

CABINET – 20 JULY 2010

RESPONSE TO THE QUEEN'S SPEECH AND THE EMERGENCY BUDGET 2010

Report by the Leader of the Council

Introduction

1. This report sets out our response to the content of the Queen's Speech that was delivered on 25 May 2010. The report also summarises our initial reaction to the new measures announced in the emergency budget delivered on 22 June 2010.

Queen's Speech 2010

2. In this extended legislative period of eighteen months (May 2010 to November 2011), the Queen announced twenty-three bills and one draft bill. This compares with thirteen bills that were proposed for the 2009/10 session. The list of bills are as follows:

- **Academies Bill**
- Airports Economic Regulation Bill
- Armed Forces Bill
- **Decentralisation and Localism Bill**
- **Education & Children's Bill**
- **Energy Security and Green Economy Bill**
- Equitable Life Payments Scheme Bill
- European Communities (Amendment) Lock Bill
- Financial Services Regulation Bill
- **Freedom (Great Repeal) Bill**
- **Health Bill**
- Identity Documents Bill
- **Local Government Bill**
- **National Insurance Contributions Bill**
- Office for Budget Responsibility Bill
- Parliamentary Reform Bill
- **Pensions and Savings Bill**
- **Police Reform and Social Responsibility Bill**
- Postal Services Bill
- **Public Bodies (Reform) Bill**
- Scotland Bill
- Terrorist Asset Freezing Bill
- **Welfare Reform Bill**
- *Reform of Parliamentary privilege laws (Draft Bill)*

3. Those highlighted in bold are of interest to the County Council. Of these, six bills are directly relevant to the County Council and the proposals are examined in detail in the following paragraphs. The remaining six bills of interest are summarised in Annex 1. The full text of the bills that we have considered in detail are attached as Annex 2 and the remainder can be found here:

<http://www.number10.gov.uk/news/latest-news/2010/05/queens-speech-2010-3-50297>

Proposed bills that are directly relevant to Oxfordshire County Council:

Academies Bill

4. The Bill will allow more schools to apply for academy status, including primary, secondary and special schools, without the requirement to consult local authorities. All schools will be encouraged to declare their interest, but the key criteria for the first wave will be that schools are graded as 'Outstanding' by Ofsted.
5. Issues for the County Council are:
 - While it may change the way in which we work with our schools, the county council has always been supportive of alternative provision.
 - Six outstanding schools, including four secondary schools, have expressed an interest in becoming an academy. We await the detail of Government proposals before we will know how we could work with the new academies and what our responsibilities would be, though we believe we will still have a role in intervening if such schools are failing.
 - Depending on the number of schools that choose to become an academy, we may need to reassess our overall policy on how we support Schools.
6. **County Council response:**
 - **The County Council has already facilitated Academies in the county where we believe they can improve the educational and life chances of children in the catchment. We welcome diversity of provision and will support any Oxfordshire school that demonstrates a good business case to improve attainment and life chances by pursuing the academy route. We will organise a conference to provide information on this option and will invite Rt Hon Michael Gove MP to attend. We will carefully review the impact on our central support if a significant number of schools choose the academy route and will liaise with government as necessary.**

Education & Children's Bill

7. The Bill will give more freedom for schools through introducing a slimmer curriculum and giving teachers and head teachers more powers to improve behaviour and tackle bullying. New providers, such as businesses and community groups will be allowed to establish and run their own schools with state funding, so-called 'free schools'. The Bill will also enact changes to Ofsted and other accountability frameworks in order to ensure that head teachers are

held properly and fairly accountable. Finally, the Bill will introduce the ‘pupil premium’ whereby more money would be allocated to schools that cater for the poorest pupils.

8. Issues for the County Council are:
 - Again, we must wait for the detail of Government proposals before determining how we could work with the new ‘free schools’.
 - Changes to Ofsted and the inspection regime may have an impact on how we support schools.
 - Our current review of the schools funding formula will need to take into account the ‘pupil premium’.

9. **County Council response:**
 - **The County Council welcomes any move that reduces the bureaucratic burdens on our schools and frees them to teach their children and to prepare them for life and the changing world of work. As in para 6 above, we welcome diversity of provision and greater parental choice believing it can only help to improve attainment and children’s life chances. The County Council welcomes the concept of a pupil premium but needs to reserve its right to comment further when details are released.**

Decentralisation and Localism Bill

10. The Bill is designed to give councils and neighbourhoods more control over housing and planning decisions. Key proposals include: the abolition of Regional Spatial Strategies (including regional housing and minerals extraction targets); the creation of Local Enterprise Partnerships (joint local authority-business bodies) to replace Regional Development Agencies; and a review of local government finance, including granting greater financial autonomy to local government and community groups.

11. Issues for the County Council are:
 - The abolition of the regional targets could lead to inadequate provision of housing if there is not sufficient incentive for local authorities to meet the needs of the area.
 - Without minerals extraction targets, there may not be enough incentive to meet national needs.
 - We will need to consider how to ensure the adequate provision of infrastructure under the new planning system.
 - We will be consulting with partners in the near future on what Local Enterprise Partnerships could mean for Oxfordshire. The Government has asked for detailed proposals by September 2010.
 - We will be required to publish online the job titles of every member of staff, and the salaries and expenses of senior officials.
 - The abolition of the Standards Board will change how investigations into elected member conduct are conducted.

12. County Council response:

- **The County Council welcomes the abolition of top-down housing targets and the provision of incentives to councils that plan for necessary housing growth. The County Council has three concerns around the proposed incentivisation scheme:**
 - (a) **It is assumed the six years of additional council tax and business rates is NOT a top slice of the aggregate council tax and business rates pool but is an additional sum provided by central government. A simple top slice would impoverish all councils and is not acceptable.**
 - (b) **Given the pressure on the South East, the County Council is not convinced that the incentive offered will be sufficient to overcome the inherent anti-development culture of many residents. What will be critical will be the extent to which this funding is additional to or substitutional for Section 106 agreements, local levies and central government capital funding. This needs careful research and modelling.**
 - (c) **The County Council is very concerned that all of the incentivisation funding is to be paid to the local planning authority. In two tier areas (prevalent in the South East and universal in Oxfordshire) the general rule of thumb is for 80% of developer funding to be needed to meet County Council infrastructure such as schools and roads. We look for much stronger certainty around our ability to access the incentivisation funds to pay for necessary infrastructure. In this context, we welcome a proposal to encourage upper tier authorities to publish Infrastructure Plans which should assist in ensuring the infrastructure requirements flowing from local development frameworks are coordinated and explicit. We would welcome a requirement for cooperation between upper tier councils and district councils to ensure this Infrastructure Plan process is effective and leads to a proper allocation of the incentivisation grant between councils.**
 - (d) **While we agree with the principle of open and transparent government, the County Council is concerned about the level of bureaucracy that publishing extensive information on-line might cause. However, at the time of writing, the salaries of senior officials are about to be published online, with their expenses to follow in the near future. We already publish the expenses of Councillors online. We believe the threshold of £500 for publishing individual payments on-line is very low for a strategic authority with an annual budget of a billion pounds. The monthly list, excluding salaries) is likely to contain 4,000 to 5,000 items and is bound to generate a significant number of Freedom of Information requests for details relating to payments. There needs to be a balance between proper transparency and the curiosity of individuals with time on their hands to interrogate payment lists endlessly.**

Freedom (Great Repeal) Bill

13. The Bill will seek to reduce the amount of criminal legislation and the amount of data held by the Government on private citizens. This includes: tightening the regulation on the use of CCTV cameras; ensuring that the storing of internet and email records is only done when there is good reason; extending the scope of Freedom of Information Requests; and cancelling investment in I.T. projects such as the ContactPoint database.
14. Issues for the County Council are:
 - Our Children's services will take into account the suspension of investment in ContactPoint.
 - When the details of internet and email storage proposals are known, we will consider whether any policy changes are required.
15. **The County Council welcomes the rolling back of the frontiers of the State and the growing intrusion into private lives.**

Health Bill

16. The Bill will implement the Government's proposals for a sustainable national framework for the NHS; support a patient led NHS focused on outcomes; and deliver on the commitment to reduce bureaucracy.
17. Issues for the County Council are that:
 - The detail of the Bill and the plans for GP commissioning of health services will change the shape of the health sector. We will work with partners to consider the impact on our social care services in the future, especially in relation to our pooled budgets with the Primary Care Trust and joint commissioning of services.
18. **County Council response:**
 - **The County Council welcomes the focus on patients and outcomes. The County Council also welcomes the commitment to reduce bureaucracy and the commitment that the Secretary of State of Health has made to much closer working between health and social care.**
 - **We have a strong record of pooling social and health care budgets with NHS partners and believe this pooling has worked well in the interests of Oxfordshire citizens. We are concerned to learn how this will work if commissioning passes from Primary Care Trusts to GPs and reserve the right to comment further when details are known.**

Public Bodies Bill

19. The Bill will abolish a number of non-departmental government bodies (NDPBs); allow Ministers to merge, transfer powers or abolish any such body, limit the powers of others and commit the Government to reviewing NDPB functions every three years.

20. Issues for the County Council are:
- Some responsibilities may be devolved to local authorities. There is the potential for both positive and negative impacts on the Council, depending on whether functions are appropriate and whether they transfer with adequate funding.
 - There may be a reduction in burdens arising from decreased inspection or monitoring should the powers of regulatory bodies be reduced or abolished.
21. **County Council response:**
- **The County Council welcomes the reduction in quangos which do not add value. We also welcome the opportunity to discuss the transfer of responsibility of functions and funding to local bodies. We particularly welcome the reduction in bureaucracy and wasted taxpayers' money on administration and the resulting democratic accountability if functions transfer to Local Authorities, though we would ask that such functions transfer with appropriate funding.**

Emergency Budget 2010

22. The Chancellor began by describing this budget as 'tough, but fair'. With the goal of significant deficit reduction, the intention had been to lower spending rather than raise taxes. There were three key messages for local government:
- The Government's departmental budgets will be cut by at least 25% over the next four years. We expect that Local Government will face higher savings targets, given the ring fencing of Health and International Development budgets and the protection of Defence and Education budgets
 - Council tax will be frozen next year (the council has already planned for this)
 - Public sector pay (including teachers and lecturers) will be frozen for two years for those earning over £21,000, those under this limit will receive a £250 increase per year
23. The forthcoming comprehensive spending review by the Government (to be published on 20 October 2010) will result in significant financial pressures for Oxfordshire County Council. Officers are already considering how we might best deliver these savings while protecting key services.
24. In the meantime, elsewhere on this agenda the Cabinet will consider a paper on Service & Resource Planning that will recommend how to reallocate our budget after we were asked to find in excess of £11m in in-year savings following cuts to the grants we receive. Further, we have announced that we will reduce the management of the council by 25%.
25. We will soon be using Oxfordshire Voice, our citizen's panel of local residents, to understand the views of the public on which services we should prioritise and we expect to be involved in the Government's consultation on the shape of the wider public sector going forward.

RECOMMENDATION

26. The Cabinet is RECOMMENDED to:

- (a) Endorse the comments set out in the report; and**
- (b) Ask the Leader of the Council to respond to Government as appropriate.**

Keith R Mitchell CBE
Leader of the Council

Background papers: Queen's Speech 2010, HM Treasury Budget Documentation

July 2010

Proposed Bills that are not directly relevant, but are of interest to Oxfordshire County Council:

| Proposed Bill | Summary | Any comments |
|--|---|---|
| Energy Security and Green Economy Bill | <ul style="list-style-type: none"> - Will promote enhanced energy efficiency, including the roll-out of smart meters - Will promote low-carbon energy production - May also: <ul style="list-style-type: none"> o regulate the emissions of coal-fired power stations o create a green investment bank o reform energy markets | <ul style="list-style-type: none"> - Could have synergies with our work to reduce carbon and stimulate green technology businesses |
| Local Government Bill | <ul style="list-style-type: none"> - Will block the creation of single-tier councils in Exeter and Norwich; and prevent the implementation of plans in Suffolk | <ul style="list-style-type: none"> - Government may examine other ways to make the savings that changing to unitary status in two-tier areas could bring |
| National Insurance Contributions Bill | <ul style="list-style-type: none"> - Will increase National Insurance contributions for employees from April 2011 - Will block the previous Government's plan to raise NI contributions for employers by 1% | <ul style="list-style-type: none"> - Small saving compared to our planned budget |
| Pensions and Savings Bill | <ul style="list-style-type: none"> - To review the timetable for increasing the state pension age to 66 | <ul style="list-style-type: none"> - Could affect pensions and retirement ages going forward |
| Police Reform and Social Responsibility Bill | <ul style="list-style-type: none"> - Increased police accountability through directly elected | <ul style="list-style-type: none"> - Could affect the way in which we work with the police |
| Welfare Reform Bill | <ul style="list-style-type: none"> - Will create a single welfare-to-work programme, reduce the complexity of the benefits system and make benefit payments more conditional on willingness to accept work | <ul style="list-style-type: none"> - Could impact on our work to reduce those not in employment, education of training |

Queen's Speech – Academies Bill

“Legislation will be introduced to enable more schools to achieve academy status and give them greater freedoms over the curriculum.”

The purpose of the Bill is to:

- The Academies Bill will enable more schools to become Academies and give them the freedoms and flexibilities they need to continue to drive up standards.
- The Government's vision is to create a world beating school system in which every parent has access to a good school and all pupils achieve high standards. Our central aims are to raise standards for all children, while narrowing the gap between the attainment of the most and least advantaged.

The main benefits of the Bill would:

- Allow maintained schools to apply to become academies and power for the Secretary of State to issue an Academy Order requiring the local authority to cease to maintain the school;
- Remove the requirement to consult the local authority before opening an Academy, thus simplifying and accelerating the process;
- Require the consent of any existing (mainly church) foundations before a school applies to become an Academy.
- Deem Academy trusts to be exempt charities;
- Provide for secondary, primary and special schools to become Academies;
- Ensure there is no change of religious character in the conversion process (such changes can be made through separate existing provisions);
- There will be no expansion of selection but grammar schools and other schools which select or partially select pupils will be able to continue to do so; and
- Retain the existing legal requirement for funding agreements to last at least seven years (the agreement can still provide for intervention or termination, if the academy fails).

The main elements of the Bill will:

- Provide schools with the freedoms to deliver an excellent education in the way they see fit, within a broad framework where they are clearly accountable for the outcomes they deliver;
- Enable all maintained schools to apply to become an Academy. For the first wave of applications, the key test for approving an academy conversion will be that the school is currently rated outstanding by Ofsted. The Secretary of State normally expects he will approve applications from outstanding schools unless they have a substantial financial deficit (more than £100,000) or other exceptional circumstances apply.

- Allow primary and special schools to apply to become an Academy in their own right for the first time and will benefit from the increased freedoms and flexibilities that this will offer;
- Make the process of applying to become an Academy as simple as possible without a requirement for Local Authorities to be consulted;
- Allow schools which apply to become Academies to keep any surplus balance they hold; and
- The Bill will automatically make all new Academies charities.

We expect standards across the education sector to rise through the creation of more Academies. We expect a significant number to open in September and for the number to continue to grow each year;

NB. Academies will continue to be funded at a comparable level to maintained schools but will also get their share of the central funding that their LAs used to spend on their behalf. They will have freedom to allocate this funding in a way that focuses on the needs of their own pupils.

Existing legislation in this area is:

Section 482 of the Education Act 1996, as amended by Section 65 of the Education Act 2002, provides for the establishment of Academies and specifies the core characteristics of Academies.

Queen's Speech – Decentralisation and Localism Bill

“A Bill will be introduced to devolve greater powers to councils and neighbourhoods and give local communities control over housing and planning decisions.”

The purpose of the Bill is to:

The Bill would devolve greater powers to councils and neighbourhoods and give local communities control over housing and planning decisions.

The main benefits of the Bill would be:

- Empowering local people.
- Freeing local government from central and regional control.
- Giving local communities a real share in local growth.
- A more efficient and more local planning system.

The main elements of the Bill are:

- Abolish Regional Spatial Strategies.
- Return decision-making powers on housing and planning to local councils.
- Abolish the Infrastructure Planning Commission and replace it with an efficient and democratically accountable system that provides a fast-track process for major infrastructure projects.
- New powers to help save local facilities and services threatened with closure, and give communities the right to bid to take over local state-run services.
- Abolish the Standards Board regime.
- Give councils a general power of competence.
- Require public bodies to publish online the job titles of every member of staff and the salaries and expenses of senior officials.
- Give residents the power to instigate local referendums on any local issue and the power to veto excessive council tax increases.
- Greater financial autonomy to local government and community groups.
- Create Local Enterprise Partnerships (to replace Regional Development Agencies) – joint local authority-business bodies brought forward by local authorities to promote local economic development.
- Form plans to deliver a genuine and lasting Olympic legacy.
- Outright abolition of Home Improvement Packs.
- Create new trusts that would make it simpler for communities to provide homes for local people.
- Review Housing Revenue Account.

Existing legislation in this area is:

This would be a major piece of legislation that would affect a wide range of existing housing, planning and local government legislation dating back decades in some cases.

Queen's Speech – Education and Children's Bill

“Legislation will be introduced to...give teachers greater freedom over the curriculum and allow new providers to run state schools.”

The purpose of the Bill is to:

Give full effect to the range of programmes envisaged in the Coalition agreement.

The main benefits of the Bill will be:

- To give all schools greater freedom over the curriculum
- To improve school accountability
- To take action to tackle bureaucracy
- To improve behaviour in schools

The main elements of the Bill are:

- To provide schools with the freedoms to deliver an excellent education in the way they see fit.
- To reform Ofsted and other accountability frameworks to ensure that head teachers are held properly accountable for the core educational goals of attainment and closing the gap between rich and poor.
- To introduce a slimmer curriculum giving more space for teachers to decide how to teach.
- To introduce a reading test for 6 year olds to make sure that young children are learning and to identify problems early.
- To give teachers and head teachers the powers to improve behaviour and tackle bullying.
- We expect standards across the education sector to rise through the creation of more Academies and giving more freedom to head teachers and teachers. We will also ensure that money follows pupils, and introduce a ‘pupil premium’ so that more money follows the poorest pupils.

Existing legislation in this area:

- The structure and functions of Ofsted are set out in the Education and Inspections Act 2006. The duty to inspect and report on schools is set out in section 5 of the Education Act 2005.
- The law relating to the National Curriculum, the key stages and testing is set out in Part 6 of the Education Act 2002 and related secondary legislation.
- Much of the law relating to pupil behaviour is set out in Part 7 of the Education and Inspections Act 2006 and related secondary legislation. The requirement to set up Independent Appeal Panels is in section 52 of the Education Act 2002. There are provisions about home-school agreements in the School Standards and Framework Act 1998.
- Academies are currently governed by contracts entered into under section 482 of the Education Act 1996 as amended.

Queen's Speech – Health Bill

“The voice of patients and the role of doctors will be strengthened in the National Health Service.”

The purpose of the Bill is to:

- Implement the Government's proposals for a sustainable national framework for the NHS; to support a patient led NHS focused on outcomes; and to deliver on the commitment to reduce bureaucracy.

The main benefits of the Bill would be:

- To create an NHS led by clinical decision-makers that is more responsive to patients and fosters continuous quality improvements.
- To help shape a healthcare system which drives up standards of care, eliminates waste and achieves outcomes that are amongst the best in the world.
- To focus more on patients, ensuring they genuinely share in making decisions about their care and have more choice and control.

The main elements of the Bill are:

- To establish an independent NHS Board to allocate resources and provide commissioning guidance, and to allow GPs to commission services on behalf of their patients.
- To improve efficiency and outcomes by strengthening the role of the Care Quality Commission and developing Monitor into an economic regulator to oversee aspects of access and competition in the NHS.
- To take forward proposals to significantly cut the number of health quangos, helping cut the cost of NHS administration by a third.

Existing legislation in this area is:

- Wide range of legislation would be affected, including the National Health Service Act 2006.
- Further details will follow in due course.

Queen's Speech – Public Bodies (Reform) Bill

“The cost of bureaucracy and the number of public bodies will be reduced.”

The purpose of the Bill is to:

- Ensure that there will be a greater degree of transparency and accountability for all Public Bodies ('quangos'); and provide Ministers with the powers to abolish, merge or transfer functions.

The main benefits of the Bill would be:

- Cutting the number of public bodies.
- Reducing the cost of bureaucracy: anticipated year on year savings of £1 billion.
- New powers to allow Ministers to abolish, merge or transfer functions from public bodies.

The main elements of the Bill are:

- Ensuring greater accountability, transparency and efficiency in Government by reducing the number and cost of public bodies (quangos).
- Give ministers the powers to abolish, merge or transfer quangos back into Departments. As at 31 March 2009, there were 766 non-departmental public bodies. They spend over £46 billion a year and employ over 110,000 people.
- To review the functions of all public bodies every three years, as opposed to the current practice of every 5 years. The review will comprise a test: 'Is the function technical; does it need to be politically impartial; and do facts need to be determined transparently?'