Regional Park Act 1966. That was a piece of private legislation, so a specific amendment to that legislation could not be added to the Bill because it would have made the Bill hybrid. If that makes me sound as if I, as a new Member, am familiar with the detailed intricacies of this matter, I would like to clarify immediately that it is only thanks to the advice of the Clerks that I managed to avoid submitting a defective amendment and I am grateful to them for their advice.

The governance arrangements of the authority demonstrate how certain parts of Greater London, Essex and Hertfordshire have a very distinct interest in that authority and other parts of Greater London much less so. There are 28 members of the authority, of which 20 come from what are referred to as the riparian authorities—those councils that have a bit of the park in their area—the county councils of Essex and Hertfordshire, the Hertfordshire districts of Broxbourne and East Hertfordshire, the Essex district of Epping Forest and the London boroughs of Enfield, Hackney, Haringey, Newham, Tower Hamlets and Waltham Forest. There are just eight members of the authority from the other 26 London boroughs and the City of London.

The authority has the power to place a levy on council tax payers right across Essex, Hertfordshire and Greater London, so that, wherever one lives within Essex, Hertfordshire and Greater London, one is asked to pay the same contribution towards the costs of the authority. We are not. I should make it clear, talking about huge sums of money—it is about £3 for a band D council tax payer for the financial year 2010-11—but obviously, when those sums are multiplied, they are actually quite significant. For the London borough of Croydon, the contribution is about £400,000. At a time when local authorities across the country, for reasons that we will not go into today, are facing significant reductions, that is a significant sum of money that could be spent on the upkeep of parks and open spaces in the London borough of Croydon.

The hon. Member for Mitcham and Morden will know that the London boroughs of Croydon, Merton,
Sutton and Wandsworth have joined together to promote a regional park for the Wandle valley. That regional park does not have the ability to ask council tax payers elsewhere to contribute towards it. The contribution to the Lee valley regional park from those four boroughs amounts to about £1.5 million that could be being spent on local parks in our part of south London. I have never, in my 12 years as a local councillor or my short time as a Member of the House, ever met anybody from Croydon who has had the opportunity to visit or use that park and when one takes into account the significant contributions of public money being spent in the Lea valley under the Olympic Delivery Authority, the case that this is not consistent with the principles of localism is a strong one.

Members on the Front Bench have demonstrated throughout our proceedings on the Bill a willingness to listen to the arguments that have been made. With due respect to the hon. Member for Hazel Grove, whom I have not known for so long, and my right hon. Friend the Member for Tunbridge Wells and my hon. Friend the Member for Croydon Central for raising this point. I want to put it on the record at once that the suggestion that Croydon are asked to pay for something that they do not use and have never asked to be provided with. It would be much more consistent with those principles if the resources that are currently devoted to the Lee valley regional park could be spent on local parks and facilities in south London. Having made that argument, I will not detain the Committee further.

Robert Neill: Since this is, hopefully, my last foray into the Committee’s business, I join in paying tribute to the fantastic way in which you and Mr Bayley have chaired the Committee, Mr Amess. It is always a pleasure to serve under your chairmanship. I am sorry that we have not managed to stay into debating Southend-on-Sea, as we sometimes do from time to time, but we all appreciate the good humour that you and Mr Bayley have shown and also the support we have had from the Committee Clerks. I know that my right hon. Friend the Member for Tunbridge Wells will be saying more about that in due course.

I am grateful to my hon. Friend the Member for Croydon Central for raising this point. I want to put it on the record at once that the suggestion that Croydon is the South Carolina of Greater London and will be the first to secede is not entirely well-founded. We are doing our best to avoid any repeat of Fort Sumter at Crystal Palace.

2 pm

However, it demonstrates a legitimate concern and perhaps something of the history of the matter, so I understand the point. My hon. Friend is quite right. The specific issue that arises comes from a localised and local Bill that was passed—hence the way in which the amendment is drafted. You will know, Mr Amess, that I am in a slightly hybrid position myself as far as this issue is concerned, being an Essex man who, I hasten to add, moved voluntarily to south London, and who tries one way or another to straddle both sides of the river—not an entirely comfortable circumstance, particularly if you are 5 feet 6 inches. But, in all events, I perhaps demonstrates the way that these things are sometimes thrown up as an accident of history.

We should bear in mind that, at the time when the 1966 Act was passed, it was not intended that the people of Croydon or Bromley would contribute to the regional park, but it was intended that those of London, Hertfordshire and Essex would, since they were the three promoting authorities of the private Bill. It was simply the case that, in those days, the Greater London council had a parks function. And there were other Greater London-run parks. Crystal Palace park was one of them, which, upon abolition of the GLC, ironically and interestingly transferred to Bromley, which was responsible for its upkeep, although the park was in closer physical proximity to Croydon and, I suspect, probably more people from there used it than those from Bromley. That is just one of those anomalies. Brockwell park in south London is another example.

Therefore, the Act reflected functions at the time. The difference was that when the GLC was abolished and the responsibility for the funding transferred to the boroughs as its successor authorities in relation to the parks, and the Greater London authority was created—I am sure, if he was here, the right hon. Member for Greenwich and Woolwich would be able to explain the exact process by which that was arrived at—it was thought, precisely because the GLA was not intended to be a service delivery body, that it was best to leave with the London boroughs the responsibility for this particular body. There was, therefore, no magic in the way this has arisen. But it is an event of history. And it is, of course, worth knowing—I want to make sure that the hon. Member for Birmingham, Erdington, is not left out of this—that the Lea valley has been a highway for commerce and the transport of people since, it is believed, pre-Roman times. There are significant archaeological finds, including Greek coins, which indicate the extent of trade and commerce between the Lea valley and other parts of Europe.

The nub of the point is that the Lee valley regional park authority has a particular function and the sums involved are not large, although I understand why they are sensitive in the current circumstances. The provision for the payment comes under a broader power—the Levying Bodies (General) Regulations 1992—and it would be difficult to unscramble this particular levying arrangement in isolation, without looking at the wider implications of other bodies that might be subject to that levying power.

Secondly, the Lee valley regional park authority has some quite significant functions. I have visited the park and had done so before I was a Minister. There is a balance between those facilities which are local and those which are regional. It was conceived as regional in the Greater London sense. We should bear it in mind that the body delivers important functions which I do not think the Government or indeed my hon. Friend the Member for Croydon Central would wish to prejudice.

It manages a very substantial linear park running through that part of London—some 10,000 acres of green space in an area that is in parts not well served with green spaces, as you and I are aware, Mr Amess, knowing that
part of the world from the past. Its zone of sporting excellence attracts people from across London and, of course, it will be playing an important legacy role in managing post-Olympics the velodrome and several other key sporting facilities. We obviously would not want the matter of fairness in funding to prejudice those necessary objectives.

I am grateful to my hon. Friend for saying that he will not press the new clause to a Division. I am more than happy to meet him to see what we can do, but I suspect that there would have to be a consensus among the participating bodies that currently fund the park for a change to be made, and I do not hold out great hope that such a provision is likely to be deliverable. Nevertheless he has drawn attention to an anomaly in history, which it is reasonable to explore in order to explain what benefits might or might not be achieved. If funding goes in that direction, we can make sure that people from our boroughs in that part of London receive the benefits that, I imagine, the promoters of the 1966 Act intended they should receive a broader regional facility.

Gavin Barwell: I will certainly leave our proceedings better educated in the history of Greater London governance and wider western European culture than when we started. I am grateful to my hon. Friend for recognising the anomalous nature of the park. As he said, it was one of several parks that the Greater London council had responsibility for, and its status was different from that of some other parks, such as Crystal Palace park on the border of my constituency, when the GLC was abolished. Given the nature of this morning’s debate on the royal parks, and when the Government are recognising the anomalous status of the park, I am grateful to my hon. Friend for saying that he will be happy to meet him to see what we can do, but I expect the new clause to a Division.

Clause 201

Orders and regulations

Amendment made: 175, in clause 201, page 166, line 17, leave out ‘primary’.—(Greg Clark.)

Clause 201, as amended, ordered to stand part of the Bill.

Clauses 202 and 203 ordered to stand part of the Bill.

Schedule 24 agreed to.

Clause 204 ordered to stand part of the Bill.

Clause 205

Extent

Amendments made: 176, in clause 205, page 168, line 21, leave out from ‘202(1)’ to ‘, and’ in line 22.

177, in clause 205, page 168, line 24, leave out ‘The following provisions extend’ and insert ‘Section 108 extends’.

178, in clause 205, page 168, leave out lines 27 to 29.

179, in clause 205, page 168, line 29, at end insert—

‘(3A) Sections 201, 202 and 204, this section and sections 206 and 207 extend also to Northern Ireland.’.—(Greg Clark.)

Clause 205, as amended, ordered to stand part of the Bill.

Clause 206

Commencement

Amendments made: 180, in clause 206, page 169, line 11, leave out ‘The following provisions’ and insert ‘Subject to subsections (1) and (3) to (6), provisions of this Act’.

Amendment 181, in clause 206, page 169, leave out lines 13 to 43.

Amendment 182, in clause 206, page 169, line 44, leave out from ‘provisions’ to ‘on’ in line 45 and insert ‘so far as relating to Wales come into force’.

Amendment 183, in clause 206, page 169, line 46, at end insert—

‘(za) Chapter 6 of Part 1.’

Amendment 184, in clause 206, page 170, line 7, leave out subsection (4).

Amendment 185, in clause 206, page 170, line 27, at end insert—

‘(ka) section 120.’

Amendment 186, in clause 206, page 170, line 29, after ‘202,’ insert ‘204,’.

Amendment 187, in clause 206, page 170, line 32, leave out ‘, (3) or (4) and insert ‘or (3)’.—(Greg Clark.)

Clause 206, as amended, ordered to stand part of the Bill.

Clause 207 ordered to stand part of the Bill.

Ordered,

That certain written evidence already reported to the House be appended to the proceedings of the Committee.—(Greg Clark.)

Greg Clark: On a point of order, Mr Amess. Thank you for your guidance and advice, which have seen us through the Committee. On behalf of the Committee, I pay tribute to the way you have conducted proceedings, which have been firm and expert, but always genial. We have enjoyed hugely your presence in the Chair. I hope that you will convey to your colleague, Mr Bayley, our thanks for his equal diligence, expertise and patience with us. We are very grateful.

On behalf of my colleagues, I extend thanks to the Clerks who have served on the Committee. I do not know whether they consider that they drew the short straw, because this is one of the longest Bills before Parliament. We are grateful for their expert handling of the many clauses and complex amendments. They have served us extremely well.

I am grateful, too, to the Doorkeepers. Perhaps the Doorkeeper who is present might thank his colleagues. Consideration of a large number of clauses and amendments involves many shouts and jumps up and down for the Doorkeepers to ensure that we are present and correct. We have been well served, for which I am grateful.

I also thank my officials who, as members of the Committee will have seen, have been dispensing inspiration from the first day of our proceedings. They have had the frustration of not always seeing their words of inspiration necessarily being translated into words that made it into
Hansard, which must be a particular source of frustration and grinding of teeth. However, they have borne that willingly and courteously, and we are grateful to them.

I am sure that all the Committee will want to extend thanks to our Whips, on both sides, who have got us through this far. In fact, rather like our performance in the Ashes this summer, we have had almost an innings to spare to complete our proceedings. They have done that with only one of our number having to be transported to eastern China to keep us in order.

I think we all would agree that the Bill has had a thorough airing, which is a remarkable achievement. We have had time to consider each of the clauses, and have a little time at the end—I do not propose to use it all. The judgment and pace that the two Whips have reflected have ensured that, in the best traditions of Public Bill Committees, we have had the chance to consider, at the appropriate length, each of the clauses before the Committee. I have certainly enjoyed serving under the guidance of them both, for which I am grateful.

I thank all members of the Committee, who have been remarkable. The Bill has been wide-ranging in content, and detailed and expert in some of its particulars. When we began, I mentioned that the Committee was over-subscribed. Usually, the Whips have to threaten consequences to hon. Members for not serving on Committees, but on this one we had to let people down gently. All hon. Members have taken a determined approach to give the Bill proper scrutiny. We have heard speeches from both sides that have been passionate and committed, and have reflected individual experience of all the matters in hand. We have benefited greatly from the contributions of hon. Members from both sides of the Committee.

2.15 pm

Our proceedings have been noticed elsewhere. Some of the conversations that I have had with some of the groups that follow these proceedings suggest that they have been impressed at the degree of scrutiny and the seriousness with which these matters have been approached. That is, in large part, a tribute to my fellow Ministers, who are experts in the area of which they have been speaking, and at the end of it, they are the world’s living experts on the areas that they have been leading on.

I would also like to extend my thanks to the Opposition Front Benchers. One thing that has been clear is that this has not been a ritual exchange of preconceived ideas, merely as an opportunity to read into the record party political and partisan views—quite the opposite. We have made progress; we have deepened our understanding. As the Bill progresses through Parliament, every member of the Committee will see reflected in it the improvements that the Committee, comprised of Members from all parts of the House, has suggested. I am particularly grateful for the manner in which the Opposition Front Benchers have conducted proceedings. It has made for a better Bill.

Finally, I thank Members and organisations outside the Committee Room for their advice. This is an important Bill for many organisations, whether they are voluntary groups or members of the planning profession. They have spent a lot of time and attention on helping to guide our discussions. I hope that they feel that we have listened and responded to their suggestions. We will continue to do that as the Bill continues its passage through Parliament.

Barbara Keeley: Further to that point of order, Mr Amess. On behalf of my colleagues, I would like to add our thanks to you and Mr Bayley. I think he is in an interesting place today. I forget where he said he was going—India, I think. Is that far enough for the Government Whip? You have both really helped us, particularly those Members and shadow Ministers who are new to their role. I remember speaking to you on the first day and saying, “You do realise that we are all new to this.” You have helped us—I am grateful for that—as have Mrs Davies and her team. The advice that they give is invaluable to those of us without parliamentary draftsmen and civil servants to back us.

I am always in awe of Hansard and its ability to turn what we say into a coherent debate. That is a great thing. I want to thank all the officials, if you can pass on the thanks to all the people who have been here, Mr Amess. We had at least one late night. I also want to thank the Doorkeepers, who are having to adjust to the new role of having two doors to deal with at once when there is a Division. I know that there are some anxious moments then.

I agree with the Minister that when we have argued in the Committee it has been on questions of principle. There have been some heated debates, as they are often called, but if it is about principle, rather than about personalities, that is as it should be. It has been welcome to have Liberal Democrat Members trying out the context of arguing within the coalition, even if it was only the hon. Member for Bradford East, who for ever dubbed Mr Amess as Mr Bradford, who followed through with his vote. I look forward to reports of more courageous stands at the Liberal Democrat spring conference this weekend. Let us hope that it does not lead to too much foreign travel.

I thank my hon. and right hon. Friends on the Committee. I particularly thank my fellow shadow Ministers. It is a lot of work to be the Opposition on a Bill. I am sorry that my hon. Friend the Member for Plymouth, Moor View cannot be here, as she had to attend a family funeral. The passion that she brings on housing has enlivened our debate and I thank her for that. My hon. Friend the Member for Birmingham, Erdington has brought wisdom, historical knowledge and humour to our proceedings. I hope that all the Dog and Duck pubs in the country are grateful for all the mentions they have had. Members will be saddened to learn that I checked and found that we do not have a Dog and Duck in Salford. We have a Dog and Partridge pub in my constituency, however. That is the closest we will get, I think.

I also want to thank my right hon. Friend the Member for Greenwich and Woolwich, who has been delayed—I think he will miss this final sitting as well. He has the benefit of layers of experience of previous legislation, which I have found helpful. I thank him for his contributions. I thank all members of the Committee, particularly Labour Members, as they have brought to the Committee the wisdom and insight gained from experience. I feel that I know a lot more about Lewisham, Mitcham and Morden, Gateshead, Sunderland and
Scunthorpe. The experience of Members—particularly in local government, housing and planning—has been valuable.

It is unusual to thank the Whips, is it not? I would particularly like to thank my hon. Friend the Member for Stalybridge and Hyde, who stepped in at the last minute. That is a good thing to do, and I thank him for his work and patience. To the hon. Member for North Herefordshire I say that we have reached where we said we would reach.

I hope that Ministers, who have been very pleasant to work with, get lots of time to do all the reflecting and thinking that they have promised to do. I look forward to returning to our consideration on Report, because we have a bit of work to do to finish the Bill.

The Chair: Cynical observers might regard the words that we have just heard as flattery, soft soap or flannel, but I do not. I greatly appreciate all the kind remarks that have been made, and I know that Mr Bayley would appreciate them if he were here. For us both, it has been an absolute pleasure to chair the Committee, not least because of the way hon. Members have conducted themselves.

At all times, our proceedings, which have been well informed, have been conducted with good humour and, most importantly, without pomposity. Considering that most hon. Members had not served on a Committee before, or indeed were new to their posts as Ministers or shadow spokesmen, the way the business has been dealt with, in time, has been quite remarkable. At a time when parliamentarians sometimes feel that they are under siege, the Committee has set a high benchmark. That reflects great credit on the way this Parliament and this Committee have conducted themselves.

I would also like to thank the Doorkeepers—or Doorkeeper—for looking after us throughout our proceedings and when we have had Divisions. I would like to thank the Hansard Reporters for the way they have served the Committee. Although it is none of my business, I would like to thank the officials for the way they have gently moved to their seats as we have gone from clause to clause.

Most importantly, I would like to thank the Clerk to our Committee. Without her wise counsel, the Committee would not have functioned in the way it has. I want to pay particular thanks to her for her encouragement throughout proceedings that I was not losing the plot.

Bill, as amended, to be reported.

2.23 pm
Committee rose.