

## **Levelling Up and Regeneration Bill Update**

### **Purpose of report**

For direction.

### **Summary**

This paper provides an overview of provisions within the Levelling Up and Regeneration Bill relating to devolution and levelling up missions and asks members for a steer on the LGA's approach to lobbying on these issues.

Is this report confidential? Yes ☐ No ☒

### **Recommendation/s**

That Members:

1. Discuss provisions relating to devolution and levelling up missions within the Levelling Up and Regeneration Bill.
2. Provide a steer on how they would like officers to respond to these topics, identifying any specific areas that they would like to see amended or which need further clarification from Ministers.

### **Action/s**

1. Officers will continue to work with DCN, CCN and other relevant groups to ensure a strong consensual voice for local government sector as the Bill proceeds through Parliament.

**Contact officers:** Ellie Law / Esther Barrott

**Position:** Policy Advisor

**Phone no:** 07584 273764 / 07464 652906

**Email:** Eleanor.Law@local.gov.uk / Esther.Barrott@local.gov.uk

## **Levelling Up and Regeneration Bill Update**

### **Background**

1. The Queen's Speech on 10 May announced a Levelling Up and Regeneration Bill, which was then presented to Parliament on 11 May. The Bill aims to drive local growth, empower local leaders to regenerate their areas, and ensure everyone can share in the UK's success. It will place a duty on the Government to set Levelling Up missions, and produce an annual report updating the country on the delivery of these missions.
2. The [LGA responded to the announcement of the Bill](#) by welcoming the steps it takes to extend devolution, and make good on the commitment in the Levelling Up White Paper to offer all of England the opportunity to benefit from a devolution deal by 2030.
3. The LGA response also emphasised that turning levelling up from a political slogan to a reality will only be achieved if councils have the powers and funding they need to address regional inequality, tackle concentrations of deprivation and make towns and communities across England attractive places to live, work and visit.
4. Following the publication of the Bill, officers have been analysing the sections of the Bill relating to the levelling up missions and metrics, and devolution and governance. Officers have met with the District Councils Network and the County Councils Network to understand their views on the Bill and the implications for their members.
5. In line with the policy responsibilities of the People and Places Board this report focuses those provisions directly relating to devolution and the levelling up missions. The LGA's response to provisions relating to housing and regeneration is being led by the Economy, Environment, Housing and Transport Board.

### **Issues**

#### **Levelling Up Missions**

6. The Bill states the Minister must publish an annual report on the levelling-up missions which includes progress to date and future plans (Part 1, Section 2). Progress to date is measured using the latest data for calculating the mission and metrics. In this section it also sets out that the Government may decide a mission is no longer appropriate to pursue.
7. The Bill allows for the Minister to revise the mission progress methodology and metrics or the chosen target date (Part 1, Section 4).
8. Part 1, Section 5 of the Bill states that the missions must be reviewed within a five-year period. Each review must: consider whether pursuing the missions is contributing to the reduction of geographical disparities in the UK, decide whether the missions should

continue to be pursued and if not what the new ones should be, and consider whether any additional missions should be pursued.

*New County Combined Authorities*

9. The Bill allows for the establishment of new County Combined Authorities (CCAs) (Part 2, Chapter 1, Section 7). It sets out two conditions for establishing a CCA – firstly, that it must cover the whole of the area of a two tier county council, and the whole of one or more of the area of a two tier county council, the area of a unitary county council, or the area of a unitary district council, and secondly, that no part of the area of the CCA can be part of any other CCA, combined authority, or the integrated transport area of an integrated transport authority.
10. Before submitting a proposal to create a CCA to the Secretary of State, the authority or authorities in question must carry out a public consultation across the proposed area on the proposal and set out the purposes to be achieved by the creation of the CCA to the Secretary of State (Part 2, Chapter 1, Section 42). The Secretary of State may make regulations setting out what information and materials must be included in or submitted with a proposal to establish a CCA. The proposal to establish a CCA does not need to be submitted by all authorities. However, if an authority doesn't submit a proposal, they still must consent to its submission (Part 2, Chapter 2, Section 60).
11. The Secretary of State may only establish a CCA if they consider that establishing it is likely to improve the economic, social and environmental wellbeing of some or all of the people in the area, considers the need for effective local government, reflects the identities and interests to local communities, that it will achieve the purpose(s) set out by the proposal made by the authorities, that the constituent councils of the CCA consent to its creation and public consultation has been carried out. The Secretary of State must carry out a public consultation unless it has already been carried out by the constituent councils and the Secretary of State considers no further consultation to be needed (Part 2, Chapter 1, Section 43).
12. These CCAs are similar to existing Mayoral Combined Authorities (MCAs) but differ in a number of ways. Constituent members of a CCA can be either county councils, or unitary councils within the CCA's area, but not district councils (Part 2, Chapter 1, Section 8). District councils can be non-constituent members, which are by default non-voting members unless the existing constituent members resolve otherwise.
13. The Bill allows for non-constituent members be drawn from a wider pool than just district councils. Local organisations such as universities, LEPs or business groups could be given non-constituent member status. The Bill also includes provision for associate members to be appointed to the CCA. An associate member is an individual person – such as a local business leader – that a CCA can appoint. (Part 2, Chapter 1, Sections 9 and 10). Associate members are also by default non-voting members of the CCA.

14. The Bill establishes that the Secretary of State may determine the maximum number of non-constituent and associate members of a CCA (Part 2, Chapter 1, Section 11). It also states that the committee of a CCA must not consist solely of non-constituent or associate members (Part 2, Chapter 1, section 27).
15. The Bill establishes Overview and Scrutiny Committees for CCAs, and allows for members of the Overview and Scrutiny Committee (OSC) to receive allowances (Part 2, Chapter 1, Section 13). At present, members of OSC for MCAs do not receive allowances. The Bill states that the Chair of OSC must be a person who is not a member of the same political party as the Mayor, or if there is no Mayor, the majority party. This suggests that if all members of the CCA are from one political party, the Chair of OSC must be an Independent Person.
16. The Bill allows for allows the Secretary of State to provide for functions of a county or district council to be exercisable by a County Combined Authority (CCA). These functions can be exercisable instead of the local authority, jointly with the local authority or concurrently with the local authority (Part 2, Chapter 1, Section 16).
17. This is similar to the Cities and Local Government Devolution Act (2016) which is the legal basis for existing Combined Authorities, but the 2016 Act says that this can only occur when either (a) in the case of an order in relation to an existing combined authority, each appropriate authority consents; (b) in any other case, each constituent council consents.
18. The Levelling Up and Regeneration Bill also requires the consent of the constituent councils, however, as the Bill explicitly excludes district councils from being constituent councils (Part 2, Chapter 1, Section 8), this implies that powers could be transferred from a district to a CCA without requiring the consent of the district.
19. The Bill does not set out either in this section or elsewhere the types of powers that they would expect to be transferred under Section 16. In the explanatory notes of the Bill, it gives examples of transport, skills or economic development functions.
20. The Bill allows for powers currently held by other public authorities to be conferred instead to the CCA, and for the public authority to then be abolished if it no longer has any functions as a result of these changes (Part 2, Chapter 1, Section 17). However, it also states that Section 18 of the Cities and Local Government Devolution Act (2016) regarding the devolution of health functions still applies, suggesting there is little proposed changed to the health devolution landscape.
21. Powers can only be transferred to the CCA if the Secretary of State considers that the change is likely to improve the economic, social and environmental wellbeing of some or all of the people who live or work in the area. The Secretary of State if doing this must

place a report before Parliament to say what the effect of the change would be and the reasoning behind the change.

22. The boundaries of a CCA may be changed, with the Secretary of State able to add or remove the area of a two-tier county council, the area of a unitary county council, or the area of a unitary district council (Part 2, Chapter 1, Section 22). If CCA has a Mayor, both the Mayor and the relevant council area must consent, if there is no Mayor, the relevant council and the CCA board must consent to the change.
23. Once the position of Mayor has been created for a CCA, the Bill states that this cannot be revoked without establishing the entire CCA and with it the office of Mayor (Part 2, Chapter 1, Section 24). This is also the case with existing MCAs. CCAs may also be abolished if the majority of constituent councils (and the Mayor, where one exists) consent for the Secretary of State to do so (Part 2, Chapter 1, Section 23).
24. The Bill allows for the position of a Mayor to be created (Part 2, Chapter 1, Section 25), and for powers that are similar to any exercised by the CCA to be conferred to a Mayor, although this may not include the power to borrow money (Part 2, Chapter 1, Section 27). The Mayor may request powers to be conferred to them by the Secretary of State, but this is contingent on them having consulted with the constituent councils. When making the request to the Secretary of State, the Mayor must make a statement saying that either all the constituent councils agree to these powers being given to the Mayor, or if not, the Mayor's rationale for proceeding without the consent of the constituent councils. This suggests that the Mayor will be able to request powers from Secretary of State even without the constituent councils agreeing to this transfer.
25. Although the Bill uses the term Mayor throughout, it also makes provision for the role to be known by alternative titles including county commissioner, county governor, elected leader, governor, or another title as created by the CCA. If the CCA wants to use another title, this must be passed by a meeting of the CCA. A CCA can also decide to change the title of Mayor to another title, but must send notice of the change to the Secretary of State.
26. The Bill removes the previous moratorium on carrying out changes of governance within a short timeframe to enable areas to access deeper devolution even if they have only recently adopted a different governance model. The Secretary of State can now allow an authority to hold a referendum or submit a proposal within a shorter timeframe (Part 2, Chapter 2, Section 66).

### **Implications for Wales**

27. New County Combined Authorities can only be created in England, and the Levelling Up White Paper focusses on ensuring that all areas of England are able to access a devolution deal by the end of 2030. However, as work to detail the scope and scale of

powers needed to deliver the 12 Missions at a UK level unfolds the LGA will continue to look for opportunities to work with Welsh local government.

### **Financial Implications**

28. Any financial commitments made as part of the actions identified in this report will be met from the Board's existing policy budget.

### **Next steps**

29. The LGA is a cross-party membership body that seeks to represent the interests of all councils. Officers will continue to work with DCN, CCN and other relevant groups to ensure that any policy or lobbying activity related to the provisions set out above are developed based on consensus and agreed with members.

30. Within this context members are asked to provide a steer on how they would like officers to respond to these topics within the Bill, identifying any specific areas that they would like to see amended or which need further clarification from Ministers.