



Levelling Up, Housing and Communities Committee

Rt Hon Greg Clark MP
Secretary of State
Department for Levelling Up, Housing and Communities
4th Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

24 August 2022

Dear Greg,

Levelling-up and Regeneration Bill

1. I am writing in response to your request for the view of the Committee in relation to the Levelling-up and Regeneration Bill.

The Committee's scrutiny of the Bill

2. The Committee has held three evidence sessions in relation to the Bill. These were as follows:

13 June 2022

Rt Hon Michael Gove MP, Secretary of State, Department for Levelling Up, Housing and Communities; Rt Hon Stuart Andrew MP, Minister for Housing, DLUHC; Simon Gallagher, Director of Planning, DLUHC.

20 June 2022

Victoria Hills, Chief Executive at Royal Town Planning Institute (RTPI); Christopher Young QC; and Dr Hugh Ellis, Director of Policy at Town and Country Planning Association (TCPA).

18 July 2022

Andrew Wood, Spatial Planning Lead, Council for the Protection of Rural England (CPRE); Kate Henderson, Chief Executive, National Housing Federation (NHF); Ian Fletcher, Director of Policy, British Property Foundation (BPF).

Alan Law, Deputy Chief Executive, Natural England; Edward Hobson, Director of Place, Design Council; Jonathan Werran, Chief Executive, Localis.



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3. The evidence we heard during the session with the then Secretary of State brought to light some concerns about the planning proposals in the Bill. Therefore, we decided to scrutinise the planning proposals by conducting further evidence sessions. In terms of the Bill, we have received evidence on Part 3 – Planning; Part 4 – Infrastructure Levy; and Part 5 – Environmental Outcomes Reports. We have not conducted detailed scrutiny of Parts 1 and 2 (Levelling Up Missions; Local Democracy and Devolution) or Parts 6 to 11 (Development Corporations; Compulsory Purchase; Letting by Local Authorities of vacant high street premises; Information about interests and dealings in land; Miscellaneous; General).
4. We did not issue a call for evidence in relation to our scrutiny of the Bill. This was because we were aware that while we were holding oral evidence sessions into the planning proposals, the Public Bill Committee would also be conducting its line-by-line scrutiny of the Bill and would be receiving written evidence, which produces information that the Committee could use. Furthermore, the Committee received a substantial amount of written evidence in relation to its inquiry into *The future of the planning system in England*, which dealt with the proposals in the Planning for the Future White Paper.¹ Our *Future of the planning system in England* report covers many areas that are included in the Bill, and should be referred to in conjunction with this letter.

The Committee's view of the Bill

5. Following your appointment as Secretary of State for Levelling Up, Housing and Communities, we had a private discussion where you said you would appreciate a letter during the summer recess setting out the Committee's initial view on the Levelling-up and Regeneration Bill, in light of the evidence we had received and our previous work on the related policy areas.
6. I informed the members of the Committee of your request, and we had an initial discussion on 20 July. This letter takes account of the views expressed during that discussion, and input by members since then – but the Committee has not had an opportunity to meet together to discuss in detail the issues set out below. Nonetheless, I hope that you find this letter useful in terms of setting out the Committee's initial view.

Overall assessment of the Bill

7. The Bill is described in its explanatory notes as "support[ing] the Government's manifesto commitment to level up the United Kingdom".² It is the Committee's view

¹ [The future of the planning system in England \(parliament.uk\)](#)

² [Levelling-Up and Regeneration \(parliament.uk\)](#)



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that the main tool to achieve levelling up will be through appropriate funding to those areas that need it most. This funding will help in making progress on the levelling up missions related to public transport and local connectivity; transforming digital connectivity; improving education outcomes; increasing the number of adults who complete high quality skills training; and increasing healthy life expectancy. None of the provisions in the Bill will directly contribute to making progress towards achieving these missions – other than setting them. There is also no funding for levelling up associated with the Bill.

8. In respect of the planning provisions, the main concerns that have been raised are about a lack of detail in the Bill, which has hindered effective scrutiny, and about a perceived movement towards the centralisation of planning decisions due to some of the provisions in the Bill and the tone of some of the language. Both these concerns have meant that the evidence we have heard has been presented with some scepticism and some distrust as to what the Government's intentions are. If one central thrust of the Bill is not to centralise planning decisions, then the remaining planning provisions in the Bill can be described as loosely connected proposals to tinker with the current system, hopefully achieving some improvement. We have not received strong opposition to any of the proposals, but in part this is a factor of the detail not being published, so witnesses are having to hypothesise what will be enacted rather than respond to a firm proposal.

Lack of detail in the Bill

9. One of the issues that we and the witnesses who have given evidence to the Committee have struggled with is the lack of detail contained within the Bill. The Bill contains some placeholder clauses. More extensively it introduces proposals where the detail will be provided in secondary legislation or after a period of further consultation. Ian Fletcher, Director of Policy, BPF, told us "There are a lot of areas in this Bill that are a leap of faith in terms of a very sketchy outline of what Government are seeking to achieve without the detail. You can think of the infrastructure levy, national development management plans, CPO, right to acquire, environmental outcomes, the Vagrancy Act and the alignment test. You could go on and on".³
10. Andrew Wood, Spatial Planning Lead, CPRE, told us it was a huge challenge to scrutinise legislation that does not have the detail there, and that the Government keep saying, "Trust us a little bit. It will be fine when you see the details," but that is not appropriate.⁴

³ [Q169](#)

⁴ [Q169](#)



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11. In addition to scepticism from stakeholders about the intentions of Government, we have also been told that approaching planning law in this way carries risks. Dr Hugh Ellis, Director of Policy, TCPA, said that the system had to be taken as a whole with a lot of moving parts. "What you are asking to do is to sign up to the provision of some measures without being able to see the secondary legislation to see whether the whole will operate effectively because planning is so complicated". Victoria Hills, Chief Executive, RTPI, said "The number of placeholder clauses that are in this Bill, and there are quite a few of them, just mean there is an opportunity for the piecemeal consultations to perhaps end up with some unintended consequences without that read across".⁵
12. Our witnesses do appreciate that having some flexibility in terms of the detail is advisable, and the example of the infrastructure levy going through a test and learn approach was welcomed. But the view conveyed to us is that in many areas it is not a case of flexibility but rather that the policy detail is yet to be worked out.⁶
13. It has also been expressed to us that the failure to consolidate legislation has made it very difficult to understand planning law, as an already legally complicated system has been subject to amendment upon amendment through Acts over a period of 30 years.⁷

Potential centralisation of planning decisions making

14. At an early point after the publication of the Bill, we were contacted by stakeholders who have raised concerns that the provisions amount to the centralisation of the planning system. These concerns were set out in a legal opinion, produced by Paul Brown Q.C. and Alex Shattock, Landmark Chambers, on the instruction of Rights: Community: Action. I wrote to the then Secretary of State on this matter on 21 June.⁸ His reply, dated 30 June stated "you will not be surprised to hear that I disagree with the characterisation in the Rights: Community: Action advice that this Bill centralises planning and erodes participation; because it does precisely the opposite. The Bill and our supporting work will make planning more accessible, more transparent, and will deliver better outcomes for the people it serves. I take these principles seriously, and this Bill will help to deliver them in practice, as well as in law".⁹
15. We welcome the response from the then Secretary of State, as a planning system that is more accessible, more transparent, and delivers better outcomes for the people it

⁵ [Q117](#)

⁶ [Qs 169, 177 and 180](#)

⁷ [Q117](#)

⁸ <https://committees.parliament.uk/publications/22721/documents/166984/default/>

⁹ [\[JD\] Clive Betts Letter.pdf \(parliament.uk\)](#)



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serves is what the Committee would like to see. However, there continues to be concerns that the direction of travel in this Bill is away from a local plan-led system, and that the National Development Management Policies will impose a radical, centralising change upon the current system. Part of the reason for these concerns stems from the previous issue – lack of detail in the Bill. It is not sufficiently clear what areas National Development Management Policies will cover and what they will look like.

16. More specifically related to this concern, the Committee's attention has been drawn in particular to clause 83(2) which states at (5C) that: "If to any extent the development plan conflicts with a national development management policy, the conflict must be resolved in favour of the national development management policy". It has been put to the Committee that this introduces a centralising hierarchy of policy that is new to the English planning system. One reading of this clause is that it fundamentally undermines the plan led system which has been a bedrock of the system for nearly twenty years (Section 38 of the Planning and Compulsory Purchase Act 2004) and which is firmly stated in the current NPPF. If this is not the intention, then serious consideration needs to be given to amending or removing this clause.
17. It is our view that, if it is indeed the Government's intention that it is not seeking to centralise planning, the Government needs to take action to show that is the case. This may be through amendments to the wording in the Bill. We have also explored with witnesses how National Development Management Policies differ from National Policy Statements, and many witnesses supported NDMPs being subject to the same standard of consultation and scrutiny as National Policy Statements. An alternative would be for draft National Development Management Policies to be published before the Bill is considered at Report Stage, so that MPs know what they will encompass.

Housing targets and delivery

18. In our evidence session with the then Secretary of State, he confirmed that the target of 300,000 new homes being built a year was still in place, but added that there were a number of factors that had made it a more difficult target to meet. Kate Henderson, Chief Executive, NHF, told us that the idea of having national development management policies was about trying to help local authorities get plans into place quickly. She said: "We do not know if the sum total of 300-plus local authority decisions on housing need is going to meet that bigger target" and "Without a national or regional strategic picture cascading down to the local picture, there is the potential for conflict with these policies".¹⁰

¹⁰ [Q173](#)



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19. There have been significant changes within Government since the then Secretary of State confirmed that the 300,000 target was still in place. Therefore, it would be helpful if the Government of the next Prime Minister could state at an early stage whether it too was keeping the same target.
20. If the target is retained, as the Bill continues through Parliament it would be helpful if this issue of matching the delivery of a national target through decisions being made at a local level could be addressed.
21. This is an issue that we have raised previously, and the Public Accounts Committee has also called for greater clarity on how the Government will deliver its ambition for 300,000 housing units a year. In our *Future of the planning system in England* report we recommended: "The Government should publish the evidential basis for its 300,000 housing units a year target and set out how this target will be achieved, **both by tenure and by location**". However, the Government response did not address this matter. Rather it commented that "There seems to be consensus that 250,000 to 300,000 homes per annum should be supplied to deliver price and demand stability" and provided statistics on the number of new homes built since 2015-16.¹¹
22. The Bill does provide that there will be a level of affordable housing that Local Authorities will have to meet. Schedule 11, which makes proposals in relation to the Infrastructure Levy, stipulates that in setting rates authorities must have regard to the level of affordable housing funded or provided over a specified period ensuring that it is "equal to or exceeds" that over an earlier period of the same length. However, the further information to the Bill is not clear whether this will be a guideline or a firm target, as it states "The Bill will set out the framework to enable this approach, with some of the details set out in regulations". Therefore, further clarity on what the impact of this provision will be on local authorities is required. Additionally, it would be helpful to ascertain what effect this provision will have in terms of contributing to the overall target.
23. In addition to some uncertainty about the continuing status of the target, other statements by the Department and the previous Secretary of State have added to the lack of certainty around the policy landscape and constraints within which local planning authorities are trying to prepare up-to-date local plans. Of particular importance in this respect is the statement by the then Secretary of State in the second reading debate on the Bill that, "We will also be taking steps to ensure that the Planning Inspectorate, when it is reviewing a local plan and deciding whether it is sound, does not impose on local communities an obligation to meet figures on housing need that cannot be met given the environmental and other constraints in particular communities". Without

¹¹ Paras 35-36, <https://committees.parliament.uk/publications/22209/documents/164699/default/>



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additional detail it is not clear what is meant by other constraints and how the plan could avoid these problems. Also of particular interest is the fact that the '[Further Information](#)' on the DLUHC website states that:

To incentivise plan production further and ensure that newly produced plans are not undermined, our intention is to remove the requirement for authorities to maintain a rolling five-year supply of deliverable land for housing, where their plan is up to date,

If the Government do, indeed, intend to modify the applicability of objectively assessed need and the maintenance of a 5-year land supply then the Department may wish to consider clarifying this at the earliest opportunity so that LPAs can proceed with updating their local plan on a more certain basis.

Infrastructure Levy and Section 106

24. During our sessions we have explored the proposals for the Infrastructure Levy. The key message we received is that industry is used to the current Community Infrastructure Levy, so it would be helpful if the proposed new Infrastructure Levy was similar to that, and that it was not over complicated. On this, Victoria Hills again referred to the fact that detail of the proposal was not yet set out. She told us: "We were very happy to see that this is going to be locally devolved, but again the devil is in the detail. We need assurances that it is not so devolved that you have mini-rates going on at a site level or at a multi-site level that makes the system so incredibly complex it becomes unworkable and unworkable".¹² We have also heard support for the 'test and learn approach' which will be used with the Infrastructure Levy, so that improvements to how it works can be made.
25. There was a shared view among witnesses that keeping Section 106 agreements for large and complex sites was the right approach.
26. In our *Permitted Development Rights* report we state: "Housing delivered under permitted development can have as great an impact on local infrastructure and the delivery of services as housing built through the full planning process. It should therefore contribute to the cost of offsetting its negative impact. ... We welcome the idea of the proposed new Infrastructure Levy covering permitted development, but we are concerned about the lack of detail and of a clear timetable for its introduction". We recommend: "Whatever the Government's long-term plans for permitted development and the Infrastructure Levy, we recommend it legislate as soon as possible to ensure

¹² [Q142](#)



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that permitted development contributes towards the cost of providing the infrastructure and affordable housing needed to offset any negative impact on the local community".¹³

Impact on affordable and social housing

27. The NHF told us that under the present system, developer contributions are responsible for a huge proportion of new affordable homes with almost 50% of all new affordable housing currently being funded using Section 106 agreements. They have therefore raised concerns that the changes to developer contributions will likely lead to some disruption, and that the Government needs to ensure the new system swiftly delivers affordable housing at the scale and quality the country needs. In our report, *Building more social housing*, we concluded that there is compelling evidence that England needs at least 90,000 net additional social rent homes a year.¹⁴

28. In oral evidence, Kate Henderson said that she had four key areas of concern about the provision of onsite affordable housing:¹⁵

First and foremost is the point that I have made around protection. The Bill talks about a requirement to meet current levels of affordable housing. It is really crucial that, on the face of the Bill, that current level is set out. That should be based on objectively assessed need for affordable housing, rather than what the system is currently delivering. We do not want an under-supply baked in. That would be a step in the wrong direction.

Second is onsite provision of affordable housing. While section 106 is not perfect, it does deliver mixed communities. It is vital that we keep to that ambition of creating great places where people of all backgrounds and all incomes can afford to live. That means delivering mixed tenure, and delivering that mixed tenure onsite. At the moment, that is not set out on the face of the Bill and we would like it to be.

Third is viability, which varies from site to site. It is good to see that the infrastructure levy is now going to be set locally. What is really important is that we use that test and learn approach to make sure that we are getting the levels of affordable housing that are set out in local plans, based on need. It would be great if that test and learn approach was piloted in areas of really low land value with high regeneration need, as well as in parts of the south, south-west and

¹³ Paras 90-91, [Permitted Development Rights \(parliament.uk\)](#)

¹⁴ Para 53, [Building More Social Housing \(parliament.uk\)](#)

¹⁵ [Q177](#)



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south-east, where there are higher land values, in order to make sure that it works in all areas of country.

Fourth is the point around exemptions. If you are delivering a 100% affordable housing site, it should be exempt from the infrastructure levy. Again, that would lead to the delivery of more affordable housing. We had some very welcome words from the previous Secretary of State. Unfortunately, he is no longer in post, so we would like to see that set out on the face of the legislation.

29. The then Secretary of State, had previously explained that local authorities “will be able to use the powers that the levy brings them to meet [the] requirement [to build affordable homes]”. His official added: “we are building into this ... a right for local authorities to require, as part of a development, a certain share of affordable housing. That is one of the mechanisms that we will use to deliver the same proportion of or at least as much affordable housing”.¹⁶
30. It is essential that the Government invest to provide at least 90,000 net additional social rent homes a year, as we concluded in our report, *Building more social housing*. Not to do so will only exacerbate the crisis in our broken housing system. Therefore, it is imperative that nothing in the Bill jeopardises progress in increasing the provision of onsite affordable housing.
31. We also raised with the then Secretary of State that there was an opportunity within the Levelling-up and Regeneration Bill to set out a standard definition for affordable housing into legislation. This would solve some bureaucratic issues such as in relation to exemptions from the infrastructure levy for social housing providers and housing associations. The then Secretary of State said this was something that the Department could consider, that he was open-minded, and that the Department would give the idea some thought. We made a recommendation on how to define affordable housing in our report *Building more social housing*, which we stand by now.¹⁷

Environmental Outcome Reports

32. We have explored with our witnesses the proposals in the Bill to introduce Environmental Outcome Reports (EORs). Again, this is an area where witnesses have said that a lack of detail in the Bill has made it difficult to make an assessment. Andrew Wood said the lack of details was “a highly calculated step to put the making and changing of planning policies and environmental regulations in the hands of the Secretary of State and the Executive, with a lot of the rest of the detail deferred to

¹⁶ [Qs 58-59](#)

¹⁷ Para 23, [Building More Social Housing \(parliament.uk\)](#)



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secondary legislation and to policy ... We do not know what the environmental outcome reporting regulations will look like. The Government keep saying, "Trust us a little bit. It will be fine when you see the details," but that is not appropriate".¹⁸

33. The RTPI and the TCPA both told us that there was an opportunity to establish a system that not only considered a development's impact on the environment, but also the environment's crucial impact on people's health and wellbeing and the social health and economic impacts. They both also saw that the Bill gives an opportunity to streamline the current bureaucracy and overcomplication associated with environmental assessments.¹⁹ Additionally, Christopher Young QC told us about the Environmental Impact Assessment industry where "huge volumes of material are produced that are completely unnecessary" which alienates people and described the assessments as "written and very rarely read".
34. Dr Hugh Ellis told us that moving from a system where the developer pays for environmental assessments to an independent system where the assessments were commissioned by the local authority, with money coming out of the planning fee that the developer pays, "would be transformational". He said this would control standards and the brevity of the documents. Furthermore, independent commissioning was a measure that would substantially rebuild trust and streamline the process, "[o]therwise, these documents just become just sales documents when they should be appropriate, proportionate, independent assessment of impacts and alternatives". Independent commissioning would remove any suspicion in the current system that the developer gets what they pay for, as it is they who pay for environmental assessments.
35. We raised with Natural England how Environmental Outcome Reports would work with, for example, local nature recovery strategies and biodiversity net gain under the Environment Act. We were told that currently "there is considerable potential for overlap, duplication and slight differences to lead to tensions between them. Our ask here would be, ideally, a statutory requirement for local plans to deliver, to take on the findings of, local nature recovery strategies, and ditto for local nature recovery strategies to provide the basis for EOR scrutiny of the local plan—so that join-up. Tie that together through statutory requirements and you solve that problem".²⁰
36. Once again, the uncertainty created by both a lack of detail and any delay in providing that detail and the fact that other environmental initiatives which will impact on planning practice are already in train, may well mean that local authorities may delay updating plans until the position becomes more certain.

¹⁸ [Q168-169](#)

¹⁹ [Q151](#)

²⁰ [Q207](#)



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Resources

37. It has also been expressed in the evidence that we have received that there is no comprehensive resources and skills strategy for the planning sector which was promised in the 2020 White Paper and which we emphasised in our *Future of the planning system* report. This strategy was promised to this Committee by the then Minister of State for Housing in December 2020 – 20 months ago.²¹ The provisions in the Bill will put further burdens on planning departments, and the existing pressures on their services have been raised with us. We have also heard of incidences of members of the public abusing planning officers. It is therefore welcome to hear that the RTPI have been working with the Department on a capacity and capability discussion. We hope this will soon develop into a comprehensive resources and skills strategy, which can address how planning officers are sometimes treated.
38. In our *Building more social housing* report we state “It is right that the Government has identified the importance of reforming planning fees to support the capacity and skills of planning departments. ... We recommend that the setting of planning fees should be devolved to local authorities, with a national minimum rate”.²²
39. In our *Future of the planning system in England* report we state: “The Ministry [i.e. MHCLG] should now seek to obtain a Treasury commitment for an additional £500 million over four years for local planning authorities” and “The Government must undertake and publish a resources and skills strategy in advance of primarily legislation”.²³

Previous Committee reports

40. In the paragraphs above, where the concerns raised with us have corresponded with conclusions and recommendations in previous Committee reports these have been highlighted. Furthermore, our *Future of the planning system in England* report covers many areas that are included in the Bill, and should be referred to in conjunction with this letter. The annex to this letter lists other Committee recommendations from reports since the start of this Parliament which are to some extent relevant to the Bill.

Best wishes,

²¹ Q170, <https://committees.parliament.uk/oralevidence/1356/pdf/>

²² Para 109, [Building More Social Housing \(parliament.uk\)](https://www.parliament.uk/publications/2020/11/building-more-social-housing/)

²³ Paras 185 and 186, [The future of the planning system in England \(parliament.uk\)](https://www.parliament.uk/publications/2020/11/the-future-of-the-planning-system-in-england/)



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A handwritten signature in black ink, appearing to read 'Clive Betts'.

Mr Clive Betts MP
Chair, Levelling Up, Housing and Communities Committee



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Annex – relevant conclusions and recommendation from previous committee reports

The below lists other Committee recommendations from reports since the start of this Parliament which are relevant to the Bill. It does not list recommendations from our *Future of the planning system in England* report, which covers many areas that are included in the Bill, and should be referred to in its entirety in conjunction with this letter:

[Building more social housing](#)

- Paragraph 36 – The Government should amend the Land Compensation Act 1961 so local authorities and development corporations have the power to compulsorily purchase land at a fairer price.

[Local government and the path to net zero](#)

- Paragraph 51 – The Department for Levelling Up, Housing and Communities should ensure that future reforms to the planning system give a larger role to sustainability than is the case in the current planning system. We welcome the Government's commitment to reviewing the National Planning Policy Framework to ensure it contributes to climate action ... To support making new housing carbon neutral, net zero should be given a central role in the National Planning Policy Framework. This can and should be compatible with the Government's target to deliver 300,000 new homes a year by the mid-2020s. Net zero should also be embedded in the new national design code and local design codes. Furthermore, local authorities should be given the ability to include tougher standards in Local Plans as unconditional requirements for all developments. The proposal in the Planning White Paper for local authorities to have a statutory responsibility to produce a Local Plan should also include a requirement that the Local Plan specifically addresses the issue of carbon emissions and how the local authority will ensure developments in their area contribute towards achieving net zero. ... To ensure that planning authorities have the necessary skills to devise and monitor effective decarbonisation policies we reiterate the recommendation from our recent planning report for £500 million to be invested over four years into funding the planning system.
- Paragraph 87 - We welcome the Government's commitment to reviewing the National Planning Policy Framework to make sure it contributes to climate mitigation, but we are concerned that in the meantime some councils will continue to grant planning permission to development that locks people into car dependency. In the short term, the Government should clarify the need for sustainable transport and placemaking to be embedded in all new development. In the longer term, it should amend the NPPF to require all housing development to be properly serviced by public transport and active travel networks and be within walking distance of local shops and amenities. As far as possible, all employment areas should also be served by public transport. To



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facilitate this, the Government should reiterate to local councils the importance of having up-to-date Local Plans and, in line with our earlier recommendation, require councils to embed sustainability in those plans.

- Paragraph 95 – We welcome the ambition in the recent national bus strategy to increase bus usage and ensure cheaper and more reliable bus services across the country. In particular, we welcome its promise to give local authorities more control over bus services, either by agreeing Enhanced Partnerships with bus operators or by seeking franchising powers like those enjoyed by Transport for London. It must be acknowledged, however, that franchising will be expensive. We also commend the Department for Transport’s proposals for encouraging demand-responsive services in rural areas and its provision of additional funding through the Rural Mobility Fund. We are concerned, however, that this will not be enough to achieve the Government’s aim of ensuring high-quality services everywhere. We note, too, that the Rural Mobility Fund was allocated through a process of competitive bidding. As we have already noted, it is difficult for local authorities to plan for the long term on the basis of funds allocated through competitive bidding. We also note that the transport decarbonisation plan barely mentions the role of light rail in the future of public transport.
- Paragraph 96 – We urge the Government to make good on the welcome promises set out in the national bus strategy, in particular to give local authorities more control over bus services, and to explain as soon as possible how it plans to make sure local authorities have the necessary funding to provide high-quality public transport services in rural areas. We also ask the Government to give greater consideration to the important role light rail can play in the public transport network.
- Paragraph 103 – We are pleased the Government has promised to empower local authorities to take bold decisions in this area and to publish a toolkit of guidance and information to help local authorities develop innovative and sustainable transport policies. We also welcome its commitment to investing £2 Billion over five years in active travel, most of which will be channelled through local authorities, but we are concerned that this might not be enough. Funding should be more consistent and reliable and not dependent on competitive bidding processes, which tend to benefit the larger and better resourced councils and lead to wasted resources on unsuccessful bids. We recommend that funding for active travel be put on a more consistent footing and that the Government work more closely with local authorities to support and monitor their activities.
- Paragraph 111 – Local authorities are well placed to support the decarbonisation of energy generation and supply through the delivery of smart local energy systems, owing to their role as planning authority and knowledge of their local areas. It is also clear that many councils are taking advantage of their position to deliver exciting and innovative energy systems. We welcome the fact that much of this innovation is being part funded by central government, but we are



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concerned that some councils might lack the expertise and resources needed both to take advantage of this funding and to identify opportunities for low-carbon energy systems in their area. We are pleased, however, that the Government has recognised this lack of capacity in its Heat and Buildings Strategy and promised to better support local authorities. We are also pleased it has now launched a consultation on proposals for heat network zoning and that this will consider the role of local authorities in their delivery.

- Paragraph 112 – In line with its commitment in the Heat and Buildings Strategy, we urge the Government to immediately consult local authorities on how it can better support them to take advantage of the funding available for other types of low-carbon smart local energy systems.

Progress on devolution in England

- Paragraph 48 – We approve of the principle of a devolution framework. It will provide clarity as to what is available for devolution. The Government should work with local government and other stakeholders to produce a devolution framework. To succeed, the framework must provide flexibility and be grounded in a comprehensive consultation with stakeholders to avoid being a top-down imposition from central onto local government. It should include a set of principles committing the Government to devolution as an evolving process with a forward direction. Devolution is not just about increasing the powers of combined authorities, but enhancing the powers of local government as a whole. A key principle should be that devolution is the default option unless there is a good and compelling reason why a policy area should not be devolved. The Government should consider following the model used for the devolved nations, where there is a list of reserved powers not available for devolution, with all other powers available for combined and local authorities. It should not be obligatory for any area to take on all of the available powers straightaway or at all. Furthermore, councils should also devolve to their local communities—devolution does not stop at the town hall door.
- Paragraph 50 – Instead of using Greater Manchester as a yardstick, all existing places with devolution deals should be offered the same powers as all others currently have. They may not choose to immediately take them up, but the option should be available.
- Paragraph 102 – We retain our predecessor committee’s scepticism about whether health devolution accurately describes the current arrangements in Greater Manchester. It clearly does not in Cornwall and the Isles of Scilly. We support the recommendations of the Health Devolution Commission on the future of health devolution and the role that should be played by local and combined authorities in the new Integrated Care System. The Government should seek to implement these proposals. It should also explore the merits of



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- establishing a London Health Commissioner to oversee all London health matters, and of devolving the London Ambulance Service.
- Paragraph 108 - The devolution of the adult education budget should be part of the devolution framework, accompanied by transitional support and measures to mitigate differences in course options between areas. The same powers over adult education should be available to all areas with devolution deals. Further education, in particular FE colleges, should also be included in the framework. The Government should work with the Local Government Association to agree proposals as to how local authorities' oversight of schools and their funding should be strengthened. This should include devolving the functions of the Education and Skills Funding Agency to county councils and combined authorities; and the transfer of the powers held by Regional School Commissioners to local authorities.
 - Paragraph 113 - The devolution framework should provide for the devolution to combined and local authorities of the spatial planning powers, call-in powers for planning applications, the powers to establish development corporations, compulsory purchase orders, consultation on strategic planning applications, and strategic infrastructure levies, currently exercised by some combined authorities. There should be greater transparency about the process. The Government should also consider further devolution of housing powers to London. There should be a single pot for housing, with a requirement that a spatial plan be adopted beforehand.
 - Paragraph 118 - The Government should consider the case for extending powers for Transport for London-style oversight of local buses to all transport authorities, whether combined or local authorities. Where transport services cross local authority boundaries, joint working relationships should be encouraged between the local authorities affected. Similarly, Network Rail, Highways England and other comparable bodies should be required to organise joint working arrangements with transport authorities. Local government should ensure there is proper and transparent scrutiny of transport arrangements in their areas.
 - Paragraph 121 - We have heard, both in this inquiry and our inquiry into local government and the path to net-zero, that local government can play an important role in policies relating to energy efficiency. The Government should strongly consider the case for devolution of further powers in this area. It should also examine how additional oversight can be given to local government of the environment, aspects of farming and forestry policies, and the takeover of public assets.

[Supporting our high streets after COVID-19](#)

- Paragraph 57 – In line with our predecessor Committee's recommendations and our report on the planning system in England, Local Plans and strategies for



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high streets and town centres must be updated regularly in order to keep pace with changing trends. This will also help to identify how vacant units arising from the pandemic can be put to best use. A plan that is more than five years old will do little to support a high street for the future. The Government should also publish annually a list of which areas have strategies for their high streets and town centres and when they were last updated.

- Paragraph 58 - We welcome the £65 million for the planning regime announced in the Spending Review towards a new digital system, though more detail is needed on what this new system will entail. Additionally, this announcement falls significantly short of our previous calls for £500 million over four years for local planning authorities. We call on the Government to provide additional funding for local authorities to build place partnerships and place leadership. The Government could consider additionally allowing bids for government funds available for high streets to include budgeting for place leadership and placemaking resource alongside capital investment. We also reiterate our call for the Government's resource and skills strategy for the planning system to be published in advance of primary legislation. This strategy should include a focus on planning high streets and place partnerships.
- Paragraph 71 - We welcome the Government's intentions to reform the Compulsory Purchase Order process, which is overdue. The Government must publish further detail on proposed reforms to the Compulsory Purchase Order process without delay, along with timescales for reform. It should set out how it intends to streamline and simplify the process, as well as how it intends to ensure that local authorities have the necessary expertise.

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