



West Midlands
Combined Authority

Overview & Scrutiny Committee

Date	11 July 2022
Report title	Implications of the Levelling Up and Regeneration Bill for the WMCA
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Recommendation(s) for action or decision:

The Overview & Scrutiny Committee is recommended to:

- (1) Note the implications of the upcoming Levelling Up and Regeneration Bill for the WMCA.

1. Context

- 1.1 The Levelling Up and Regeneration Bill (LURB) was announced in the Queen's speech of 10 May 2022.
- 1.2 This piece of legislation will have implications for the WMCA in a number of areas, including:
 - Planning and regeneration
 - Consents and WMCA geography
 - Accountability
 - Devolution and local governance

2. Provisions of the Levelling Up and Regeneration Bill

- 2.1 The Bill's provisions in summary:
 - Deal with some of the legislative changes mentioned in the Levelling Up White Paper.
 - Seek to simplify the consents procedures around new members joining MCA, as well as changes to police and fire governance.
 - Lay the foundations for greater English devolution by offering devolution deals to all areas that wish them by 2030.
 - Create a new model of combined authority: the 'County Deal' which will provide local leaders with powers to enhance local accountability, join up services and provide transparent decision-making to rejuvenate their communities, increase their ability to reflect local preferences in arrangements including directly elected leaders' titles.
 - Unlock new powers for local authorities to bring empty premises back into use and instigate rental auctions of vacant commercial properties in town centres and on high streets.
 - Give residents more of a say over changing street names.
 - Strengthen neighbourhood planning and digitalising the system to make local plans easier to find, understand and engage with; by making it easier for local authorities to get local plans in place, speculative development will be limited.
 - Create a duty on the Government to produce an annual report tracking progress of the levelling up missions as set out in the White Paper.
 - Improvements to the planning system, prioritising environmental assessments.
 - Legislate for a locally set non-negotiable infrastructure levy.
 - Instil simplification and standardisation of local plans process including digitalisation of the process.
- 2.2 Possible implications for the West Midlands around planning and regeneration:
 - Infrastructure Levy: The proposed Infrastructure Levy would switch the contribution from S106 to a flat rate, based on the gross development value of the finished development, and applied above

a minimum threshold. Levy rates and minimum thresholds will be set and collected locally, and local authorities will be able to set different rates within their area. The rates will be set as a percentage of gross development value rather than based on floorspace, as with the Community Infrastructure Levy at present.

- The infrastructure levy will simplify the process and hopefully guarantee more certainty of funding than the current system allows. However, this will have consequences for the investment plans of housing associations and other registered providers.
- National Demand Management Policies: The Bill introduces 'national development management policies' (NDMPs) – with the idea being that 'general' development control policies are taken out of Local Plans and are instead centrally-set. NDMPs are likely to include policies relevant to most local authorities, such as heritage protection and green belt policies. Local Plans will not be able to repeat these NDMPs.
- The removal of these types of common policy which are currently repeated across most Local Plans, often with slight variations in terms of form and wording, is intended to make Local Plans shorter, so that they can focus on locally-specific matters, and, in doing so, expedite their preparation. The Bill also alters the current test for the determination of planning applications to give more weight to development plans. While this will certainly speed things up, it limits the flexibility/freedom of local authorities to impose their own policies in the areas covered by these national ones.
- Compulsory Purchase Orders: The Bill introduces a few key reforms around CPOs, including removing the right of inquiry from objectors and leaving that to be determined by the Secretary of State, enabling the Secretary of State to approve a CPO subject to discharge of conditions by a certain date, extending the time limit for implementing a CPO by the purchasing authority, and requirement for the authority to publish online notices for CPOs.
- The CPO reforms will ultimately ease expedite the ability of planning authorities to acquire and implement the CPO, although will weaken the objector's ability to challenge.

2.3 Implications for the West Midlands around devolution and local governance:

- Principles of devolution: The Bill advances many of the proposals around devolution proposed in the Levelling Up White Paper, by offering devolution deals to all areas that wish them by 2030. The WMCA agrees local decision-making has tended to generate better local economic performance, as local policies are tailored to local needs. The WMCA is committed to powers and delivery being exercised at the most local level possible. Double-devolution is important, and it is vital we respect local authority roles.
- Accountability: The Bill places a duty on the Government to set Levelling Up 'missions' and produce an annual report updating the country on delivery of these missions, following on from the Levelling Up White Paper's plans for a Local Government

Accountability Framework to “ensure that there are clear roles and metrics for assessment and measures to support local areas, alongside strong local scrutiny mechanisms”. The WMCA seeks to deliver on this with a West Midlands Outcomes Framework, enhanced scrutiny panels (with a role for regional MPs), and greater public accountability through mechanisms such as Mayor’s Question time sessions.

- Remuneration of Overview & Scrutiny and Audit committees - this measure will ensure MCAs and CCAs are able to compensate constituent authority councillors for their roles on Overview & Scrutiny and Audit committees, ensuring that new and deeper devolution deals are properly held to account at the local level by councillors.
- Consents: Provisions in the Bill to simplify consents procedures will affect West Midlands more significantly than other MCAs, particularly with regard to the following:
 - Non constituent authorities: The WMCA has more non-constituent members than other CAs, and therefore the role that they might play in the future is subject to greater flux. The establishment of new Combined County Authorities is going to impact on our non-constituent members in the shires, as they may be required to consider their future role/participation. Furthermore, accession of new members will require agreement between the Mayor and the joining authority only. Authorities seeking to be new constituent members would not need to geographically adjoin an existing constituent authority. The eventual impact of this could mean that we have a prolonged period of uncertainty around membership, structure and role.
 - Police and Crime Commissioners (PCC): The Bill also makes provision for the apparent easing of governance changes involving the PCC, with powers can be transferred to the Mayor providing agreement between the Mayor and the Secretary of State. A Mayor could request these powers for the roles to be merged without consent of the Board (constituent local authorities) or consultation.
- The WMCA Board did not support the transfer of functions in March 2019 and has restated its position recently.
- In addition to the above, any potential expansion of the WMCA geography would make it impossible to merge the PCC function, because the police force areas need to be coterminous - as such it is a binary choice, but one that is made by the CA board and the other by the Mayor.
- The timing of the Trailblazer Devolution Deal (due to be announced in the Autumn 2022) and the expected date for Royal Assent of the LURB (May 2023) means that these different issues will likely be resolved separately as the prior concern is with the devolution deal.
- Nonetheless, the greater flexibility and scope for initiating reviews of local constitutions provided by the Bill should give us the opportunity to ensure that regional partners can be more agile and bespoke in how we operate.

3. Timeline

- 3.1 Consultation on the Bill is currently underway. Laura Shoaf, Chief Executive of the WMCA and Andy Street, Mayor of the West Midlands, appeared at the public Bill Committee w/c 20/06.
- 3.2 The Bill is expected to receive Royal Assent in May 2023.

4. Financial implications

- 4.1 There are no immediate financial implications – these will become clear as the legislation is developed over the coming year.

5. Legal implications

- 5.1 The legal implications of the LURB for the WMCA are cited in the main body of the paper.

6. Equalities implications

- 6.1 The primary purpose of the Levelling Up and Regeneration Bill is to address the pressing need for levelling up both between English regions and also within the West Midlands.

7. Inclusive Growth implications

- 7.1 See section on Equalities above.

8. Geographical area of report's implications

- 8.1 The Levelling Up and Regeneration Bill is a piece of national legislation, and as such, will apply to both constituent and non-constituent authorities of the WMCA, including its' provisions to make it easier to for additional local authorities to become constituent members and for non-constituent and 'associate' members to join or leave.

9. Other implications

- 9.1 None.

10. Schedule of background papers

- 10.1 None.