

Committee(s)	Dated:
Public Relations and Economic Development Sub Committee	6th June 2016
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Report of: Remembrancer	For Information
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Summary

This Report highlights those Bills of particular interest to the City Corporation and explains the aspects on which the Remembrancer's Office will focus its attention.

Members are asked to note the report.

Main Report

Local Growth and Jobs Bill

1. Already the subject of several announcements, the Bill will introduce a scheme by which local government will retain 100% of business rates income by 2020 (an extension of the current 50% arrangements currently on offer to local authorities). The proposed arrangement will be subject to a redistribution mechanism between richer and poorer areas. Authorities will gain the power to reduce rates in order to attract businesses to their areas. The reforms will be accompanied by a review of the formula by which the relative spending needs of councils are assessed. They will also lead to the abolition of the Revenue Support Grant.
2. The Bill is important to the City as it has the second largest liability for business rates in the country with a total rateable value about £1,900 million and the City collects (but does not retain the entirety of) about £890 million in business rates. A number of technical issues will therefore require close examination from the City Corporation's perspective, including the treatment of valuation appeals, the scope of exposure to movements in the local property market, the recognition of

workforce demands in the new needs formula, and the future of the special arrangements currently in place to counterbalance the City's low council tax base. Such matters will be subject to detailed Government consultation over the summer before the Bill is introduced.

3. The Government intends to pilot the 100% retention scheme in London (and certain other areas) ahead of its introduction more widely. This looks set to inject new momentum into the devolution agenda in the capital. Aside from questions about what those responsibilities should be, this will raise familiar questions of governance as to how the additional resources and responsibilities are to be distributed and coordinated among the boroughs, the City Corporation and the Greater London Authority. A detailed consultation is expected over the summer which will give a clearer idea of the Government's thinking as well as an opportunity to influence the proposals.

Neighbourhood Planning and Infrastructure Bill

4. The Bill will be the seventh piece of planning legislation since the Conservatives came into Government in 2010, and reflects a continued belief that delays in the planning system are slowing down construction projects, particularly house-building. The City's main interest in the Bill will be proposals to restrict the use of 'pre-commencement' planning conditions—that is, conditions that have to be met (and often signed off by the council) before development can begin. The detail of the measure will require careful scrutiny with a particular view to the sort of large-scale commercial development proposals often seen in the City. The challenges in dealing with such proposals have arguably not always been taken into account in previous rounds of reform focused on development of a more routine character.
5. The other main aim of the Bill is to strengthen neighbourhood planning, which enables local communities to agree on certain planning policies for their areas. This has not yet reached the Square Mile, although some discussion has taken place about forming a neighbourhood area on the eastern fringes of the City. Other measures include putting the National Infrastructure Commission (which reported in favour of Crossrail 2 shortly after its informal establishment last year) on a statutory footing, enabling the privatisation of the Land Registry, and reforms to compulsory purchase law. The latter will be examined for any potential effect on the powers sometimes used in the City to override rights to light.

Digital Economy Bill

6. This Bill is relevant to the City's activity leading a project to improve the delivery of digital infrastructure in London and is important for the City's promotion of the Square Mile and London as a world centre for international finance and business services. The Bill provides an opening to build on the briefing undertaken in the last Parliament, which included three debates and several Questions, and engagement with officials and with the GLA. It is expected that, as the Bill progresses through Parliament, there will be opportunities to highlight the City's work and press Government for action to support SMEs on digital issues.
7. The Bill will introduce a Universal Service Obligation which will 'guarantee' minimum broadband speeds for residents and businesses and will work in the same way as the universal telephone service obligation. The Bill will not set out a specific speed but rather allow the Government to fix a speed. There is likely to be a great deal of dispute about the level of the obligation, with detractors asserting that the Government's preferred option of 10 mbps is well below useful levels. Operators will be required to publish details on customer complaints and actual (rather than potential) broadband speeds. The Bill will place the responsibility for consumer switching on the operators and pave the way for a new Electronic Communications Code to govern mobile data and telephone infrastructure. It will also permit the sharing of personal data across Government and public authorities.

Education for All Bill

8. Interest in this Bill derives from the City's support for a growing family of schools and academies. The City's education strategy is that its schools and academies are characterised by a belief that all can succeed; combining creativity, innovation and enterprise, alongside tradition and continuity; and developing people who are confident, resilient, compassionate and democratic. It is the City's ambition that all City education providers are deemed 'outstanding' within three years and that there is continued development of further, adult and higher education opportunities. Any new school or academy or will be expected to be judged 'outstanding' within three years of joining the City Corporation's education portfolio. The Bill will add momentum to the number of schools converting to academy status and, given the City's reputation as a

provider of high quality and improving academies, this may lead to calls for the City to further expand its activity in the sector.

9. As yet unpublished, the Bill will step back from the Government's stated preference of mandatory 'academisation' of all maintained schools and, instead, concentrate on moving low-performing maintained schools to academy status. The Bill will also pave the way for the introduction of the Government's new funding formula for maintained schools. This will recalibrate the generally less favourable treatment of rural over urban areas, and concerns have been expressed that it will work to the disadvantage of London in particular.

Children and Social Work Bill

10. The Bill aims to address perceived areas of weakness in local authorities' social departments. It will do so by imposing new duties aimed at improving the transition of cared-for children into adult life, increasing the rate of permanent adoption, and ensuring that appropriate lessons are learned from serious safeguarding failures. The Bill will also introduce a specialist regulator for social care.

Criminal Finances Bill

11. Under the UK G8 Presidency, the Prime Minister committed to carry out a National Risk Assessment of Money Laundering and Terrorist Financing. This led to the Action Plan for Anti-Money Laundering and Counter-Terrorist Finance, which outlines significant reforms to the Government's work in this area. The Bill builds on this work, as well as complements the agreements made at the recent Anti-Corruption Summit in London over strengthening registers of beneficial ownership in order to combat money laundering.
12. The Bill will introduce a criminal offence for corporations who fail to stop their staff facilitating tax evasion. It will also improve the operation of the Suspicious Activity Reports (SARs) regime—which imposes wide-ranging requirements on the financial sector—to encourage better use of resources against the highest threats. The ability of law enforcement agencies and courts to recover criminal assets more effectively will also be improved, particularly in cases such as those linked to grand involving major corruption. These measures may be of particular interest to the City Police.

Counter-Extremism and Safeguarding Bill

13. The Bill will confer new powers for the Government and law enforcement agencies to disrupt 'extremist' activity, largely through civil orders backed with criminal sanctions. A particular focus will be on children educated in unregulated settings. It is probable that some of the provisions will affect local government, building on the statutory duties imposed on councils last year by the Counter-Terrorism and Security Act. Powers of intervention are also threatened for councils considered to be failing to discharge their responsibilities adequately.

Modern Transport Bill

14. The Bill envisages a sci-fi future of driverless cars and spaceports and may have significant effects on City streets. The measures will seek to encourage investment in autonomous vehicles and promote the UK as a leader in the autonomous vehicle industry. There is already an autonomous vehicle trial in Greenwich.

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