

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

LEVELLING-UP AND REGENERATION BILL

First Sitting

Tuesday 21 June 2022

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) motion agreed to.
Motion to sit in private agreed to.
Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 25 June 2022

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The Committee consisted of the following Members:

Chairs: MR PETER BONE, SIR MARK HENDRICK, MRS SHERYLL MURRAY, † IAN PAISLEY

† Andrew, Stuart (<i>Minister for Housing</i>)	† Mortimer, Jill (<i>Hartlepool</i>) (Con)
† Atherton, Sarah (<i>Wrexham</i>) (Con)	† Norris, Alex (<i>Nottingham North</i>) (Lab/Co-op)
† Dines, Miss Sarah (<i>Derbyshire Dales</i>) (Con)	† O'Brien, Neil (<i>Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities</i>)
† Farron, Tim (<i>Westmorland and Lonsdale</i>) (LD)	Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab)
† Fletcher, Colleen (<i>Coventry North East</i>) (Lab)	† Smith, Greg (<i>Buckingham</i>) (Con)
† Gibson, Patricia (<i>North Ayrshire and Arran</i>) (SNP)	Vickers, Matt (<i>Stockton South</i>) (Con)
† Henry, Darren (<i>Broxtowe</i>) (Con)	
† Kruger, Danny (<i>Devizes</i>) (Con)	Bethan Harding, Adam Mellows-Facer,
Lewell-Buck, Mrs Emma (<i>South Shields</i>) (Lab)	<i>Committee Clerks</i>
† Maskell, Rachael (<i>York Central</i>) (Lab/Co-op)	
† Moore, Robbie (<i>Keighley</i>) (Con)	† attended the Committee

Witnesses

Tracy Brabin, Mayor of West Yorkshire

Professor Dame Ottoline Leyser, Chief Executive, UKRI, and member of the Levelling Up Advisory Council

Mairi Spowage, Director, Fraser of Allander Institute

Ben Still, Managing Director, West Yorkshire Combined Authority

Public Bill Committee

Tuesday 21 June 2022

[IAN PAISLEY *in the Chair*]

(Morning)

Levelling-up and Regeneration Bill

9.25 am

The Chair: Good morning, colleagues. I have a few preliminary announcements. *Hansard* would love to have any speaking notes emailed to them at hansardnotes@parliament.uk. Keep your phones and devices on silent please.

Today, we will first consider the programme motion on the amendment paper. We will then consider a motion to enable the reporting of written evidence for publication, and then a motion to allow us to deliberate in private about our questions, before the fun and games of the oral evidence sessions. In view of the time available, I hope we can take these matters formally without debate, but that is entirely up to you.

Let us deal first of all with the programme motion. I call the Minister to move the programme motion, which was discussed yesterday by the Programming Sub-Committee for the Bill.

Ordered,

That—

(1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 21 June) meet—

- (a) at 2.00 pm on Tuesday 21 June;
- (b) at 11.30 am and 2.00 pm on Thursday 23 June;
- (c) at 9.25 am and 2.00 pm on Tuesday 28 June;
- (d) at 11.30 am and 2.00 pm on Thursday 30 June;
- (e) at 9.25 am and 2.00 pm on Tuesday 5 July;
- (f) at 11.30 am and 2.00 pm on Thursday 7 July;
- (g) at 9.25 am and 2.00 pm on Tuesday 12 July;
- (h) at 11.30 am and 2.00 pm on Thursday 14 July;
- (i) at 9.25 am and 2.00 pm on Tuesday 19 July;
- (j) at 9.25 am and 2.00 pm on Tuesday 6 September;
- (k) at 11.30 am and 2.00 pm on Thursday 8 September;
- (l) at 9.25 am and 2.00 pm on Tuesday 13 September;
- (m) at 11.30 am and 2.00 pm on Thursday 15 September;
- (n) at 9.25 am and 2.00 pm on Tuesday 20 September;

(2) the Committee shall hear oral evidence in accordance with the following Table:

Date	Time	Witness
Tuesday 21 June	Until no later than 10.10 am	Professor Dame Ottoline Leyser, UK Research & Innovation
Tuesday 21 June	Until no later than 10.50 am	Tracy Brabin, Mayor of West Yorkshire; West Yorkshire Combined Authority
Tuesday 21 June	Until no later than 11.25 am	Professor Mairi Spowage, University of Strathclyde
Tuesday 21 June	Until no later than 2.40 pm	Greater Manchester Combined Authority; West Midlands Combined Authority; Solace

Date	Time	Witness
Tuesday 21 June	Until no later than 3.20 pm	Professor Graeme Atherton, University of West London; We're Right Here; Institute for Public Policy Research
Tuesday 21 June	Until no later than 4.00 pm	Local Government Association; County Councils Network; District Councils Network
Thursday 23 June	Until no later than 12.15 pm	Royal Town Planning Institute; Royal Institution of Chartered Surveyors; Savills
Thursday 23 June	Until no later than 1.00 pm	National Association of Local Councils; Neighbourhood Planners London
Thursday 23 June	Until no later than 2.30 pm	Andy Street, Mayor of the West Midlands
Thursday 23 June	Until no later than 3.10 pm	Create Streets; Heritage Alliance; Royal Institute of British Architects
Thursday 23 June	Until no later than 3.55 pm	Wildlife and Countryside Link; ADEPT; CPRE
Thursday 23 June	Until no later than 4.15 pm	Town and Country Planning Association
Thursday 23 June	Until no later than 4.45 pm	Chartered Institute of Housing; National Housing Federation
Thursday 23 June	Until no later than 5.15 pm	Onward; Centre for Policy Studies

(3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 13; Schedule 1; Clauses 14 to 24; Schedule 2; Clauses 25 to 30; Schedule 3; Clauses 31 to 53; Schedule 4; Clauses 54 to 74; Schedule 5; Clauses 75 to 83; Schedule 6; Clauses 84 to 87; Schedule 7; Clauses 88 to 91; Schedule 8; Clauses 92 to 97; Schedule 9; Clauses 98 to 100; Schedule 10; Clauses 101 to 113; Schedule 11; Clauses 114 to 133; Schedule 12; Clauses 134 to 137; Schedule 13; Clauses 138 to 144; Schedule 14; Clauses 145 to 160; Schedule 15; Clauses 161 to 164; Schedule 16; Clauses 165 to 184; Schedule 17; Clauses 185 to 196; new Clauses; new Schedules; remaining proceedings on the Bill;

(4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 20 September.—(*Stuart Andrew.*)

The Chair: The Committee will therefore proceed to line-by-line consideration on Tuesday 28 June at 9.25 am.

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*Stuart Andrew.*)

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room and will be circulated to members of the Committee by email.

Resolved,

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*Stuart Andrew.*)

9.27 am

The Committee deliberated in private.

Examination of Witness

Professor Dame Ottoline Leyser gave evidence.

9.31 am

Q1 The Chair: Do any Members wish to make declarations of interest in connection with the Bill? I do not see any Members signalling that.

We will now hear oral evidence from Professor Dame Ottoline Leyser, chief executive of UK Research and Innovation. Before calling the first Member to ask a question, I remind all Members that questions should be limited to matters within the scope of the Bill and that we will stick to the timings in the programme motion that the Committee has just agreed. For this session, we have until 10.10 am. Dame Ottoline, you are very welcome. Would you introduce yourself for the record?

Professor Dame Ottoline Leyser: It is a pleasure to be here. My name is Ottoline Leyser. As you said, I am the CEO of UK Research and Innovation, which is the main public sector funder for research and innovation in the UK. We invest about half of the public sector research and innovation spend, right across the UK.

The Chair: Thank you. I call Minister Neil O'Brien to open the session.

Q2 The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien): Thank you, Professor Leyser, for coming this morning. I start with a very open-ended question. To what extent do you think the Bill will help achieve some of the goals set out in the levelling-up White Paper?

Professor Dame Ottoline Leyser: Goodness, that is a big question. My interest and expertise are particularly around the R&D aspects of the Bill. One of the really encouraging and exciting things going on across the Government at the moment is the attempt to tackle some of these huge cross-cutting issues, and levelling up is very much one of those things. That absolutely requires concerted, co-ordinated action, right across the Government, through virtually all the Departments, in a way that is aligned and co-ordinated and which really delivers on very broad priorities. Levelling up is a really good example. Net zero is another one.

Those kinds of things require different ways of working. This Bill is one framework in which that kind of joined-up thinking can be set out and embedded in the way in which government works. Yes, I think it absolutely has the opportunity to deliver on the ambitions set out in the White Paper. That depends very much on the alignment between the mechanisms and framework set out in the Bill and the missions element that is core to pushing forward the White Paper agenda.

Q3 Neil O'Brien: The Bill sets out various measures to widen the devolution agenda. It also puts into law the various missions set out in the levelling-up White Paper. For context, will you explain how in your particular area of expertise that fits with the wider agenda of ensuring that research and development spending serves the goals of levelling up, and what that means for UKRI as an organisation?

Professor Dame Ottoline Leyser: Absolutely. Research and development has an important role to play in the levelling-up agenda, in the context of economic regeneration right across the country. What we see at the moment is huge disparity in all kinds of measures, but one of them is total factor productivity across the UK, and R&D-intensive business and industry are critical to generating those high value-add activities that support economic growth across the UK, bringing with them a whole variety of high-quality jobs. One of the things that is important to emphasise is that innovation-led growth is not just about jobs for innovators; it is a huge ecosystem of activity that goes around that, which will provide economic growth and high-quality jobs and opportunities for people in local innovation clusters right across the country.

That is the goal. The role that UKRI needs to play is critical in that. We have this extraordinary opportunity, with the formation of UKRI four years ago, of bringing together all the disciplines and all the sectors. In the same way as I mentioned that cross-Government co-ordination is needed, cross-R&D co-ordination is needed to deliver some of the activities. We span the whole system in UKRI, so we can build back better aligned investment that can support open economic growth—as I said—right across the UK. We need that balance, co-ordinating across different inputs, to drive growth which is led by R&D and innovation. That is multiple things, some of which are in my remit and some of which are certainly not—that is another key point.

The co-ordination locally is important, but in the broader national context—that is also important. This is not about fragmentation; in fact, it has to be the opposite of fragmentation. While local empowerment and local choice are critical, that has to be embedded in a much wider national context. We cannot have a situation in which, across the country, every region decides that it aims to specialise in the same thing. That would obviously be incredibly counterproductive for everyone. That balance between national co-ordination and local empowerment is critical across my kind of investment and across the broader range of leaders as set out in the White Paper.

Q4 Neil O'Brien: One of the missions takes forward the Government's ambition to increase our public domestic R&D spending outside the greater south-east by a third over the spending review period. How do you feel about that mission? On the level of ambition, are there things you would change about it; is the balance right; should we be doing things in a different way; should we be locking it in more tightly? Given all those different sorts of questions, is that balance between that objective and other priorities for UKRI right? How do you feel about the mission broadly speaking?

Professor Dame Ottoline Leyser: It is good to have those kinds of clear targets and goals. That is helpful. I think it is a long-term ambition, and that is another critical element of both the Bill and the missions, having those clearly articulated long-term goals to steer towards. The SR element of it is obviously much more rapid, and made in the context of the rising R&D budget across the SR, so I think it is achievable.

From my point of view, it is important to stress that our spend distribution does not meet the target from the Department for Business, Energy and Industrial Strategy. There is the broader Government target for

[Neil O'Brien]

the whole of investment, of 30% and 40% set out in the missions, and then there is a specific BEIS target of 55% outside the greater south-east. Our spend does not meet that at the moment—we are only part of the BEIS spend—but the critical element from that point of view is that in our open competitions for funding, we have flat success rates across the country. The news that we are investing more in the greater south-east than outside that area is because we do not receive the applications.

A lot of what we need to do is capacity building. We need to think hard about how we support the excellent research and innovation that we see right across the country to galvanise and bid into our schemes, making sure that the schemes we put forward are equally open to everyone right across the country and that the targeted interventions that we put in place, of which there are some—they are only going to be a small proportion of our overall investment—are carefully considered in the context of the wider capacity-building activity to drive up opportunity for everyone right across the country.

There is excellence everywhere, however, and we can see that, for example, in parts of the recent research excellence framework. One hundred and fifty-seven universities across the UK made submissions to have their research assessed in that exercise. There is world-leading research in 99% of them, according to the assessment process, which can lead activity. Harnessing the benefit of that will be critical to the levelling-up agenda and to the wider economic recovery from the pandemic that we need to drive.

Getting back to your question—are those the right ambitions?—I suppose I am inherently more in favour of outcome and output ambitions than I am of input ambitions but, none the less, I think having those clear targets behind which we can align our activity in UKRI and more broadly across Government is very helpful in embedding this agenda right across everything that we do. That will be critical to success.

Q5 Alex Norris (Nottingham North) (Lab/Co-op): Thank you, Professor Leyser, for your time this morning. In your role as a member of the Levelling Up Advisory Council, with respect to levelling up, do you think that at the moment things are getting better, or are they getting better quickly?

Professor Dame Ottoline Leyser: That is quite a difficult question to answer. At the moment, things are very challenging right across the country. We have the inflationary pressures caused by a combination of the tail of the pandemic and the war in Ukraine. That has come on the back of the pandemic, which also caused a lot of economic and social shockwaves across the country. Both those things, if anything, amplify disparities for a whole variety of reasons. Because of those factors, it would be difficult to argue that things are getting better.

Having said that, and looping back to what I said at the beginning, I am very encouraged by the ambition—reflected in the Bill and the White Paper—to take on some of the really big, long-standing and multifaceted problems; to get to the root of them and tackle them through this concerted, aligned action. That is not typical, because we have tended to work in silos when dealing with particular aspects, which does not work as

well as integrated, concerted actions. A lot of the important problems, such as health inequalities, are multifaceted, and we do not solve them by simply looking at, for example, the health system. I am encouraged by the new approaches that are being taken to try to address some of the problems, but I do not think they are yet biting.

Q6 Alex Norris: You mentioned the importance of the missions in your first answer. The missions themselves do not appear in the Bill in explicit form, as they do in the White Paper; rather, it is stated that there should be missions. You will have heard the concern from the Opposition, and indeed from others, that that approach will give Ministers a lot of freedom and perhaps the ability to mark their own homework. How do you think we could get some independence into the system?

Professor Dame Ottoline Leyser: I think that, because these are really long-term missions, writing them into the Bill has a lot of risk. As we have just discussed, maybe the missions are not ambitious enough in some contexts; as time moves on, that gap might widen and it may be important to increase the ambition in a mission. There need to be embedded mechanisms to keep under review the success of the missions and then to increase them, for example, if that is the appropriate response, or to respond to an entirely new opportunity that was not envisaged when the missions were set. So not writing the missions into the Bill is actually a sensible approach.

Having said that, I agree with you that the whole point about missions is that they have to be really clear, identifiable and quantifiable targets that we are driving towards through multiple, concerted actions, and there has to be continuous monitoring of the progress being made. That has to be a key element of how the missions are run. I would absolutely hope that there would be external scrutiny, as well as transparency in the publication of the progress towards these goals, and then at least parliamentary scrutiny, which I am sure will be rigorous, of that progress and of the actions that need to be taken if the progress is not as robust as one would like.

Should there be some completely independent external body? In the spirit of the missions, only if it has a really clear purpose and remit beyond what can be achieved through the transparent publication of progress towards the targets and the scrutiny that there will already be on those targets. I agree that what is happening needs to be really clear, as does what needs to be done if progress does not happen fast enough. There are many options for how that is achieved and I am sure the Committee will have the expertise to make choices about which of those options is preferable.

Q7 Alex Norris: Thank you. I have just one more question, turning to your work and your previous response on regional growth. You have been part of a really successive triangle of work in Cambridge that brings together business and academia and has had great development success—success that we are seeking to see elsewhere in the country. What are the features of a local economy that really motors like that? What do we need to have elsewhere in order to see that success?

Professor Dame Ottoline Leyser: This is a topic of tremendous interest in UKRI: how do you build clusters of activity that create self-sustaining positive feedback cycles that really grow things, anchored in a place? A lot

of work has been done examining this over the years, in many places. As usual, it is a combination of factors. In many cases there is a lot of evidence that anchor institutions seed a lot of that activity, be that an excellent university, some kind of prime industrial presence or an excellent research institute—for example, a public sector research establishment or a catapult. Some kind of anchor activity fuels a critical element of the cycle, which could be on the research side or the innovation side, or hopefully a combination of the two. That is one of the key components.

The other absolutely critical element is about people—skills and people. A local environment anchors people there by providing the kind of living and working environment that attracts people to a region. Anchor institutions contribute to that, but so does the skills environment—the skills, training and opportunities that are available. For me, joining all those things up is particularly important. In the context of people, such an environment is one in which people go for a particular reason for a particular job, but the opportunities around that environment are such that there are other jobs that are also exciting.

It is about getting that dynamic mobility of people between, say, the university sector, the SME sector—small and medium-sized enterprises—and the more prime business sector, with people moving around and all the allied activities needed to fuel that, such as the local policy and the investment communities that go with that. Joining all that stuff up in the local ecosystem, through strong leadership locally—a critical element—and those key anchor institutions, provides exciting opportunities for people to build a whole variety of careers, working through that ecosystem.

Those are the key ingredients, and UKRI obviously has a role in supporting several of those, but they can only be successful in the context of that broader alignment between local leadership and the wider attractors needed in a local environment to bring people in and keep them there: transport networks, cultural institutions—those kinds of things.

Q8 Patricia Gibson (North Ayrshire and Arran) (SNP): You will be aware of the allegations—the suspicions in certain quarters—about how transparent and impartial the allocation of the towns fund awards were. Given that similar concerns have been expressed by the Public Accounts Committee about the potential for this with levelling-up funds, what measures do you think would be helpful to allay the fears that distribution of levelling-up awards might be open to similar charges of lack of transparency and of impartiality?

Professor Dame Ottoline Leyser: I am not sure exactly which funding you are referring to. From the point of view of the funds that are being allocated through UKRI, as I mentioned earlier, the funds that are explicitly placed—targeted—are not a very large proportion of our overall funds. For me, the key goal is to think about it in the context of the capacity-building element that I said is so important. There should be local empowerment and local consideration about what would be the best interventions in those places.

We have run the strength in places programme for a while, and it has run on a fully open competition. One of the advantages of fully open competitions is that they provide an equal opportunity for everybody to begin with, which is good. On the other hand, they are

slower and more bureaucratic, in that you have to run the open competition. There is an interesting balance to be struck between that process and the ability more rapidly and fluidly to allocate money to places, so that they can use the money in a way that targets their local priorities.

We are in the process of working out how best to work to deliver the new funds that have come through the recent spending review, which are being targeted specifically at three regions. Those regions were selected based on evidence that that kind of injection of cash could really drive the capacity building that I described. There are very high-quality objective measures of how you can consider that capacity in different places and, therefore, the impact of the funding that goes in. I would absolutely agree with you that it is really important, in the context of a levelling-up agenda, that funding is seen to be allocated fairly with the opportunity for everyone to access the benefits of those funds.

Q9 Patricia Gibson: To follow up on that, there are communities that would really benefit from levelling-up funding, and the indices of multiple deprivation to assess need are not being used here. Do you have any concerns or comments about that?

Professor Dame Ottoline Leyser: I am specifically interested and involved in the funds associated with R&D investment, and the important thing about R&D investment is that there has to be the ability to use it effectively locally to drive and build local capacity in R&D activity. That has got to be the governing choice. It is clear that simply transferring money to places that are most in need of levelling-up, with the instruction that it should be spent on R&D, is not an effective way to tackle the specific, targeted issues in every region. As an accounting officer for this money, I have to deliver value for money, and that value for money has to be based on the ability of regions to use that money effectively to drive their capacity building in R&D activity. Wider investments should be made on different criteria, but for R&D investment it has to be R&D criteria.

Q10 Patricia Gibson: On the topic of R&D, do you think there is any merit in involving the devolved Parliaments at the decision-making stage, in terms of a strategic overview of the effective use of resources?

Professor Dame Ottoline Leyser: UKRI is deeply engaged with the devolved Administrations on R&D investment. We have regular meetings and are working very hard to ensure that everything we do right across our investment portfolio, quite independently of the levelling-up agenda, is properly sensitive to the variation in need across the UK. Actually, we in UKRI have a lot to learn in the context of the incredibly successful activity going on in all the devolved Administrations on thoughtful, targeted investment, making use of the multiple streams that are available to drive up local economic growth.

I visited Northern Ireland fairly recently, where they have done a fantastic job of increasing the R&D intensity in a very effective way through this kind of careful, concerted investment in particular areas that are a focus for Northern Ireland. I absolutely agree that deep consideration of the devolved Administrations is very

[Patricia Gibson]

important, both in making sure that what we do supports the whole the UK, and in learning from very successful interventions in Northern Ireland, Wales and Scotland.

The Chair: I call Tim Farron. Will you bear in mind I have another question after you? Thank you.

Q11 Tim Farron (Westmorland and Lonsdale) (LD): Professor Leyser, thank you for being with us. The Bill states its commitment to widening opportunity and tackling disparities between regions. Obviously, economic disparities and opportunity disparities exist within regions and communities. The biggest driver of that must be access to housing that people can afford. In the last two years, there has been a 50% drop in the number of long-term lets available and an 11% rise in rents, which are clearly linked. If we are to tackle disparities, surely we will want to tackle the lack of affordable housing for so many people. What in the Bill enables that to happen, through either the missions or the powers that local authorities might be given to tackle that disparity?

Professor Dame Ottoline Leyser: As I said previously, I completely agree that this is a multifaceted problem that has to be thought of in a joined-up way, which is why the overall approach set out in the Bill is good. My role is CEO of UKRI, so I am not in a position to provide any expertise or advice on how to solve the housing problems, but I would hope that you would have the opportunity to ask those who are able to address that question to give evidence to the Committee.

Q12 Tim Farron: Thank you. I represent a rural community in Cumbria. The problems there are specific. As a member of the advisory board, do you think there is room for different rules to apply in different parts of the United Kingdom, so that certain local authorities might have different powers from others to, for example, control the number of holiday lets and second homes, so that there is a decent number of affordable and available properties for a permanent population?

Professor Dame Ottoline Leyser: Again, the specifics of that question are well outside my area of my expertise. From an R&D point of view, I hope I have been stressing all along that the key to success is specificity—it is understanding local regions and therefore understanding what the bottlenecks are to their growth and targeting investment very specifically in the context of those bottlenecks. That obviously requires really deep local knowledge and local empowerment.

I am absolutely in favour of careful consideration of local needs in the investments that are made. That is very much how UKRI is going about thinking about our R&D investments. I would hope that that approach is considered more widely, because I do not see how one can tackle these problems unless it is through putting in place specific, targeted, well thought-through locally aligned interventions.

Q13 Rachael Maskell (York Central) (Lab/Co-op): Professor Leyser, given that economic cluster development grows exponentially, what risks do you foresee of the legislation choking off development space for the growth of economic clusters, particularly inward investment on key strategic sites? Housing developers getting a quick return and receipt, for example, could choke off the opportunity to grow a cluster outwards.

Professor Dame Ottoline Leyser: As I have said, this careful alignment of multiple interventions is crucial precisely because if one rushes in with a particular input, its knock-on consequences are not always foreseen, and we need to be able to respond to them and adjust accordingly. It is critical to think hard upstream about the aligned series of investments being made, and to monitor and feed back, so that where the evidence begins to grow and the chosen interventions have some of those knock-on and unforeseen consequences, they are identified and rectified before things get dug in too deeply. Exactly as you say, growing those clusters is very much about creating the right ecosystem and the right sets of interactions between the different parts. That drives positive feedback and sucks in additional investment in the virtuous cycle that we are all seeking to build. That is critical.

The answers are very specific and depend on the particular element of the overall system that you are looking at. From our point of view, we are really keen to ensure that our investments build synergy between local specialisations and growth, and national capability and capacity. It is important that our investments outside the greater south-east do not in any way undermine the extraordinary powerhouse that the greater south-east is for our R&D activity, and that, rather, those two things are synergistic with one another and that the skills and specialist areas developed in particular parts of the UK work in synergy with activity in other parts of the UK. That local-national map is critical to ensure that we do not drive the negative consequences of interventions, which, as you have highlighted, are a risk.

Q14 Rachael Maskell: Do you believe that there is anything missing from the legislation that could enhance economic opportunity?

Professor Dame Ottoline Leyser: These are long-term problems to fix, and they need multiple concerted and co-ordinated interventions. To me, a critical element is getting long-term cross-Government commitment to drive this through to completion. That is a very hard thing to achieve in the context of our parliamentary democracy, because those interventions will last over multiple Parliaments and everybody has to be behind them. That challenging aspect is, I hope, deliverable through the combination of the Bill and the mission statements, but, as we discussed earlier, it will require relentless focus on the missions, and accountability for delivering them through successive Parliaments.

The Chair: Professor Leyser, thank you so much for your evidence, and in particular for the kind things you said about Northern Ireland—not that I am biased in any way whatsoever.

Examination of Witnesses

Tracy Brabin and Ben Still gave evidence.

10.10 am

The Chair: We will now hear oral evidence from Tracy Brabin, Mayor of West Yorkshire. Should I say welcome home, Tracy, or welcome back? The panel has until 10.50 am. For the record, will you please introduce yourself formally?

Tracy Brabin: Hello everybody. It is good to be back, even if it is virtually. I am Tracy Brabin, the Mayor of West Yorkshire, and I am joined by—

Ben Still: Hello everybody. I am Ben Still and I am managing director of West Yorkshire Combined Authority.

Q15 Alex Norris: It is lovely to see you again, Tracy. It is a little different with all the screens, but we are really grateful for your time this morning. My first question is quite an open one. You, as Mayor of West Yorkshire, have similar powers to lots of other Mayors, but different powers from some others. What more would you add to your role—whether that is powers that other Mayors currently have or other things done by central Government—that would mean you could do what you are seeking to do in West Yorkshire?

Tracy Brabin: Thank you so much, Alex. Let me open by saying how welcome the Bill is. Finally, we have got to a point where it feels like it is going to be a real thing. The mission statements are also very welcome. I chair the M10, which is the group of Mayors around the country, and we are very positive about this next step and the opportunities for us to work with Government to really understand what devolution is about. The idea of more Mayors across the country joining the M10 is incredibly welcome.

When it comes to more powers, I think there is a more fundamental question: where do we want to get to with this Bill, and what is the strategic relationship that we want to build with Mayors and with Government? If we are taking powers from Whitehall and giving them to regions and elected Mayors, what freedoms are we then giving to those Mayors to deliver? In the Bill, there seems to be a focus very much, and quite rightly, on the accountability of Government, but there does not seem to be that equivalence of the accountability of Mayors to deliver.

We have said all along, in every meeting we have been in with Ministers, “We can help you deliver on your missions.” For example, on climate change, we have met the Government and the M10 has met the Government to talk to them about more powers and how we could help hit the zero carbon target of 2050. In our region, our target is 2038, so we could be outliers for Government to help deliver. However, there is not that detail and that understanding of who is going to deliver these outcomes. I think the Committee will wrestle with that over the next few months. Whose responsibility to deliver the outcomes?

I have always said that the way to level up in West Yorkshire is to have that London-style transport system, which is one of the mission statements. Unfortunately, the integrated rail plan meant that we were not able to benefit from the billions of pounds of investment that would come with that strategic project. It is really important, as an attractive region to international investors and inward investment, that we have a skilled workforce. At the moment, we are a bit hamstrung on delivering the types of skills we need in an agile way in response to business, because we are being told by Westminster, “This is the project; this is what you have to deliver” without the understanding of the complexity of delivering skills training for those furthest away from going back to college.

On climate change, we have to get away from the beauty contests and the way we have to bid for funding for projects—for example, for electric vehicle charging

points. We have to be given the autonomy to help the Government to deliver on their mission statements. There are a number of points there, Alex, but we will get into a little bit more detail as we go further into the session.

Q16 Alex Norris: I appreciate that, Tracy. Given the company that you have this morning, this is probably a pertinent question: can you talk to us—from your own personal experience and having talked to your colleagues in the M10—about what it is like to work with a combined authority and about the features of a good local collaboration?

Tracy Brabin: I have been pretty blessed in that the combined authority has been in existence since 2014. Although we took a wee while to get to the actual landscape and the footprint of a combined authority, we got there. It has been incredibly efficient, because I landed in a position where a lot of work had already been done to set up the mayoral combined authority. Now, that is not the same across the country. When our colleague Dan became Mayor of South Yorkshire, that infrastructure was not set up. We are, I would hope, one of the most efficient and progressive MCAs; that is my target—to be the most progressive MCA in the country.

Certainly, there is lots that we are already doing that is reflected in the Bill. For example, there is the extra scrutiny. We were determined to ensure that we had proper scrutiny in place, so we went from one scrutiny committee to three. We also pay our scrutiny members for their time. However, the Bill could go further and have that commonality across the regions—really investing in our scrutiny members and allowing them to meet remotely. The current expectation that people have to meet in a room means that quorum is sometimes challenging. During covid, we managed to make it secure—and look at us now, doing governmental business remotely. I would really hope that this Bill could ensure that we could have that scrutiny locally, and delivered in a more modern way.

Fundamentally, the idea, for us as a combined authority—we are five regions with Labour council leaders—is that we have a combined mission of delivering for the people we represent and who elected us, but there is a challenge in that when we come to the Government with our vision, there is this beauty contest and these funding streams. There is also a churn of Ministers and a churn of ideas from Ministers. It would be really empowering to have a direct relationship with the Treasury and could get the funding pot, with the delivery assessed on the outcomes. We could then have extra scrutiny from not just our own colleagues here in West Yorkshire but, potentially, the Public Accounts Committee and Committees like yourselves. We could be part of the outcome story, rather than just waiting for the Government to open up the floodgates on things we have to bid for, in which case it is all about the scrutiny of the process rather than the outcomes.

Ben Still: The partnership for an MCA to be successful must be deep, and there must be a strong sense of shared endeavour. As the Mayor has said, the five West Yorkshire leaders and the Mayor work very hard to develop that sense of shared endeavour. We can see that in the fact that the combined authority has specific sub-committees dealing with individual sectors, each of which is chaired by one of those local authority leaders.

We also have cross-party representation on the combined authority, so that—I think we will come back to this theme—ideas and policies that are developed through the CA can stand the test of time and be long term, as was discussed with the last witness. We completely agree that the long-term nature of these policies means that they have to be sustained over successive Parliaments and successive mayoralties.

Tracy Brabin: It is unusual to have cross-party membership of the combined authority. In parallel, we have our local enterprise partnership board, which is one of the most diverse in the country. We have a strong relationship with that LEP board too. As I say, the structures are here in West Yorkshire to deliver. The history of delivery is there from previous funding streams, where we have delivered and spent every penny—

The Chair: Tracy, I am going to have to cut you off, because we need slightly shorter answers. I will ask the Minister—who does not believe in “churn of Ministers”—to ask you a question.

Q17 Neil O’Brien: Tracy, thank you for taking the time to be with us this morning—it is much appreciated.

Clauses 60 and 61 will simplify and streamline the processes for setting up new combined authorities. West Yorkshire is lucky, because it already had a combined authority from 2014. From your own experience of getting the mayoral combined authority set up and from the wider experiences of the M10 group, could you say anything about the complexity and time taken to set up new combined authorities? I appreciate that people are full of enthusiasm and want to get on with it, but that, at the moment, they have to go through some quite laborious processes to get going. What was your experience of that? Do you welcome provisions that would simplify and speed up the process of getting going with CAs?

Tracy Brabin: My role really started on election day—I was not here setting up the office and the CA. However, going forwards into combined county authorities and other models, I hope that whatever learning you get from that will come back and refresh our modelling, so that we can learn from these new MCAs and CCAs. Ben, would you like to add to that? You were here; you did it!

Ben Still: Briefly, there is a set of processes that we and the other CAs had to follow. The provisions in the Bill to simplify those processes are welcome in the sense that the statutory tests still need to be met; that is the important thing, I suspect. For us, though, the combination of the will on both sides—both locally and within the relevant Government Departments—to go through the processes at pace and to work collectively is just as important as the steps we need to go through.

Q18 Neil O’Brien: Thank you. When I was a child in Huddersfield, we originally had a metropolitan county council; we then went through a long period of having no elected city region-wide leadership. How do you compare the experience of having a directly elected Mayor to either of those previous regimes—either having no elected leadership, or having a county council or assembly-type model? Do you think the mayoral model is preferable?

Tracy Brabin: I would say wholeheartedly that the mayoral model is better. It is a single point of contact; it is a point of contact with Government. The Mayor is a champion, advocate and ambassador for the region, and somebody that can work collectively on strategic priorities. The role is not just local but national—and, I would suggest, international—to raise the profile of a region. It is great that Government are understanding and getting behind devolution. It really, genuinely is the way forward for our region.

Q19 Neil O’Brien: The Bill makes it simpler for Mayors to take on police commissioner powers. What are the advantages for Mayors of having police commissioner powers? Does it allow integration across different subjects in your activity?

Tracy Brabin: I cannot tell you. The gift that keeps on giving is the fact that I also have responsibilities for police and crime. It means we can take a public health approach to everything we are doing, getting people in the room or on Zoom from housing and transport, and—via the integrated care system—people from health talking about health inequalities that impact on crime. It is a really brilliant tool to address some of the greater challenges across West Yorkshire. There are obviously lots of different versions, and only Andy Burnham and myself have those powers, but they are really useful.

For example, they help us to deliver my commitment to the safety of women and girls across West Yorkshire. It feeds into everything, including transport. We have the safety app that allows bus users to feed back on whether women and girls feel safe travelling. On skills, we are able to support 750 more police officers and staff, and to work with the chief constable to try to find a pipeline of diverse young people wanting to go into the police. It is a really great strength.

I would say that giving police and crime commissioners and our teams in-year funding pots, with different expectations and timeframes, is incredibly difficult to handle. I hope that we can get multi-year pots of funding to do bigger projects that have a greater impact.

Q20 Neil O’Brien: I have one last quick question. West Yorkshire has what some people describe as a strong Mayor model, whereby the Mayor needs to be on the side of the majority for various decisions to be taken. There is a diversity of decision-making structures in the existing MCAs. What would you say are some of the advantages of having a strong mayoral model or strong decision making for particular subjects?

Tracy Brabin: It is helpful that we have real strength in our leaderships, because they are really experienced leaders. We are all focused on delivering for the people of West Yorkshire, and it has not come to a point where it has been down to my vote. We get a consensus before we go to a vote, and the opposition members on the CA are very helpful, because they provide the check and challenge to get us to a point of compromise so that we can bring everybody with us in delivering for the people of West Yorkshire.

Q21 Tim Farron: Thank you, Tracy; it is nice to see you again. Your region is significantly diverse, with both rural and urban areas. Like every other part of the UK, you will have seen a worsening housing crisis in the

last couple of years, particularly in the private rented sector, which appears to be evaporating into short-term lets, especially in your rural communities. What powers does the Bill give you to ensure the availability of affordable for the people you represent?

Tracy Brabin: Affordable and sustainable homes are a priority for me, because it is personal—I grew up in social housing. My commitment to the people of West Yorkshire was to deliver 5,000 affordable and sustainable homes. Over the years, we have seen the number diminish, partly due to right to buy and partly due to the lack of funding. I am able to work with the councils and push them to get to further building target, which has been really helpful. The brownfield fund for housing has enabled us to really focus on the spots that blight our communities, and to work with developers.

For the first time, the West Yorkshire housing associations have all come together under one umbrella to deliver on my housing pledge and to help us get there, but it is still a challenge. Although the £22 million extra in the Bill for brownfield housing is welcome, it comes with the same strings attached and the same expectations from the Government, but with less time to deliver. There is an expectation that we have more freedom, but we need to get away from the strings that hold us back from delivering.

Let us not forget that we have areas in West Yorkshire where the housing stock is really low cost, and we are trying to square the circle of how we build more when we have the Government's expectations about market failure. We have met Homes England since I became Mayor. I am very interested to see how that relationship develops and how we can work more closely on affordable housing, because the need in our region is growing exponentially. The lists of people waiting for a secure and affordable home are far too long. Ben, I do not know whether you want to talk more technically.

Ben Still: Thank you, Mayor. There is a lot in the Bill that could potentially be helpful to local authorities in unlocking and developing land. The issue that we face in West Yorkshire is much more about the viability of housing sites than about pressure on land and so forth. This is a good example of where the Mayor working in partnership with the local authorities is not just about the legislative provisions, but about the strength of the partnership. The Bill does not change the fundamental relationship between local authorities and Mayors with regards to who is responsible for the delivery of housing.

Q22 Tim Farron: A quick follow-up: which powers relating to housing stock would you like in the Bill so that you can ensure sufficient affordable and available homes for people in every part of your region?

Tracy Brabin: What may help more is the strategic planning, which I understand has not been agreed because the planning was going to be changed from Government, so we do not have clarity on our strategic planning powers. It would be incredibly helpful if we got some conclusion on that.

Ben Still: I might add that the common theme in many of our answers is that what is needed is not necessarily additional powers, but the freedom to work with local authorities to deliver the right solutions in the right areas. That is what we will be looking for in the Bill as it progresses, namely the ability to take local decisions within a guiding framework.

Tracy Brabin: May I add a supplementary point? The city region sustainable transport scheme—the big transport fund of nearly £900 million—has felt as if it is really heading in the right direction. It is really progressive that it is multi-year. It is money that we can really deliver; it is long term, and it is about local freedoms. However, in implementing it, we are getting check and challenge from Government about, for example, whether we can have silver bins in a particular project or a grass roof on a train station.

It is really important when the Committee is looking through the Bill to identify how Government can enable Mayors to make those decisions and trust them to deliver, because if we focus on outcomes rather than processes, then I think we can deliver for Government and be challenged as to whether we have delivered against the 12 missions once those schemes have been approved.

Q23 Rachael Maskell: Tracy, it is nice to see you again. This Bill is about levelling up, yet the different mayoralities have different powers and cover different geographical spaces, and therefore have different economic inequality between them. How do you think that real levelling up can come across all regions and indeed all nations through this legislation?

Tracy Brabin: Thank you, Rachel. I would say that poverty is everywhere. It is not one region over another; it is everywhere. And poverty is expensive. Our mission in West Yorkshire—I know that other Mayors share this mission—is to close that disadvantage gap, to close the wage gap between the highest earners and the lowest, and to close the health inequalities that blight some of our communities. Some of our communities were extremely badly hit by covid, particularly in West Yorkshire, because of various circumstances, and it will take us a long time to recover.

However, Rachel, in direct response to your point, I would say that transport really preoccupies most of the Mayors—how can we make sure that we can get our talented people to opportunity? We have seen the HS2 Bill being laid before Parliament, and how frustrating it is for the people of West Yorkshire to see so much investment going into one side of the country, when we know that levelling up and tackling poverty are both absolutely about making sure that people can get to good jobs, and to colleges and to skills training, and so on.

As the M10, we work together to try to improve transport. Collectively, for example, Andy Burnham, Steve Rotherham and I work on buses, which is the transport system that the majority of people in West Yorkshire use. We are reducing bus fares, capping single trips to £2 and making it £4.50 for a daily pass. We are doing what we can to make sure there is more money in people's pockets and that transport works. However, it is more than a structural problem, Rachel, in that transport has to work, and Government must invest. I know that it is one of the mission statements, and I know that Government want to do it, and we can help them to do it.

Q24 Rachael Maskell: Do you believe that having West Yorkshire as a combined authority provides sufficient leverage to bring about the economic regeneration that you seek, or do you believe that the unit is perhaps too small and there should be a Yorkshire-wide, more combined authority? Some will be much smaller—for instance, North Yorkshire.

Tracy Brabin: That is right. When there is a mayoralty in North Yorkshire, I think it will be really powerful for us all to work together collectively for team Yorkshire. It is something that I am really looking forward to. On whether that delivers more, perhaps Ben wants to come in.

Ben Still: Only to say that the legislation that underpins the creation of CAs was based around the model of the functional economic area. Yorkshire and the bigger geographies have more complex overlapping functional economic areas. In our devolution deal we looked at broader options, including looking at the Yorkshire level, but ultimately the discussions with Government came back to focusing on the functional economic areas around the metropolitan area of West Yorkshire. That is the geography that the legislation works most effectively on.

Tracy Brabin: But we do work with and fund a number of schemes with York.

Ben Still: Which is why I suspect the county combined authority model is not based on that legislation.

Q25 Rachael Maskell: If I may ask one more question, what additional fiscal powers would enable you to have better leverage in being able to deliver your programme?

Tracy Brabin: It is not necessarily about further fiscal powers. It is about being free to deliver what our community needs with the powers that we have currently without continually having to go back to government for sign-offs and cheques and challenges when government can give us the money to deliver.

There are other powers that I would need. For example, we were talking just before this call about the precept and how Mayors have the opportunity to impose a precept, but it does feel that it has to be around something that impacts on people's lives and around policy. For example, Andy Burnham uses his precept to have free bus travel—I think it is for the under-25s or under-19s. A precept adds cost for local people and the mayoralty. What we should be doing in the MCA is saving Whitehall money, because we are delivering on the things that it would normally deliver from Whitehall and Westminster.

Going forward, there are lots of discussions about fiscal powers, and there is work that we are doing in the M10 to look at that. Do you want to come in, Ben?

Ben Still: Only to say that the move towards an outcome framework, as the Mayor has previously mentioned, with a multi-year funding settlement—perhaps through a spending review process directly with Treasury, rather than through individual grants agreements with individual Departments—would be a significant step forward for us and a better reflection of proper devolution.

Q26 Robbie Moore (Keighley) (Con): Morning, Tracy; it is good to see you. I want to touch on the point around accountability. You mentioned the role of accountability with Government, but do you think the Bill will improve your accountability or the role of a Mayor directly with the electorate?

Tracy Brabin: The accountability is the election, so I suppose it depends on whether people believe that I have delivered on my 10 manifesto commitments. More seriously, I think I would be open to more accountability from Government. If you give us the freedom to work directly with the Treasury and then focus on outcomes,

we will be accountable to Government. In this Bill, it does not feel like there is that focus on outcomes and assessment of delivery against expectations.

Ben Still: When we became a mayoral combined authority from a combined authority, one of the things that we did in preparation was to increase the number of scrutiny committees that exist in the CA, so we have three—up from one—scrutiny committees that look at the work of the combined authority and have both pre-decision and post-decision scrutiny capabilities. The Bill mentions paying scrutiny members to get better attendance and so on, which we welcome, but we already do that in West Yorkshire. The issue for us is the high levels required for scrutiny committees to be quorate, so we would welcome more flexibility in that regard.

Q27 Robbie Moore: You touched previously on the differences in your and Greater Manchester's mayoralty structure, in that you are both also responsible for setting a police and crime strategy and therefore do not have a police and crime commissioner. Under that model, you and Greater Manchester each have a Deputy Mayor for Policing, who is appointed by you, rather than directly elected by the electorate. Does that make the process as accountable to the electorate as possible, when it comes to setting the police and crime strategy?

Tracy Brabin: In West Yorkshire, my Deputy Mayor for Policing and Crime is Alison Lowe. She is accountable to me, and fundamentally I am accountable to the public for police and crime outcomes. My role is to hold the chief constable to account on behalf of the public, and Alison and I have been doing that together. We are fortunate in West Yorkshire to have an outstanding police force, which is working closely with us to deliver on our manifesto commitments, including recording misogyny as a hate crime and getting greater diversity in the police force to reflect the communities we serve.

It works really well here that Alison and I work closely together to deliver, and there is no tension between our expectations for our communities. I mentioned the Venn diagram; we are able to overlay our desires to make people's lives better and easier in West Yorkshire through my other responsibilities, and through police and crime.

Q28 Robbie Moore: Would you advocate rolling out that model—with that type of dual structure—further, through the Bill?

Tracy Brabin: It certainly works for us, so I would suggest so. It is convenient and straightforward, and we work together as a team. It is working here.

I would add, though, that there is some differential between the terms and conditions of Mayors and those of deputy Mayors. For example, Alison will be getting a pension and maternity rights, but Mayors get none of those, because they are paid differently. The terms and conditions that we fight for for our constituents are not in this Bill. The M10 has been discussing that issue with the Government, because without pensions and rights the role may not be attractive to young people or people who want to start a family. I would hope that the Bill might address that.

The Chair: I call Stuart Andrew.

Q29 The Minister for Housing (Stuart Andrew): Good morning Tracy; it is good to see you.

I want to return to planning. We share an ambition, in that we obviously want the right houses in the right places for our population. Much of the Bill is about community-led planning—that is, ensuring that communities have a say in where houses should be built, so that we can improve support for development within communities. How would that marry up with a strategic approach that was perhaps done by Mayors? I often describe planning as something that people feel happens to them, rather than them being engaged in it. If Mayors around the country had lots of strategic planning rights and powers, is there a danger that we might negate the chance of improving community involvement in the planning system in order to build the houses we need?

Tracy Brabin: It feels to me that there are already those checks and balances for local communities. When there is an option for a warehouse or the building of homes and so on, the public and communities have an opportunity to reject that planning. Obviously, local plans are a responsibility for local councils, but for me what would be interesting with the strategic planning is to support local councils when they have a vision. For example, in Stockport in Manchester, the council has a vision to bring together greater investment and a bolder planning opportunity, working with communities. Maybe it would be cross-border and difficult to navigate, so the Mayors could be helpful there.

Of course, it is important for the public to have a voice in what their communities look like, but we would hate to get into a situation where communities that are happy with their village could block much-needed housing from their community. It is important that we keep the conversation going, though. I know our local councils do everything they can to work with communities to get the right outcomes, but we do need more social and affordable housing in our region. There is a role for the Mayor to play in that, and the strategic plan would help.

Ben Still: To add to what the Mayor has said, the strategic planning covers a variety of topics of which housing is one. There is probably a role for Mayors from mayoralities and combined authorities to join up when looking at things like strategic infrastructure such as transport, broadband and so on, where it makes sense to plan across individual local authority or unitary authority areas. As the Mayor said, the local authority is the planning body and it has that process with communities. The Bill has a number of aspects that might strengthen that.

Stuart Andrew: Thank you.

The Chair: Any other questions? No. That brings us to the end of the session. Tracy—Madam Mayor—thank you for your enthusiastic evidence. Ben, thank you for coming along for your evidence, too. It is most appreciated.

Tracy Brabin: Thank you, and good luck everybody.

Examination of Witness

Mairi Spowage gave evidence.

10.47 am

The Chair: Hello and good morning. We now come to oral evidence from the director of the Fraser of Allander Institute. Would you like to introduce yourself for the record?

Mairi Spowage: I am Professor Mairi Spowage and I am the director of the Fraser of Allander Institute, which is in the economics department at the University of Strathclyde in Glasgow. For those of you who are not familiar with the institute, we are an economic research institute which in the past focused very much on the Scottish economy, but over the past decade or so has moved more across the UK, particularly focusing on regional economic policy, the measurement of economic outcomes and wider societal outcomes at devolved and regional levels.

The Chair: Thank you very much, professor. We have until 11.25 am for this session. I will start with Patricia Gibson.

Q30 Patricia Gibson: Thank you and welcome, Professor Spowage. The Public Accounts Committee has expressed concerns that the allocation of levelling-up funds could be at risk of being mired in the same kind of controversy and difficulties as the towns fund. Nobody wants to see that happen. What measures do you think would help to ensure that the allocation of any levelling-up funding is fully transparent and can be accounted for?

Mairi Spowage: We did quite a lot of work last year through the first iteration of the levelling-up fund on the sorts of metrics that were used to determine the highest priority areas. The UK Government made it clear in their criteria for which projects would be funded that that was not be the only thing that would be taken into account and that there were other issues they would look at around the strategic fit. In particular, in the first round there were a lot of criteria about how quickly certain pots of money could be spent. For community renewal, it had to be spent by March 2022; for levelling up, it was over a number of years. There were quite strict criteria that would be applied. In addition, there was the requirement that projects or packages of projects also be supported by local MPs.

I am most familiar with the Scottish projects, but the series of projects across the UK that were funded were not necessarily in the areas that were identified as highest priority using the metrics that had been set out. I suppose it is for the UK Government to say why that is the case and why the particular projects were funded, as I am not familiar with all the projects that did not get funded, for example.

It will be very important throughout this process and in the future, and for the shared prosperity fund as well, to set out clearly why the projects being funded are likely to achieve the outcomes set out in the levelling-up White Paper and broader outcomes around the funds. That will ensure these investments actually lead to the sorts of changes that the UK Government desires. They should then set out why a project will move the metrics they have chosen to measure the success of the fund. It will be very important to have clarity on why the packages of projects that are being funded will actually help achieve the outcomes.

Q31 Patricia Gibson: What might the impact be on the entire levelling-up agenda? The Government have not used indices of multiple deprivation to assess need when distributing levelling-up funding.

Mairi Spowage: It is a really good question. There has been a challenge around indices of multiple deprivation for many years. In general, they are used within the devolved

nations to distribute funds, whether looking at how different things are invested in in health or education or what targets are set for universities. They are generally used in the devolved nations.

The issue with the indices of multiple deprivation is that they are not comparable across nations. While they rank areas within each of the nations, they do not say anything about how a particular output area or data zone in Scotland compares to one in England, both because they are just relative ranks within a country and because different metrics are used and different methodologies are adopted.

We said in one of the papers we published last year that perhaps a body like the Office for National Statistics might wish to consider how we can say something sensible about relative need on multiple dimensions of deprivation right across the UK. Given the ambitions of the UK Government, their levelling-up agenda and the way they are choosing to fund that as a replacement for EU funding, there is a clear policy need for that sort of tool now. It is very difficult for the UK Government to use the current indices of multiple deprivation across the UK, because you cannot compare between nations.

Q32 Patricia Gibson: To pursue that point, we know that the UK Government want the devolved Parliaments to be involved at the implementation stage rather than decision-making stage, as happened with the EU funding. What do you think the impact of not involving the devolved Parliaments at the decision-making stage is on the efficient use of resources and strategic overview?

Mairi Spowage: There is a danger, depending on the sorts of the projects that are funded through the levelling-up and shared prosperity funds, that in devolved areas UK Government aims for what these projects might achieve will come into conflict with the aims of the devolved Government. It would make sense for the UK Government to engage with the devolved Governments, and indeed regional governments in England through combined and mayoral authorities, at the point at which they are making decisions.

It is made clear in the criteria around the shared prosperity fund that the local plans to be set out by areas across the country need to be cognisant of local strategies such as the national strategy for economic transformation in Scotland. They do set that out in the criteria for what the plans are going to fund, but I always think it makes sense for collaboration between different layers of government to ensure that the projects funded do not come into conflict with any ambitions that the Welsh Government, Scottish Government or the Northern Ireland Executive—when it can form—have for economic development in their nation, particularly when talking about spending in devolved areas.

Q33 Patricia Gibson: Do you think it would be helpful or desirable for an independent body to oversee and assess the UK Government's progress on levelling up?

Mairi Spowage: Through the Bill, my understanding is that the UK Government have to publish regular updates on the progress that they are making towards the missions that it sets out and the metrics chosen to measure success. There is quite a lot of work to do to ensure that those metrics cover the whole of the UK on all the different missions. There is a significant amount

of investment—I believe that the ONS is looking to try to do that better, but it is not for me to say whether an independent body should be set up to monitor what is, after all, a UK Government policy agenda that they can legitimately pursue.

Q34 Neil O'Brien: Professor Spowage, thank you so much for taking the time to be with us this morning. The Bill creates statutory requirements around the levelling ambitions that we were just discussing. One of those is on digital connectivity. Through Project Gigabit and the shared rural network, Scotland is likely to see particularly large increases in connectivity. How do we best drive growth, particularly in more rural parts of Scotland? How do we best measure progress in the roll-out of connectivity? Do you agree that the rise of online working is, potentially, a strong tailwind for the rural Scottish economy?

Mairi Spowage: Yes, if and when digital connectivity is of sufficient quality it will present a lot of opportunities for the rural economy. We still hear in parts of Scotland that it is a barrier to remote working. It would be hugely transformative for lots of areas, particularly of rural Scotland, but I am sure that lots of other rural parts of the UK would say the same. It would be transformative in terms of the connectivity of people working from home, perhaps for businesses in population centres but also for businesses that are operating in these areas, to have a more reliable connection. It could be extremely transformative to those areas.

We have heard from some of our work with businesses that to a certain extent it can also work the other way. Businesses based in remote and rural Scotland are employing people in the big population centres, but sometimes having to pay them more money because they are more likely to command higher wages in those areas, particularly in this very tight labour market that we have at the moment.

Improvements in digital connectivity present huge opportunities for rural Scotland. As much as there is quite a lot of focus on transport connectivity through the levelling-up funds, investment UK-wide—particularly in rural areas—in digital connectivity is one of the areas where we could get the biggest bang for our buck in transforming the economy and reducing regional inequality, particularly when we look at the population outlook if current trends continue in rural areas.

Q35 Neil O'Brien: Thank you. One of the other missions for which the Bill is creating statutory requirements is to increase domestic public R&D investment outside greater south-east England by a third over this spending review period. Alongside that, there has been the creation of an innovation accelerator centred on the Glasgow city region. How can we best harness the large public investment in research and development to drive growth right across Scotland?

Mairi Spowage: That is a great question, and one that policy makers in Scotland have been grappling with for a long time, particularly given the quality of our universities in Scotland and their international prowess in research and development. We seem to have an issue between the development of the ideas, the start-up, and the translation of that into commercial opportunities that can be scaled up into medium-sized businesses. In Scotland, we often

find those opportunities are lost, particularly to the south-east of England, because the infrastructure is there to scale up that business to the next step. I think the sorts of investments that you are talking about, not just in Glasgow but in other locations in Scotland, will be really important. We have to think about how we take all of the great advances that have been made in academia in Scotland and turn them into commercial opportunities, have them scale up and feel that there is the infrastructure and capacity in Scotland so that they do not have to move or be bought by companies outwith Scotland.

Q36 Neil O'Brien: That is very helpful. In your earlier answer you drew attention to the lack of UK-wide indices of multiple deprivation. We know that in the first round of the levelling-up fund, the 50% of local authorities that had the lowest median pay got roughly three quarters of the investments—it is targeting poorer areas. Would it be attractive, as part of the data drive in the levelling-up White Paper, to create more UK-wide indices of deprivation and other things?

Mairi Spowage: Yes, I would be very supportive of that. We can see in the sorts of metrics that are used—not only those related to indices of multiple deprivation but educational outcomes or transport connectivity—that some of them are focused on England-only measures; sometimes they are GB only. We do not want to fall into the trap of, in some cases, using GB and UK interchangeably here. It is really important that we think about the metrics that we are going to use to capture the reduction in regional inequalities across the UK. Wherever possible, we should invest in developing UK-wide measures.

In some cases I can see that there are data sources in the devolved nations that are very similar to those being used for England. I think there is work that could be done to develop more consistent measures right across the UK, for which, as I said earlier, there is a clear policy need for the UK Government's programme.

Q37 Alex Norris: Thank you for your time this morning, Professor. Can you expand on an element of a previous answer you gave about the work that the Office for National Statistics, of which you are a fellow, is doing on developing a dataset in that area?

Mairi Spowage: I am not here to speak for the ONS, but I am a fellow, so they ask me and a group of other expert academics for advice on their work programme. They have published a subnational data strategy, which was worked up not just by the ONS but across the Government's fiscal service, to think about how we can develop more sophisticated metrics across the UK to capture different levels of needs and progress. That would be to support not only the levelling-up agenda but things more broadly. In partnership with the Department for Levelling Up, the ONS is looking to develop more metrics across the UK. Some of that will be working closely with the devolved Administrations to develop data sources and think what might be comparable.

We have done a significant amount of work with the Economics Statistics Centre of Excellence. We published a paper recently on developing a suite of sub-national indicators across the UK. We made recommendations there, which included working closely with the devolved

Administrations to develop data that was consistent across the UK, particularly on educational and environmental outcomes. A recent example would be something like fuel poverty, which is obviously a live discussion. It is measured differently in all four nations of the UK, so it is very hard to compare differential rates of fuel poverty in different parts of the UK at the moment.

Q38 Alex Norris: Do you feel that the outcome of that work might be a definitive set of statistics and measurements that we could use in this space, that we could perhaps seek to build consensus around? Is this particularly contested space in your community? It is in ours, as you may have noticed.

Mairi Spowage: It is always difficult to come up with a set of metrics that everybody is going to agree with. One of the most challenging things, particularly if you compile them in an index, is how you weight them together, which things you give most prominence to, because if you are weighting metrics that are more focused on, perhaps, income deprivation and you are focusing less on rurality, you will get quite a different allocation of resources from the one that you will get if you are giving more weight to lack of connectivity, or rurality, than income deprivation. That is just one example. Most of the indices of multiple deprivation have income and employment, education, health, crime, and access to services, as well as housing. The weights that you give to these things can be contentious and, depending on the weight that you give to things, there can be quite a different outcome in your allocation.

It is obviously possible to come up with a consensus on things like the indices of multiple deprivation. The different nations show that you can come up with something that broadly everybody agrees is sensible, but even with the indices of multiple deprivation, which are well established, policy makers in rural areas would say that they do not capture rural disadvantage very well at all, because the geographic areas that tend to be used for rural areas are very large and do not capture pockets of deprivation within rural areas. Even with those established metrics, people in rural areas have argued for many years that they do not serve them well. I think it is difficult to get a consensus, but there is a good basis to start from, in terms of the long-established 20 or 30-year discussions about indices of multiple deprivation and how to measure that across the UK.

Q39 Alex Norris: That is a very handy caution for us with regard to using these statistics for allocation purposes. When it comes to measuring progress, would it be a little easier if we were not seeking to aggregate and to weight them but instead to use them as some sort of dashboard such that we would be able to form some sort of consensus on what indicators would show whether we were levelling up across the UK? Would we be able to reach a kind of breadth there, certainly in your community?

Mairi Spowage: Yes, I think that is possible. In terms of the sorts of metrics that we could use, it will be important that the metrics used capture the outcomes of what we are trying to achieve and not just inputs or outputs, but I do think it will be possible, and I agree with you that it makes much more sense, when we are thinking about whether the interventions that we are

pursuing are making progress on the outcomes that we are interested in, to look at those as a suite or a dashboard of indicators, rather than trying to come up with some index overall. Yes, absolutely, it should be possible to come up with a suite of indicators that are broadly agreed upon. However, there are things like the Scottish national performance framework, trying to measure the 11 national outcomes that the Scottish Government have set out through consultation with Scottish public life and communities about what is important. Just be aware: 81 indicators are used to capture that, and having 81 indicators makes it quite difficult to say overall whether we feel we are progressing to the sort of Scotland that we want to see. It can be difficult to come up with something that is comprehensive enough and that does not become unwieldy.

Q40 Tim Farron: Hi, Professor; good to see you with us. You mentioned earlier the situation regarding a tight labour market. Thinking about rural communities in Scotland and England in particular and elsewhere in the UK, to what extent you think an absence or a lack of workforce is hampering those economies. In the Lake district, 63% of hospitality businesses last year reported that they were working below capacity, because of the lack of workforce. To what extent do you think that workforce problems—or lack of workforce—are hampering economic growth in certain areas? What is the cause? Does the Bill do anything to solve those problems?

Mairi Spowage: It is a massive problem. For all the businesses we talk to on a regular basis right now, it is their No. 1 issue. They are very concerned about their energy, fuel and input costs going up hugely, but their biggest problem is sourcing staff, particularly businesses in rural areas. It means that they do not open as much in many cases, particularly when we talk to hospitality businesses—they are not serving non-residents for dinner, or they are not opening on all days of the week. That seems to be quite common across the Scottish businesses we talk to on a regular basis, so it is an absolutely huge problem.

What is causing it? Well, for many years, there has been a movement—within Scotland at least, which I am more familiar with—from rural to more urban areas. In Scotland, there has been movement from most areas to Edinburgh and its surrounds, to be honest. That is projected to continue. If it does, that has some pretty huge consequences for rural areas. Obviously, housing plays into it as well, with young people in an area being attracted away, perhaps to study, but also for employment, and not being able to afford to buy houses in the local area. Certain parts, particularly the highlands, have huge issues with second-home ownership dominating particular settlements.

Those are all issues. With some of the pressure valves that we used to use a lot in rural areas in Scotland around EU labour, it is not quite the same situation any more, so we are not seeing the same supply of labour

from that sort of source that we did in the past. That definitely seems to be causing issues, particularly in hospitality and social care.

Q41 Tim Farron: What might the Government do in the levelling-up Bill to help that situation? You talked in particular about the impact on rural communities—what might make it more affordable or attractive for people of all ages in the working-age population either to move to or to remain in rural communities?

Mairi Spowage: I suppose some of things we have talked about—improved digital connectivity, improving transport connectivity—are likely to make some areas seem more accessible than they were before, particularly when that might connect people to employment centres. Investing in connectivity, both digital and transport infrastructure, is likely to improve the situation for rural areas. However, we also have an issue with labour supply, and the outlook for population overall for areas like Scotland is not good in the aggregate, as well as having to think about the issues of digital and transport connectivity.

Q42 Tim Farron: Are there any metrics at all on what impact that is having on regional growth?

Mairi Spowage: It is difficult, because we have had a very strange couple of years, and the data tend to be very lagged at the sub-UK level for us when understanding what the impacts might be on regional growth. The leading indicators we have, on payroll employment, wages and things like that, suggest that lots of areas of Scotland seem to be lagging behind other areas of the UK, but some of that is in relation to the oil and gas industry in the north-east, which right now is the poorest area of the UK in wage growth, since pre-pandemic. There are interesting things going on in the north-east, because of the oil and gas industry. The highlands and islands of Scotland also seem to be lagging behind a bit in wage growth and payroll employment growth. So, not yet, I think, is the answer. This is one of the challenges with sub-UK statistics, which I hope that any investment in statistics might deal with—we have to wait so long to find out what is happening in economies across the UK.

Tim Farron: Thank you.

The Chair: Any further questions, colleagues? No. Professor Spowage, I thank you for your evidence. It is much appreciated. Thank you for giving us your time and expertise today.

That brings to a conclusion our morning sitting.

Ordered, That further consideration be now adjourned.—(*Miss Dines.*)

11.15 am

Adjourned till this day at Two o'clock.

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

LEVELLING-UP AND REGENERATION BILL

Second Sitting

Tuesday 21 June 2022

(Afternoon)

CONTENTS

Examination of witnesses.

Written evidence reported to the House.

Adjourned till Thursday 23 June at half-past Eleven o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 25 June 2022

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The Committee consisted of the following Members:

Chairs: MR PETER BONE, † SIR MARK HENDRICK, MRS SHERYLL MURRAY, † IAN PAISLEY

† Andrew, Stuart (<i>Minister for Housing</i>)	† Norris, Alex (<i>Nottingham North</i>) (Lab/Co-op)
† Atherton, Sarah (<i>Wrexham</i>) (Con)	† O'Brien, Neil (<i>Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities</i>)
† Dines, Miss Sarah (<i>Derbyshire Dales</i>) (Con)	† Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab)
† Farron, Tim (<i>Westmorland and Lonsdale</i>) (LD)	† Smith, Greg (<i>Buckingham</i>) (Con)
† Fletcher, Colleen (<i>Coventry North East</i>) (Lab)	Vickers, Matt (<i>Stockton South</i>) (Con)
† Gibson, Patricia (<i>North Ayrshire and Arran</i>) (SNP)	Bethan Harding, Adam Mellows-Facer, <i>Committee Clerks</i>
† Henry, Darren (<i>Broxtowe</i>) (Con)	
† Kruger, Danny (<i>Devizes</i>) (Con)	
Lewell-Buck, Mrs Emma (<i>South Shields</i>) (Lab)	
† Maskell, Rachael (<i>York Central</i>) (Lab/Co-op)	
† Moore, Robbie (<i>Keighley</i>) (Con)	
† Mortimer, Jill (<i>Hartlepool</i>) (Con)	† attended the Committee

Witnesses

Professor Graeme Atherton, Head of the Centre for Inequality and Levelling Up, University of West London

Eamonn Boylan, Chief Executive, Greater Manchester Combined Authority

Sacha Bedding, Campaign Community Leader, We're Right Here

Rich Bell, Campaign Manager, We're Right Here

Councillor Sam Chapman-Allen, Chair, District Councils Network

Councillor James Jamieson, Chair, Local Government Association

Councillor Tim Oliver, Chair, County Councils Network

Dr Parth Patel, Research Fellow, Institute for Public Policy Research

Joanne Roney OBE, President, SOLACE, members' network for local government and public sector professionals, and Chief Executive, Manchester City Council

Laura Shoaf, Chief Executive, West Midlands Combined Authority

Public Bill Committee

Tuesday 21 June 2022

(Afternoon)

[IAN PAISLEY *in the Chair*]

Levelling-up and Regeneration Bill

Examination of Witnesses

Eamonn Boylan, Laura Shoaf and Joanne Roney gave evidence.

2 pm

The Chair: Welcome back. We are in public session and the proceedings are being broadcast. I encourage you to switch any mobile or electronic devices to silent. I welcome the fourth panel of witnesses. We will now hear oral evidence from Eamonn Boylan, chief executive of Greater Manchester Combined Authority; Laura Shoaf, chief executive of West Midlands Combined Authority; and Joanne Roney OBE, president of SOLACE and also chief executive of Manchester City Council. They are all joining us via Zoom.

Before calling the first Members to ask questions, I remind you all that questions should be limited to matters that are in scope of the Bill and that we must stick to the timings in the programme motion that the Committee agreed this morning. This session will last until 2.40 pm. I find that with larger panels we should try to direct our questions to a specific member of the panel, otherwise one questioner could end up taking all of the session. I also encourage our panellists to be pithy in their answers, but if one of your colleagues has had a question directed to them and you think there is something really important that you need to say, please do indicate and say it because it will add to the evidential value.

I have already introduced the panel. For the sake of time, I will call our first questioner, Tim Farron.

Q43 Tim Farron (Westmorland and Lonsdale) (LD): First, it is great to see you all here. I am not sure who to put the first question to. The levelling-up Bill has provisions for communities that go through devolution settlements and local government reorganisation to have a Mayor, but for that to be called something else and for the title to be amended. Do you think that that is sufficient in terms of respecting the desires of a local community? Is it possible for a community that has not yet got a devolution settlement to construct their own governance arrangements without having a Mayor or anything like it, yet still be able to access the full devolution deal that the Government might offer? I will pick Laura.

Laura Shoaf: I can probably speak only from our perspective as an area that has a Mayor. I will reflect on what we have seen so far in the first and second term. The elected Mayor model has worked really well in our area and has been a success for accountability, which is critical. As devolution continues and more powers are devolved, the mechanisms need to be in place to ensure accountability. In our experience, that works quite well by having an elected Mayor.

Q44 Tim Farron: Looking close to home in my neck of the woods, we have just gone through a local government reorganisation and we have two unitary authorities. Cumbria's six districts are being abolished. The county council will be abolished and there will be two new authorities from next April: Westmoreland and Furness, and Cumberland. In both cases, those councils are now run by majority by parties that opposed the notion of a Mayor. Do you think it would be respecting the will of the people of those two parts of Cumbria to impose on them a Mayor, or to tell them that they could not have a devolution deal if they did not accept a Mayor?

Laura Shoaf: I think one of the principles of devolution is that they should be unique to each place. I would not necessarily suggest that one model would work absolutely everywhere. If devolution is to work, in our experience it must be meaningful to the place, and it must be something that reflects democracy and accountability in that place. I do not think there is a one size fits all answer to that, but I would reiterate that in our experience, with our Mayor, that has been a very powerful role to rally around and it has yielded great results.

The Chair: I call the Minister.

Q45 The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien):

This question is for Eamonn and Laura. One of the missions the Bill will put on a statutory footing will increase public domestic research and development spending outside the greater south-east area of England by a third over the spending review period, and in both of your combined authorities there is an innovation accelerator on top of that. How can we best ensure that that mission is a success? How can we best ensure that the innovation accelerator does what it is supposed to do and catalyses significant amounts of further public and private investment into those two city regions? I will ask Eamonn to start.

Eamonn Boylan: Thank you. We were very pleased to be identified as one of the three innovation accelerator areas in the White Paper. We have been working very hard on developing a broader approach to innovation through an organisation imaginatively called "Innovation Greater Manchester". We see the innovation accelerator as being effectively the fuel in the tank that can drive that forward.

It is fair to say that there needs to be a clear concentration on those areas where individual city regions can be globally significant and competitive, rather than having a broader approach. They need to be very clear that the purpose of the innovation accelerator is to improve not only the performance of business and employment in a particular location, but to drive prosperity for the UK as a whole.

There is a need for longevity in terms of the commitment, to make certain that the innovation agenda can be rolled out, developed and properly evolved over a period of time, but also concentration on those areas where, quite clearly, particular places have a significant, if not unique contribution, to make.

Laura Shoaf: I will do my best not to repeat the exact same answer, but we have another organisation, the aptly titled "Innovation West Midlands". I reiterate all the points that Eamonn has just made and a point I made slightly earlier, which is that places have different areas of expertise. We want not to spread the jam so

thin that it doesn't make a difference in any one area, but to really invest and be very precise in each area, especially where there is a comparative advantage.

Q46 Neil O'Brien: Thank you both. The Bill makes it easier and quicker to establish new combined authorities, either with or without a Mayor, in new parts of the country. How important has the role of the Mayor been in terms of being a figurehead and attracting inward investment to your two city regions, and catalysing wider conversations with Whitehall and other stakeholders? What difference has having a Mayor made in Greater Manchester and the West Midlands? I will ask Laura to start answering this question.

Laura Shoaf: It has really been transformational. As an officer, I was working in the region before there was a Mayor, then in a Mayor's first term and now in a Mayor's second term. I would reflect on the fact that the role, with its accountability and ability to galvanise and be a figurehead, has grown over time. It definitely evolves alongside a region.

For us, with our Mayor, we have seen the ability to come together as a region, to make cohesive arguments, to attract a lot more inward investment and to be able to work at scale, if you take something like brownfield land, where we have been able to operate at regional level, so we can have a regional impact, then being very careful not to do what is already done very well locally. I often describe it as two plus two plus make five, instead of four. That is exactly what we have seen through the model to date.

As you can tell, my background is not from this country, but this model is well understood and recognised in other countries when trying to attract inward investment from abroad. It is a model that is understood, works well and helps make it easier, if that makes sense, to drive some of those big conversations.

Neil O'Brien: Thank you. Eamonn, would you add anything to that?

Eamonn Boylan: I would certainly echo Laura's final comment about the international potency of the mayoral model, which is proving to be a real strength. We led the field with the creation of the first combined authority, which has been in operation since 2010. The first mayoral election was in 2017, so they had a lot of experience of working prior to having a Mayor, with strong local leadership provided—particularly by the city of Manchester.

I think the Mayor has had the transformative effect that Laura has described, not only in respect of areas where there is a very clear power vested in the Mayor, but also where the Mayor's influence and use of soft power can be quite useful in helping to galvanise change and support and amplify activity. The example I would use in the Greater Manchester case is the work we have done collectively on street homelessness and rough sleeping, which has been very successful. A huge amount of work has been done by individual local authorities, but it has also been galvanised by collaboration through the office of the Mayor. It is a very powerful office and tool for us to use both locally and internationally.

Q47 Neil O'Brien: The Bill strengthens and streamlines compulsory purchase order powers and creates the opportunity for local authorities to run high street

rental auctions as part of a wider shift toward increasing places' ability to do brownfield regeneration through the brownfield fund, with the new role of Homes England and so on. Are the strengthened CPO powers and the high street rental auctions and so on things you would welcome and which you could see your authorities and your constituent authorities using? I will aim that again at Eamonn and Laura mainly, but if anyone else wants to come in, please do.

Eamonn Boylan: It would be difficult to make CPO slower. Aiming to accelerate it is very welcome. The flexibility around the application of CPO to support a wider range of purposes is also welcome. I think we need to recognise that initiating a CPO is quite a high-risk activity for a local authority. Therefore, we would need to be certain about the legislative framework within which we were working, but certainly the principle of acceleration of CPO and its broader application is something we would generally welcome and would certainly seek to make use of.

Laura Shoaf: I will just pick up on the point about pride in place. Pride in place is a key goal that is outlined as part of the levelling-up agenda. I think that being able to speed up the delivery of projects where a compulsory purchase order is needed will bring clarity and help us to deliver pride in place. That is just one other aspect that I think is important.

[SIR MARK HENDRICK *in the Chair*]

Joanne Roney: I will come in with three quick points to support Laura and Eamonn. Among the wider society of chief executives—who represent the views from up and down the country, including places that do not currently have combined authority or mayoral models—there is a welcome for these additional powers. The first point is that whatever replaces the existing CPO system needs to be simple and inexpensive. The current process is very costly.

Secondly, there is a bit of a concern around capacity in local authorities to take advantage of these new powers. Talking with my Manchester hat on, one of the things we do in Greater Manchester is shared capacity between the 10 local authorities through the combined authority, but that capacity point to take effective new powers is important. Thirdly, we would like to see the revoking of permitted development rights to go alongside CPO powers to make the maximum impact in some of our communities.

Q48 Neil O'Brien: I have one last question to Laura. The Bill, among other things, makes it simpler for Mayors to take on the powers of the police and crime commissioner, effectively streamlining governance and creating a single point of accountability, which enables the join-up of different priorities between crime and transport and so on. If that were to happen and there were to be a decision in Westminster to do that, could you see that there would be some synergies from combining those two roles? You could join up transport and criminal justice policies.

Laura Shoaf: We have certainly seen it work well elsewhere, including in Greater Manchester. Initially, the combined authority did not have full support to transfer those functions in 2019. What I would suggest that we need to do now is look at the timing of the deal

and of Royal Assent, and how we could align governance around that. We would need to look at the issues around co-termination and there would probably be quite a bit of work to make sure that it was something that the entirety of the region would get behind.

Neil O'Brien: Thank you, Laura. Unless Eamonn wants to add anything on that point, I am probably finished.

The Chair: I will move over to the Opposition. I call Alex Norris.

Q49 Alex Norris (Nottingham North) (Lab/Co-op): Thank you, Sir Mark. I am grateful to the witnesses for being with us this afternoon. I will start with a basic question that is probably best answered by the chief executives of the combined authorities, but Joanne, please do contribute if you want to.

Your two combined authorities are seen as very much at the forefront of devolution to combined authorities and Mayors. Much of what we talk about in the context of the Bill is about how to push the rest of the country up to having similar levels of responsibility. What more do you want yourselves? What more do you want to build on your current settlement? Where might devolution go in the future for you?

Eamonn Boylan: We have significant ambition for further devolution and we are working to develop propositions that we will be discussing with officials over the coming weeks in response to the Government's call for us to step forward with a trailblazer devolution deal, which was contained in the White Paper. The asks would be for greater power and influence in areas such as housing, transport, skills—you will be unsurprised to hear that—because we believe that there is a need for us to be able to shape local skills offers and opportunities to the local jobs market more effectively than currently happens.

The other major ask we have, consistent with a number of other places and some recent think-tank reports, would be for a greater degree of certainty over the funding framework and the outcomes framework that we agree with the Government over a period of time, whether that is a spending review period or some other period. At the moment, we are hampered by the number of separate and completely bespoke competitive processes that we go through to resource an awful lot of our activity. Having greater certainty over funding—not necessarily more funding, although that would be welcome—and greater flexibility over its deployment, for which we would be very willing to be held directly accountable to yourselves in Parliament, would be the real goal for us and a real step forward in terms of the current devolution journey.

Q50 Alex Norris: Laura, what is your response from the West Midlands perspective?

Laura Shoaf: In a lot of ways, our position is very similar. Again, there is a big focus on skills and a want to go further and faster to have more control over budgets and particularly to look more at employment support and careers. It is similar for transport and housing, but for us, it is very specifically housing retrofit, as we have some of the worst levels of fuel poverty in

the country. Another area that is slightly more bespoke to the West Midlands is around digital inclusion, where we have some quite unique circumstances.

We are also interested in flexibility. I would reiterate all the points about funding simplification, funding certainty and funding flexibility and the willingness to be held accountable, and how important it will be through this process to have transparent and accessible local and regional data so that we know whether we are levelling up. That is something we are really keen to work with the Department on. In general, more certainty around funding, which is simplified, and, please, more accountability. Like Greater Manchester, our Mayor is keen to be accountable and held accountable for delivering.

Joanne Roney: The point I would make is that the devolution settlement needs to be alongside the multi-year local authority funding settlement and sustainable funding for the wider social infrastructure issues that we are trying to tackle, which Laura mentioned.

To pick up that point about fragmented funding, in 2020 the Local Government Association recognised that 448 different grants were paid to councils, with different initiatives and different timescales on them. When at a combined authority level we are trying to tackle delivery of some of those big, wider ambitions, as outlined in the 12 missions, I think that stability and flexibility of funding for local authorities and the wider public sector plays into the mix to make the effect of the devolution changes that we want. So, core funding for public services, alongside the devolution asks, is important.

Q51 Alex Norris: Thank you, Joanne. That leads me nicely into my next question, which is to you, perhaps with your Solace hat on, but obviously in your day-to-day leadership role in a local authority as well. How do your members feel about their current capacity to deliver what they need to as a council? How would they react to being asked to do more things?

Joanne Roney: Capacity is a huge challenge for local government and for my members, up and down the country. That is capacity in terms of not only workforce and expertise but stable funding. As Eamonn said, it is not necessarily more money, but an understanding of the long-term planning that we need, and multi-year settlements so that we can start to work collectively.

To answer the question about how my members feel about doing more, as Eamonn said, in Greater Manchester we have been at the forefront of working together, as 10 local authorities, with these wider ambitions, for a considerable amount of time. One of the key features of Greater Manchester's original devolution deal was public sector reform. We were very mindful of the fact that we think we can do more collectively, in particular in that space around prevention, to start to make best use of public sector resources.

My members would say, "More power to devolution to Greater Manchester;" and that, importantly, the resources, reform agendas and public sector expenditure should be dealt with at the lowest possible level to get the changes we need to make the difference to coincide with the 12 missions. That is what they would say.

Q52 Alex Norris: I have one more brief question, if I may—a final point on compulsory purchase orders, to ensure that I understood what was said in the previous

answer. Notwithstanding issues of cost and capacity, which link to what Joanne just said, given what is on the face of the Bill on CPO, would you like to see anything further in the Bill, or do you think anything needs to be added or subtracted? Eamonn, you mentioned permitted development. That question is to any or all of the panellists.

Eamonn Boylan: The measures contained in the Bill in respect of CPO are eminently sensible and supportable. There will always be issues—this goes back to Joanne’s point about certainty of funding—with the availability of funding and the ability to manage what is still a complex legal framework, but the reforms set out in the Bill are an essential prerequisite for making CPO more applicable and useful in delivering place-based regeneration.

Q53 Rachael Maskell (York Central) (Lab/Co-op): To start, I have a question for Ms Roney. There are proposals to move from section 106 funding to a new infrastructure funding model. How will that be helpful in releasing funding to generate affordable and social housing? Where do you see the risks in that funding proposal?

Joanne Roney: We have gone around the loop on a number of these different measures for a considerable time. If the outcome is to deliver more affordable housing, I think the challenge is still the variances between different parts of the country and the ability to deliver affordable housing because of the value of the land and the cost of build. So I am not sure that that will necessarily fix it, but then I am not sure that section 106 fixed it either. I think we should be having a different conversation—about how we provide affordable housing in different areas.

I will call on my colleague Eamonn to help me here, because one of the successes of the combined authority has been the revolving housing investment fund that we have used and the different models we have created to try to get better value out of all our developments and translate that into affordable housing numbers. We have had a range of success, but some of that has come from the ability to use flexible funding that we already have to support some schemes.

Overall, I think we would support the proposal in the Bill, but we need to do more to look at affordable housing provision in different parts of the country, and different innovative and flexible ways to drive value in order to provide truly affordable homes.

Eamonn Boylan: I echo Joanne’s comments, but I will just make the point—I know a number of Committee members will be well aware of this—that section 106 is far less potent in northern parts of the country than in others because of the issues around viability, particularly where we are dealing with brownfield land. Most of my brownfield land has the periodic table underneath it, and therefore the costs of remediation are significant.

We really welcome the Government’s initiative on the brownfield land fund, which has really helped us to unlock development, but section 106 or a replacement levy will not provide us in the north with sufficient resource to deal with the challenge of affordable housing. We need to go beyond that. That is part of the devolution ask that we will be making around how we might work more effectively with Homes England in delivering programmes—particularly on affordable housing, and particularly on affordable low-carbon or zero-carbon housing, which is a very significant challenge.

Laura Shoaf: I mentioned earlier that one of the things we wanted to do in a trailblazer devolution deal was to look at how we can use the housing and brownfield funding that we have more flexibly, to address some of the wider regeneration challenges but also to help us to increase levels of affordable housing. The brownfield funding, as Eamonn said, has demonstrably made a difference in our ability to assemble sites, to remediate sites, to bridge the viability gap and then, ultimately, to do what we all want to do, which is to deliver more housing, affordable included.

Q54 Rachael Maskell: Thank you. May I move on to the issue of viability appraisal, stacking up and being able to deliver projects? Clearly, there are multiple challenges with being able to deliver viable economic/residential projects, particularly in the north. What changes do you want to see to the Bill to make sure that such projects, which really do regenerate local communities, can be delivered?

Eamonn Boylan: At the risk of repeating myself, one of the keys to unlocking significant urban regeneration is certainty of funding and confidence in the longevity of any funding source. I will use the example of Ancoats, which used to be a no-go area in Manchester but is now regarded by some as the coolest urban neighbourhood in western Europe. The platform for delivering that was laid by investing public money through derelict land grant 15 years before the major acceleration in housing development took place; the market took that time to recover post-recession and to move forward. It is not only the availability of resource; it is our ability to invest at the right time in order to trigger affordable and sustainable growth and leverage very significant private sector investment.

In answer to your question about whether we think there are places where the Bill could go further, we think the review of Green Book evaluation methodology needs to be pushed forward in order to take more account of some of the affordability and viability challenges we face. I have a long catalogue of projects in both housing and other areas where we have failed the Green Book benefit-cost ratio test at individual project level but not been allowed to apply it at the programme level, where overall we could have made it stack up. I think flexibility around the application of some of those rules would be really helpful in enabling us to move forward.

Joanne Roney: May I can come in on the back of that to give an example? Ancoats, as Eamonn said, is one of the successes in Manchester. I am currently dealing with the north and the east of the city. The north of the city has 15,000 homes to be built across a range of sites involving a range of different Government Departments.

I completely support the idea that the Bill could go further in helping us with land assembly and doing more to encourage, through grants, brownfield land to be acquired and remediated, but there is also something about simplifying the process through a partnership with Homes England so that I do not have to produce a business case for Homes England, for the Treasury and to access individual grants. There has to be a more efficient way to do large-scale regeneration of swathes of land that needs to be brought back into use and put to greater purpose. That is key for the devolution asks for Greater Manchester, particularly in respect of that partnership with Homes England.

The Chair: Rachael, do you have any more questions?

Q55 Rachael Maskell: I have a couple more, if I may. On the planning changes proposed in the Bill, there is a sequencing around national infrastructure projects and local development plans. What do you consider to be the implications of the interruption of local development plans as a result of national infrastructure projects? What does that mean for your ability to pursue your housing and economic aspirations locally? I am talking about the Secretary of State's powers.

Eamonn Boylan: We have had to deal with sequential challenges in terms of development, control and planning for a number of years. It is fair to say that we would need to be reassured that there was sufficient cognisance of the timing of the planning of projects at a major or national level so that they can be properly accommodated in local plans and so that local plan considerations can inform the way in which those plans are brought together.

One thing in the Bill that is of slight concern to us is the reference to it being possible to have only one local plan at any one time. We have done a lot of work over the past six years to develop a spatial framework for all of Greater Manchester, incorporating nine of the 10 boroughs. That was supported by the development of local plans that were entirely consistent with it but overarchingly governed by that strategic framework. We just want to make certain that there is a transitional arrangement that will enable us to protect that position as we move ahead, because it has held us in good stead as we have moved forward over recent years.

Laura Shoaf: I do not know that I have much to add. We do not have a regional spatial framework in the West Midlands and we are not a planning authority, so this might not be the best place for me to make a useful comment. Joanne might have a view.

Joanne Roney: I am not sure that I disagree with anything Eamonn said. Broadly, we welcome the introduction of additional tools and powers that help us to deal with compliance and anything that can help existing sites to be built out. I think Eamonn has mainly covered the other points that I would have made about seeking the approach to continue to get the complexity out of the system, particularly in respect of the production of local plans.

Rachael Maskell: Thank you.

The Chair: Are there any further questions before we move on to the next panel?

Q56 Matthew Pennycook (Greenwich and Woolwich) (Lab): I have a question about the infrastructure levy that touches on the issues that my colleague just raised. Does the panel have any thoughts on the ways in which, if it is at all, the proposed infrastructure levy is more beneficial than the current arrangement? I appreciate that lots of detail needs to be filled in, but how would you—I suppose this is directed to Eamonn and Laura—see the infrastructure levy operating, particularly on complex brownfield sites?

Eamonn Boylan: One thing in the Bill that we very much welcome the principle of is the notion that the infrastructure levy is effectively extracted once value has been created. That will make it much easier to calculate an appropriate levy, particularly on a complex, multifaceted scheme.

The issue for us would be, if the income from the levy is delayed until after development has been completed, what are the arrangements that enable me to fund the infrastructure up front? That is needed to enable the development to take place in the first instance. It would need to be linked to the availability of things like the brownfield land release fund or, potentially, borrowing powers to enable us to invest in the infrastructure on the basis of a levy replenishing the borrowing at a later date. The principle is a good one, and I am sure it will be welcomed in the development community, but we need to find a way of making certain that it does not work in a way that prevents us delivering infrastructure in a timely way to enable schemes to come forward.

Laura Shoaf: I reiterate that there is still a lot to unpack and still a lot to understand about what it will mean in practice. We keep coming back to certainty and simplicity being the two things that really help enable us to get big, new-generation projects off the ground. I reiterate Eamonn's point: anything that can be leveraged into some sort of pump priming to help to give both certainty and consistency would be genuinely very welcome.

Joanne Roney: I would just add that generally, across the UK, we are supportive of the infrastructure levy being non-negotiable, which is a strong statement to make, and of it being determined at a local level, which will take in those regional differences that Eamonn and I mentioned earlier—the viability in different places. There is a lot to welcome in this, but the detail needs to be worked through.

Q57 Matthew Pennycook: I have a brief follow-up question for Eamonn. You said one of the potential advantages is that the levy is extracted at the point that the value has been created. Do you foresee any disputes arising between local planning authorities or combined authorities and developers as to valuation appraisals at that point in time? Will we get conflict at that point in time between the two sides over what the precise value is and therefore what the levy should be?

Eamonn Boylan: I will not pretend to you, sir, that I can have absolute confidence that we will avoid disputes over valuation. We have it at the start of projects now and we have had it at different stages. It will be essential to have established prior to the signing of formal agreement with the developer or developers that we have an agreement on the valuation methodology to be used at the point at which the levy is to be calculated—to try to remove some of that risk. That is certainly what we would hope.

Joanne Roney: I think the move to viability assessments increasingly being made public to planning committees helps to bring transparency and clarity to value early on in the discussions, as part of the planning process. We would want to build on that, so that we try to avoid those arguments. I am sure they will be there, but it is how they get resolved.

Matthew Pennycook: Thank you.

The Chair: As there are no further questions, I thank the witnesses for their evidence. We will move to the next panel: we have two witnesses virtually and two present in the room. If Members wish to remove their jackets, please feel free to do so.

Examination of Witnesses

Professor Graeme Atherton, Rich Bell, Sacha Bedding and Dr Parth Patel gave evidence.

2.39 pm

The Chair: We will now take oral evidence from Professor Graeme Atherton, head of the Centre for Inequality and Levelling Up at the University of West London; Rich Bell and Sacha Bedding from the We're Right Here campaign; and Dr Parth Patel from the Institute for Public Policy Research. We have until 3.20 pm. Will the witnesses please introduce themselves for the record?

Dr Patel: I am Parth Patel. I am a fellow at the Institute for Public Policy Research, where I lead the programme of work on democracy and justice. I am also a doctor in the NHS.

Rich Bell: I am Rich Bell. I am the campaign manager for We're Right Here, a campaign for a community power Act. Our campaign is supported by a number of national policy organisations, including Power to Change, New Local and Locality, but it is driven by community leaders who are pursuing a range of social missions in their community, all of whom believe that their work would be easier if public institutions were designed for them to do things with, rather than designed to do things for them. Sacha is one of our six leaders.

Sacha Bedding: Hi, I'm Sacha Bedding. I work for a small, estate-based charity in the Dyke House area of Hartlepool. The charity is called the Wharton Trust, but we are better known locally as the Annexe. We are a community anchor organisation; I think that would be the best description of us. I am here on behalf of my colleagues in the We're Right Here campaign.

Professor Atherton: My name is Graeme Atherton. I am based in the University of West London, and I head the Centre for Inequality and Levelling Up, which is a research centre at the university focused on developing policy-relevant research on geographical and broader forms of inequality. The centre was launched just over a year ago.

The Chair: I understand that Government Members started the questioning last time, so I ask Alex or Matthew to start.

Q58 Alex Norris: I will, if that is all right, Sir Mark. Good afternoon, panellists. I am really grateful for your time. I will direct my first question to Rich and Sacha. Your campaign is about community power. What do you think about what is in the Levelling-up and Regeneration Bill?

Rich Bell: Our basic sense is that there are positive individual measures in the Bill to strengthen the agency of local authorities and communities, but we have some worries about the way that local leadership is conceived of in the Bill. Andy Haldane, who led the Government's levelling-up taskforce, said that if we are to make a reality of levelling up, local governance has to be a team sport involving local government, local finance, community organisations and local people, yet local leadership seems to be conceived of, both in the levelling-up White Paper and in the Bill, as being restricted to elected metro Mayors, potentially county mayors and governors. We do not think that that fulfils the need for meaningful

control at community level. Giving people control of the services, spaces and spending decisions that shape our places will be absolutely pivotal to fulfilling levelling-up missions related to pride in place—as will local leadership, obviously.

Q59 Alex Norris: Sacha, did you want to expand on that?

Sacha Bedding: Teesside is well known for what our metro Mayor, Ben Houchen, is doing. If you were to ask people in my community what that means to them—the purchase of an airport; the decarbonisation of industry; carbon capture and storage—they would say that they are good things, and the macroeconomic circumstances arising out of them could be a positive, but it feels as though they are a million miles away from having an impact on their life. When we talk about local leadership, I would like us to move beyond the sub-regional. From a Westminster perspective, that is more local, but from a community perspective, to really feel for those people in left-behind neighbourhoods, of which ours is one, it needs to be most local leadership. Giving people agency and control over more decisions, more often, would be beneficial.

The Bill is a start, and a step in the right direction. As Rich says, there are elements that you can get behind, but probably more needs to be done, so that people can feel that they benefit from some of the levelling-up opportunities in the paper.

Q60 Alex Norris: This might be a good moment to go to you, Parth. In your research, you have looked at democracy and decision making. What does that tell you about who people are confident in, where they want to make decisions, and what involvement people in general want in decision making?

Dr Patel: At their simplest, questions of constitutional reform and devolution are questions about whose voice is heard, which we should not detach from the question of who has a voice in the first place. There is minimal engagement in Bill with local politicians at certain scales, or with community and civil society organisations and citizens. There are some allusions to public consultation, but without much detail about what it involves. That is a problem, because when you are implementing a tier of local governance without having come bottom up, there is a risk that the link between the citizenry and this new tier of state will be weak. Then you get low political engagement, of all sorts, and local opposition to certain new tiers of government, and it feels like a wasted opportunity.

At the same time, clauses 43 and 45 grant the Secretary of State new powers to impose a combined county authority, change the constitution in a CCA or impose a mayoralty unilaterally—with a public consultation, although that is not quite defined. That purely top-down approach to constitutional reform risks being at best a little bit of a waste and at worst democratically not very legitimate.

Q61 Alex Norris: Thank you. Graeme, we spoke a little in this morning's sitting about the missions. As you know, whether the missions should be set out in the Bill, or whether the Bill should say instead that there should be some missions, is something of a politically contested

[Alex Norris]

space. We also talked a little about how we will understand progress. From your research in your unit at the university, how best can we as decision makers and legislators monitor levelling up and understand the impact of the various levelling-up missions and programmes?

Professor Atherton: One of the first things is that the missions differ significantly in precisely how they can be measured. For some missions, you see targets that one could see progress against in a quantitative way; for others, that is less so. Consistency across the missions would seem a good starting point. Then, if we are indeed to look for progress, there need to be quantitative and possibly other measures alongside each mission.

Inevitably, one of the challenges with levelling up is that the White Paper is so broad and encompasses so many different policy areas. We found over 120 different policy targets or policies mentioned in the White Paper, alongside £250 billion-worth of spend. Refining that down to a number of missions will be difficult. First, you need to make the missions consistent, and there needs to be a rationale for why certain things are included as missions and others are not. For instance, we consistently have things on skills, but not on other aspects of education—we have things for younger groups, at primary level, but not for those at a level between the two.

The important point is: what is and is not the mission? In defining it and looking for progress, we need to be as precise as we can be for each mission. We should possibly go beyond the time scale in the White Paper, and look at what happened prior to that, because although the medium term is good, you need to consider the short, medium and long-term progress you are looking to make on the missions.

Q62 Tim Farron: Thank you to all the panellists; it is brilliant to see you here. My first question is to Dr Patel. Rural communities face inequality in accessing health services, given the geographical distances that people need to travel to receive healthcare. Thinking about cancer treatment, A&E and GP access, what evidence can you call on to indicate whether those large geographical distances have an impact on health outcomes?

Dr Patel: It is an excellent question. I cannot call on a precise study that will give me an exact scientific answer to what you are asking. The thing about health outcomes is that they are a point of convergence for a whole array of economic, social, cultural and political factors, including access to public services of all kinds, not just health services. That is why health outcomes are quite a good thing to look at. Within the 12 missions, it is sort of the mission of the missions. The other 11 all basically feed into whether or not we achieve the health mission, so it is a good thing to look at. There are no two ways about it: public services are a key determinant of health distributions and health patterns, and they make a massive difference to cancer outcomes, for example. At the same time, they are not the be-all and end-all. The local economy matters, and things like pride in place and social relations also matter.

Zooming out a little bit, do I think this Bill and the proposed funding pots around it will achieve the health mission? The evidence tells me I should be sceptical. A really good example is if we look at east and west

Germany in 1990, when there was a four-year life expectancy difference between east and west Germany. Two decades later, that had closed to three months. In those two decades, we saw radical constitutional reform, sweeping political change, €2 trillion of investment and a massive upgrade in public services and access to the services you described. In relation to that, what this Bill proposes is certainly more symbolic than substantial, and that is where my scepticism originates.

Q63 Tim Farron: On using this Bill to provide rights to access, or giving local communities the powers of definition and delivery, so that GP practices are protected in rural communities or cancer treatment is brought closer to where people live, what provisions could be put into the Bill to make sure those things are delivered?

Dr Patel: That is another brilliant question. There is a huge cut-across here with what has been going on with NHS reforms over the past two or three decades. It is almost as though we have had some of the issues again—the problem with top-down structural reform and how, ultimately, it does not really make a difference. Structures are important, but people really care about outcomes.

I would encourage people to compare what has been going on with the integrated care system reforms, and to think about the priorities, legislative and non-legislative, between those new institutions; the ICS boards operate at the same sort of size as a mayoral combined authority. I for one have definitely encouraged the ICSs to have a much stronger conversation with combined authorities about how they can work together to ensure that services can be delivered to the hardest-to-reach populations. There are certainly places that are doing that quite well. Often, it comes back not just to governance, but to resourcing. By that, I do not just mean money; I mean personnel. The public sector is anaemic in a lot of places, and that is a huge barrier beyond a legislative one.

Q64 Tim Farron: Thank you. I have a quick one for Rich and/or Sacha about planning. How much do you think the campaign to increase communities' power over their destiny depends on the level of planning control and the kinds of powers communities have?

Rich Bell: I think the destiny of communities is significantly shaped by their level of control over planning decisions. One thing we are at once encouraged by and slightly disappointed by in this Bill is the proposal regarding the neighbourhood share. This is the idea that 25% of the infrastructure levy could be controlled by either a parish council or a neighbourhood planning forum. That currently applies in the case of the community infrastructure levy, but not in the case of section 106. I think it is a very positive step on the Government's part to extend that neighbourhood-level control over the investment of developer-generated public money—to devolve that directly to neighbourhoods. Unfortunately, parish councils are predominantly found in wealthy and rural areas. A report produced for the Department then known as the Ministry of Housing, Communities and Local Government by academics at the University of Reading concluded something very similar on neighbourhood planning forums just a few years ago.

We would suggest that members of the Committee should consider whether the Bill could be amended to expand the definition of a "qualifying body" on page 264.

We would ask Members to introduce a clause amending the Localism Act 2011 that expands the range of organisations to whom that neighbourhood share could be passed. It should be possible for local authorities to designate community anchor organisations, such as the Wharton Trust in Hartlepool, as local trusted partners who could work with that local authority to spend that not insignificant amount of public money.

Q65 Neil O'Brien: This question is mainly for Sacha and Rich. It is about high street rental auctions, which the Bill introduces. As well as being an opportunity to improve our high streets and regenerate the local economy, do you think they are an opportunity for voluntary groups, small businesses and social enterprises to get themselves a place on the high street? How would you like to see community involvement in that high street rental auction process work?

Rich Bell: We were very encouraged by the detail of this proposal. We were very pleased to see that the Bill defines high street use in a way that recognises the use of high street premises as a communal meeting space. It is incredibly important that the legislation recognises that high streets are not just drivers of local economies; they are the sites of the bumping spaces and the meeting places that stitch together our social fabric. It is similarly positive that the Bill's local benefit condition recognises the social and environmental benefits of high street premises as well as their economic benefits.

We encourage the Government to consider how they can shape accompanying regulations to ensure that local authorities feel that they have permission to work with social enterprises and local community organisations, and to shape their own criteria for high street auctions, so that those community organisations can gain access to high street sites. As I say, we were encouraged by the detail.

Sacha Bedding: High streets are absolutely about pride. There is nothing worse than seeing boarded-up places. The opportunity for local ownership and activity will help. People are full of ideas on how to do that. I will not go on too long; we absolutely agree with what Rich said, and there will be any amount of ideas, not just focused around retail, on how people can help make their high streets thriving places again.

Q66 Patricia Gibson (North Ayrshire and Arran) (SNP): I noted your comments, Mr Bell, about the importance of team spirit in levelling up communities. Do you have any thoughts or comments about the fact that the Scottish Government will not be involved at the decision-making stage in the allocation of levelling-up funding? That suggests that there will be implications for duplication, the inefficient use of resources, and lack of strategic overview.

Rich Bell: My only comment would be to say that it seems incredibly important, when taking what is a pretty radical step in promoting sub-regional devolution across England, to do so in a joined-up way which involves dialogue with all the national Governments across the UK. That said, I would say that the problem in the Bill is not the lack of emphasis on sub-regional and national devolution; the problem is the lack of emphasis on devolution at the most local level, as Sacha said, and the complete absence of genuine community leadership.

Q67 Patricia Gibson: The Institute of Economic Affairs has described the missions in the Bill as being of “dubious quality”. Do you have any concerns about whether there are sufficient or robust ways of objectively measuring the progress and impact of levelling up, given that many say that there appears to be a lack of accountability or even ownership for each of the missions? If you do have such concerns, how do you think that the Bill could, or should, be altered to address them?

Rich Bell: I suspect that this is a question that Graeme and Parth will be able to answer slightly better. As a campaign, we certainly see a case for some sort of independent body that would be charged with assessing the suitability of the levelling-up missions and, crucially, the metrics against which they are measured.

Something we are calling for, as part of our proposal for a community power Act, is the creation of a community power commissioner to assess the Government's performance in upholding the rights of communities. We would say that there is something unique about the Bill in its emphasis on local leadership and on issues of social infrastructure and social capital, and we would like to see particular attention paid to those elements of this agenda when it comes to shaping the metrics and assessing the suitability of the missions.

Dr Patel: On the first part of that question, the mission quality, I think that some of the missions are excellent and some are not. Not every mission is equal. That is the top line. Despite the domains being about right as a package, some of the missions are quite narrow—education and skills, for example. Some of them are quite vague, the living standards one in particular, and some of them are probably just a bit too easy to achieve—even with a do-nothing approach, you would probably end up hitting that mission. Having said that, some of the missions are excellent, like the health one. We could dwell on that a little more.

The second half of your question was about accountability. I strongly welcome the reporting to Parliament. Particularly given recent trends in the use of secondary legislation and in the bypassing of Parliament in the Brexit negotiations and the covid legislation, it is nice to see the parliamentary scrutiny mechanism used. It is great that the Government will be doing that. Having said that, I do not think that that in itself is adequate, or at least it is on the low end of ambition, when accountability frameworks might have been useful.

In addition to the political accountability that Parliament will give by something being brought before Parliament each year, a further step would be independent scrutiny. There is the council here, but it is still at the behest of the Government and it will not have analytical power, capability or policy expertise, or the quantitative expertise, to be able to provide this really rigorous scrutiny that you would want around the missions, akin to what we have for climate progress—we have the Climate Change Committee, and the Office for Budget Responsibility or even the National Infrastructure Commission. If we had an institution like that, if the council—which has no statutory footing for levelling up—were turned into an independent institution with a statutory footing, with that coming some resource to hire the policy experts that you need, that would be excellent.

You would then have the political accountability mechanism, as well as the technocratic accountability mechanism. One might be better placed to do an annual

progress report and the other to do an annual delivery plan, but those two mechanisms together would be the gold standard to ensure accountability and progress on the missions.

Q68 Patricia Gibson: Does Professor Atherton want to add anything?

Professor Atherton: Yes. I agree, particularly on the issue of independence and scrutiny. Transparency is important as well, if we are going to construct what is most desirable, which is some form of independent scrutiny. If you look at the Bill, it is weak in that area, with regards to how the missions are scrutinised. That has to be done in a transparent way, whatever approach is taken. We have already seen in the distribution and levelling-up funds some issues regarding transparency and clarity in those areas. I would also say that we would have to consider how the ability is set in the Bill to change the missions. There is something of a contradiction to consider there in that the missions are meant to be long-term challenges.

In the White Paper, there is significant attention placed on the nature of missions—why we have missions and how they will make a significant difference to how we deliver on this agenda. However, in the long-term element, there is at the same time the ability set in the Bill to change the missions, and I think how that is done needs to be transparent. If we consider the time limits, from my understanding of the Bill, they can be changed quite frequently, possibly after only a small period of implementation, which would suggest that we could have a scenario where we move from mission to mission.

That kind of devalues the concept of the missions altogether. We have to consider what the missions are adding to the mix. Overall, they have a possible powerful role to play. The way the policy is constructed is to have lots of other different policies moving towards levelling up. Having a mission is a way of tying that together in some way, so I think that is quite welcome, but for them to work, they have to generally be constructed as different from a policy target—i.e. a mission. Therefore, it implies longevity, scrutiny, transparency as well as clear metrics around progress and, as I said before, consistency across the nature of what the missions are.

Patricia Gibson: Chair, perhaps we could let Sacha come in on that if he wants.

The Chair: Quickly, because we have a number of people who still want to speak, and we are running a bit short on time. Sacha, do you want to come in on that?

Sacha Bedding: No, it's fine.

The Chair: Okay, Minister?

Q69 Stuart Andrew: I just want to return to the issue you raised on neighbourhood planning. There is an interesting concept there about the neighbourhood share, particularly in areas where there is not a parish council or town council. What potential issues might you see in terms of any conflict between the interests of that group and what they are wanting to deliver for that community and the wider community? What governance arrangements might be needed to ensure that there is transparency around the needs of that community and how they develop?

We have a significant number of neighbourhood planning groups and neighbourhood plans around the country. However, there are areas—particularly more deprived areas—that have not developed those. The Bill provides for the neighbourhood priority statements to introduce a simpler way for communities to think about how they want to improve their place. Do you see any issues around that area in the Bill that need to be looked at again? Is this a real opportunity for such groups to formulate how the needs of their communities are delivered on the ground for those towns and areas?

Rich Bell: The creation of neighbourhood priority statements, which allow people at the local level to very clearly set out their priorities, and having those accounted for in local plans, is definitely a positive step forward, and we really welcome that. The point we would make is that community anchor organisations work in a way so as to unlock the capacity that is already present in communities. We would suggest that drafting them into this work could actually be key to addressing the geographic disparity in current levels of neighbourhood planning, particularly as research by the Communities in Charge campaign has demonstrated that the sorts of organisations we are talking about—community anchor organisations that seek to address local challenges in holistic ways that are truly reaching the community—are actually more likely to be found in areas that we would describe as deprived.

Clearly, there are challenges around how you ensure those organisations are acting with legitimacy. We think that the Government's pledge to bring forward community covenants in their White Paper is potentially a game changer in that respect. We see that as a means of working through the challenges of a public body investing a degree of authority in a community organisation that is not on a statutory status. We would suggest that as long as you are working through the intermediary organisation in the form of the local authority, and as long as the Government provide guidance and regulations to ensure that that local authority is ensuring the community organisation has the trust of the whole community before it invests that power, it is a neat and relatively easy quick fix to what might otherwise be a problem by which the Bill would wind up deepening inequalities in control and power rather than resolving them.

The Chair: I call Matthew Pennycook.

Q70 Matthew Pennycook: I have a follow-up question for Rich and Sacha on neighbourhood planning. Given the campaign's interest in neighbourhood planning forums as a model for community covenants, as well as for neighbourhood planning in the suggested power of those covenants, can you expand on how you see the potential use and/or misuse of some of the measures in the Bill, especially national development management policies on the status and functioning of local planning and, in particular—because it is an important aspect—on participation and trust in that process at a local level?

Rich Bell: I think we certainly agree with the comments that were made by many Members on Second Reading about the seeming primacy of the national management policy and the way in which the Bill seems to grant the Secretary of State the power effectively to overrule local communities. That does not seem to be in the spirit of the levelling-up agenda as we understand it.

Q71 Matthew Pennycook: Sacha, do you want to add anything to that?

Sacha Bedding: Only to say that the consequence of that would be more disillusionment, and it needs rectifying. If people are really to have a sense of agency and ownership of their own place and feel that it has been levelled up, they need to feel that they have the power to stop that happening. That needs teasing out in a thoughtful way, so that those powers that we hope will pass down to communities are enshrined and do not depend on the largesse of other people in more significant positions of power.

The Chair: I call Darren Henry.

Q72 Darren Henry (Broxtowe) (Con): I was just observing that one of the missions is on transport infrastructure, for example, which will move closer to the model in London by 2030. When Parth gave the example of the health and life expectancy case study in East and West Germany, the question struck me of whether the Government are being ambitious enough. We have an opportunity of a blank sheet of paper for a deprived area. Could we look at best practice in transport for example? Seoul and Tokyo are good examples that we could aim for.

Professor Atherton: Definitely, when it comes to transport linkages, localism is really important. If we are to take this blank sheet, ambitious approach, we need to ask what model works for particular communities and areas. The modes of transport that we are looking to implement may differ in different areas, and that is really important. This is an area that fits with our previous discussions about where we put decision making at a local level with regards to what sort of innovative transport solutions we could achieve.

We need to be mindful also of being cognisant of the net zero agenda. If we are talking about transport innovation with regard to missions, we have the opportunity to do that in a way that is consistent with the societal commitment to reducing our carbon footprint. Those things are really important.

On the international comparison, there is a need for greater work across the missions on understanding where we see things that work in a comparable nature. It is one thing to look at other countries and say, "Well, X has worked here, but is area X fully comparable to some of the areas that we know face the greatest socioeconomic challenges?" We cannot just pick and choose the things that we want to implement. When we look at evidence of innovation and success, it has to be comparable. Localism is also really important in forming innovative solutions, especially where transport is concerned.

Q73 Darren Henry: Okay. I will go to one more witness. Out of Sacha and Rich, who would like to answer that question?

Rich Bell: I was going to suggest Sacha. I do not know whether he has anything to add.

Sacha Bedding: Of course, when the buses stop running at 6 pm in Hartlepool, it would be good to look at how we can enable transport infrastructure to improve. I am sure that if Mayor Houchen could have a Tees Valley metro system across the area, there would be opportunities for the connectivity between, say, Hartlepool and Redcar, which is an hour trip rather than 15 minutes across the

bay. The scale of what is required to get us anywhere near the standards in London is huge, but we should broadly welcome the idea.

I was interested to see in the paper that the amount of public transport used by people in the north-east was significantly higher than in other parts of country, probably because car ownership is so low. It is about what lies behind those statistics. We need to make it as easy as possible for people to use public transport. At the moment, our solution appears to be electric scooters, but I am not convinced that that is necessarily the right way to level up.

Q74 Darren Henry: Parth, do you have anything to add?

Dr Patel: I have two quick points. Talking about London-style transport has been causing quite a lot of confusion—I do not quite see what that means. Is it ambitious enough? The London Mayor has more power than other devolved leaders around this country, but from an international perspective it is hard to think of a mayor of a major city who has fewer powers than the London Mayor. Only 8% of revenue is controlled by the London Mayor, and Whitehall still dominates about 70% of revenue streams in London. That is the first question: there is an inherent tension between devolving the power to run public services but not devolving the power to generate revenue to fund those public services. That is a tension that we will see again and again until the question of fiscal firepower is taken seriously.

On the second point, about what a fair comparison is, it is unfair to compare Glasgow to London or Newcastle to London, because London is this mega-city—it is one of a few cities in the world—so Tokyo is a fair comparison. Comparing Newcastle to London is an unfair comparison because they are fundamentally different in population size, economy and all sorts of things. Newcastle should be compared with Leipzig or Lyon—small or medium-sized towns with good, strong public transport that is organised in a way very different from the London transport system. Those are my two points.

Darren Henry: Thank you.

The Chair: Final question from Sarah Atherton. We are running close to time, so can your question be quick, Sarah?

Q75 Sarah Atherton (Wrexham) (Con): Can I pick up on community involvement again and the need for ownership and the sense that a community belongs to a project? Perhaps Sacha and Rich could give their opinions on the street votes.

Rich Bell: We welcome the spirit of street votes. They seem like a very sensible step forward to allow people to exercise a bit of agency at the neighbourhood level. We do not think they are anything near equal to the challenge that is before us. To emphasise the scale of the challenge we face, last year Demos asked people whether they would prefer to have more of a say over how money is spent in their area or rather have more money: people were twice as likely to say that they would prefer more say and less money than that they would prefer less say and more money. That speaks to how stark the situation has become.

There are various measures that we think could be taken to strengthen the ability of communities to exercise control over planning in their local areas. One that we would strongly recommend that the Committee considers is building into the Bill a community right to buy like that which is currently in law in Scotland. We would see that as a very sensible progression of the current measures.

Sarah Atherton: Sacha, do you have any comments?

Sacha Bedding: No, that's fine.

Q76 Sarah Atherton: Do you have any suggestions, like the community right to buy?

Sacha Bedding: The strengthening of the Localism Act would be hugely helpful, as would longer timeframes for us to get our act together—if you give us six months and a developer comes in and already has money in the bank, the developer is always going to win. It is about levelling up the opportunity to take control of assets, because if you control the assets, you are halfway there. There are other things that can be done. For instance, give us 12 months rather than six months—that type of simple approach. Level the field between local communities—certainly in our left-behind places—to give them longer to get together, because it will take longer. Be patient with them and help them build their capacity to do this, because there is an overwhelming desire for it. When you talk about taking back control and levelling up, that resonates, because they have so little control.

The Chair: Order. I am sorry, but we have run out of time for questions to this panel. On behalf of the Committee, I thank the witnesses for their evidence.

Examination of Witnesses

Councillor James Jamieson, Councillor Tom Oliver and Councillor Sam Chapman-Allen gave evidence.

3.20 pm

The Chair: I think we have some technical problems with some of the witnesses, but we have Sam Chapman-Allen, chair of the District Councils Network. Would you like to introduce yourself, Sam?

Cllr Chapman-Allen: Sorry if there is a bit of a lag; I am down in Australia at the moment, at a local government conference. I am Councillor Sam Chapman-Allen, the leader of Breckland Council in Norfolk. I am also chairman of the District Councils Network for England. I represent 184 district councils across the country, and we serve 22 million people, which is 40% of the population, covering 68% of the country's area. In turn, we provide support to 40% of businesses across the whole of England. I do not know how brief you want me to be, Chair.

The Chair: Thank you—that is fine. We are just a bit anxious about the other two members of the panel not being able to connect yet. I will throw the questions open to the Government side first.

Q77 Neil O'Brien: Thank you, Sam, and thank you for making the time this afternoon. One of the goals of the Bill is to amend the law in order to make it easier for

us to extend the devolution of powers to more areas outside our cities, particularly areas with two-tier governance, and to respect that two-tier governance. It both makes the process of setting up a combined authority quicker, and also creates combined county authorities. The Government's intention through combined county authorities is to leave the option of having a mayoral authority in place, but to create a model in which the consent of every single district in the area is not needed for the creation of the combined authority.

However, it is the Government's intention to have a strong role for lower-tier authorities once those combined authorities are created. I wonder if I could pick your brains on what sorts of things your members might want to combine powers on as voting members of those new CCAs or through joint committees, for instance as a single local authority devolution deal. What sorts of powers would your members potentially want to combine powers on, and to what end?

Cllr Chapman-Allen: Thank you for the question. Initially, I think we need to talk about the scale of ambition that local authorities and leaders are trying to achieve. The levelling-up framework sets out the clear positions of levels 1, 2 and 3 for what can be devolved within those nine vanguard areas. For me particularly, those six are in those two-tier areas.

Neil, you spoke about the county councils and unitary councils being enablers for the CCA and what districts would be willing to support moving forward. I think it is important to say that district councils in some areas where these deals are being suggested are being more ambitious than those counties and unitaries. Therefore, whoever is willing to be most ambitious should ensure that they have a seat around the table, but in turn ensuring that no sovereign body has those powers and/or responsibilities removed. There should be opportunities for districts, with those key enablers around business support and planning and growth.

Having spoken to colleagues across the country, but particularly in my area of Norfolk, which is one of those areas, I think we would be willing to have conversations with those that want to share strategic opportunities in the wider planning piece, be they in local planning, master planning, the duty to co-operate—although that is a blight, it is being diluted as we move forward, which is important—our housing challenges and how we support each other to ensure that our housing policies support residents in our localities and, in turn, how we deal with inward investment, to ensure that, regardless of where you want to land in a county locality, you have the same opportunities and support on business rates, business rate exemption and that planning process.

However, it is important that those individuals and sovereign councils buy into being a part of that CCA. In turn, they have to be a constituent part. We are talking about combined authorities, so district councils need to be combined in the decision-making process. There should absolutely not be a veto. I do not think that any individual in that combined authority should have the opportunity to veto, but if they are relinquishing some of that sovereignty through partnership and collaboration, they should have an equal say in how policies, strategy, spend and projects come forward.

Q78 Neil O'Brien: That is helpful. Can I press you a little further on that? Obviously, the Government completely agree that no sovereign body should lose power without consent, and that lower-tier councils should have a vote where they are pooling powers. In the light of what districts and boroughs do at present—culture, waste, democracy, tourism, leisure, inward investment, planning, homelessness and so on—how can we best use the new models of combined authority in two-tier areas? How can we best set things up to make it as easy as possible for districts to come together in the ambitious way that you have described?

Cllr Chapman-Allen: The frameworks and structures around MCAs already exist. Some individuals in Whitehall cite failures of governance in some of those MCA structures. We do not necessarily need to throw the baby out with the bathwater as we try to recreate a CCA. We can actually use the existing framework and governance structure, and tweak them to ensure that we are delivering for residents and businesses across our localities and communities.

It comes down to the bottom-up position. Localities and sovereign councils absolutely see the opportunities presented in the levelling-up framework and the Bill, but we have to make sure that we are able to help in shaping those opportunities moving forward. District councils across the country collaborate with each other through partnerships every single day. In my locality in Norfolk, we have a shared waste partnership across three councils—it is one of the biggest waste partnerships in the country—and, of course, as the collection authority across the whole of the county of Norfolk, all the district councils provide a set framework for how we collect that waste.

That district collaboration in some statutory service provision—be it waste, planning, housing, or homelessness—occurs not just in Norfolk, but across the whole of the country. We just have to make sure that we lift that to the new body—whether it is an existing MCA or the new CCA—which will be able to help shape the agenda as we move forward and ensure that there is equal say at the table on policy and spend.

The Chair: I call Matthew Pennycook.

Matthew Pennycook: To clarify, Chair, will we not be able to get the other witnesses in?

The Chair: It is looking iffy at the moment. If they do not appear, we can have a brief discussion about how to address it at the end of the sitting.

Q79 Matthew Pennycook: Great—I will tailor my questions accordingly. Sam, thank you for attending. Do you foresee any issues with the requirements in clauses 75 to 81 relating to planning data and digitisation? Local planning officers will go to their IT departments and ask them to help facilitate that digitisation. Are district councils sufficiently well resourced, in terms of their IT capabilities, to manage the introduction of and ongoing compliance with those sorts of standards?

Cllr Chapman-Allen: There are two parts to that question. One is that, across the whole of the country, regardless of which tier of government deals with planning, we have a shortage of planning officers. That, sadly, is the nature of the beast, with their desire to work in the private sector, where incomes will be greater.

For us in district councils, for those who have not got a rural locality basis—that ability for residents to interact with their council—through poor broadband provision, I think the proposals for digitalisation for planning is the real positive. As for how district councils will operate that, we are already in the vanguard of that AI—artificial intelligence—and how we interact with our residents on digitalisation.

The trial that has already taken place across the country has been really successful. Both we and the Department have learnt a great deal from it. As long as the outlay, with some capital support, is forthcoming in the Bill, to ensure that we are able to uplift our software and our hardware, I think it should be a seamless transition. However, we have to ensure that we build that into our capital programmes and into the activity of our staff, so that we can deliver it and, in turn, train up how our council officers operate and, more importantly, ensure that the public understand how they begin to interact and use that new digital service.

Q80 Matthew Pennycook: That is really helpful; thank you. Some specific software requirements are proposed in clause 78. Do you think that there is a risk that they might undermine public investment in software tools that have already been purchased and are in use, if the Government are in a sense dictating the types of software that need to be used across the country?

Cllr Chapman-Allen: There will be legacy licences for some existing software. They will have a lag time to run out or, depending on the Government's position on this, if there is a hard reset date, there will be a revenue cost to the authority. That needs to be picked up as it moves forward. However, I do not think that it will be a challenge, because the uniformity for residents on planning—in particular for developers and individuals applying with planning applications—will allow the smooth understanding of how to interact with their local planning service.

Q81 Matthew Pennycook: On the national management development policies, clauses 83 and 84, the LGA has published concerns. Does the DCN share those to any extent? In particular, will you comment on how you see the impact of national management development policies on the ability of district councils to tailor plans to their local circumstances, to innovate and to embed higher standards that the Government might want to see in particular areas?

Cllr Chapman-Allen: I am not completely sighted on that clause, but in the wider sense of the LGA and DCN's position on the proposed rules moving forward, this must be a bottom-up approach. As we have said time and again, in order for growth to take place, communities have to see the benefit realisation, whatever that is, whether for infrastructure, design or the specification of units we are building. As long as residents see the benefit to their communities, the policies that are forthcoming to date are in line with what we were expecting; with what we asked for back in the planning consultation in August 2020. That said, there will be nuances in every location across the country that will sit outside the NPPF, in which local planning policies from local plans must have that flexibility to support local needs and desires, and therefore those sorts of outputs.

Q82 Matthew Pennycook: Great. I have two more questions, Chair—I will try to rattle through them. Sam, earlier you touched on planning officers and the profession. Do you think that this Bill is missing an opportunity to address some of the issues around morale, capability, resourcing and status of planning officers within authorities?

Cllr Chapman-Allen: I do not necessarily think this is a position around culture and morale. Being a planning officer is one of those specialist trades in a district council, no different from an environmental health officer or a health and safety officer. It takes years to get to the standard required to undertake that duty and that requirement.

The challenge we face is that framework and that position, and the fact that we are competing with the private sector. So, particularly for those districts that surround the M25, it is immensely easy for those planning officers to transit in between and to commute into London. For those districts that are in rural locations, some of those challenges on connectivity, and on access to health and education, make it a career choice sometimes for people as to whether they want to reside in those locations.

Of course, the new agile lifestyle post covid presents some further opportunities, but it once again comes down to pounds, shillings and pence. We are stuck between a rock and a hard place. We can always pay more for planning officers, but sadly we are not able to get 100% cost recovery on planning applications. So, in response to your question, we could go further to ensure that district councils and others that deal with planning matters could get 100% cost recovery and therefore pay a higher value for those planning officers to deliver that service.

Q83 Matthew Pennycook: Brilliant. Just finally, nowhere in legislation is the purpose of our planning system set down. Do you think there is any value in more clearly defining the aims of the planning system? Is this Bill an opportunity to do that?

Cllr Chapman-Allen: Yes, there is, but I will put back on the health warning that with planning the clue is in the name—we need to make sure that we are planning for our communities for the next 10, 15, 20 or 30 years, and not being reactive. Also, this cannot be a top-down exercise for what we are trying to achieve. Every one of our locations, in our communities and in your constituencies, has its unique beauty, its unique opportunities and its unique challenges. Therefore, those local plans must be derived locally. As much as the national planning policy framework sits at a national level as the umbrella, I do not think it should necessarily dictate completely how we deliver planning locally for us.

The Chair: I call the Minister, Stuart Andrew.

Q84 Stuart Andrew: Thank you very much, Sir Mark. I am half-tempted to say, “G’day, Sam.” Thank you for your time today.

Just touching on the local plans, obviously at the moment we have about 39% of England covered by local plans, which means that there is a significant area not covered by them. Clearly, the Bill is trying to simplify the process of developing local plans. What has been the reaction your members of to the measures in the Bill to try to achieve that, and are there any other

suggestions they have made that they think would be helpful, so that we can get more local plans in place within a much shorter timescale than we are currently experiencing?

The Chair: Just before you answer that question, Sam, can I just bring it to the Committee’s attention that we have now been joined by Councillor James Jamieson, chair of the Local Government Association, and Councillor Tim Oliver, chair of the County Councils Network. Welcome to the sitting. I am sorry that you have had those technical problems, but we are glad to see you here. We are just partway through a question from the Minister, Stuart Andrew, at the moment. I will bring you both in and we will obviously tailor some of the questions towards you both as the sitting progresses.

Cllr Chapman-Allen: Thank you, Chair. Stuart, the answer is twofold. Local planning is an immensely complicated process—that to-ing and fro-ing with the planning inspector makes it immensely challenging. I think it comes back to the previous questions: “Is this a top-down exercise? Do we need a very clear framework for what planning is?” But planning derives from that local position.

If we are being really clear and setting clear parameters for what local communities need to deliver through that formula of housing growth, challenge if it cannot be delivered, and allow those local communities to move forward and deliver upon that in a set timeframe, then we will expediate that. In my local authority in Breckland, we delivered a local plan, confirmed in December 2019. We are already out for review again, at vast cost, vast expense and vast frustration for our communities, when actually we should probably only be tweaking some of those local policies.

The sad fact is that some of those locations that you mentioned, which do not have a developed local plan, are now in the challenge around nutrient neutrality and an inability to deliver those plans, and of course the duty to co-operate places a further burden on those councils to provide that local plan.

In answer to your question, really briefly—sorry to waffle—make the timeframe shorter; allow that local drive to come from the bottom up; ensure that the national planning inspector supports those local policies, not a top-down approach; and I think you would see expediated local plans and adopted local plans across the country.

Q85 Stuart Andrew: Thank you. I will try to give you a bit of a breather now, and involve our other two witnesses.

I want to turn to the infrastructure levy. The intention behind this is that it is non-negotiable, to try and reduce all the time that planning officers seem to spend on negotiation. Are the measures welcome? On the development of the infrastructure statements that local planning authorities have, do you see the opportunity for greater working between county and district councils in agreeing, as part of a local plan, the sort of infrastructure that is needed within those communities ahead of development being granted?

Cllr Jamieson: Thank you and apologies for my technical problems. On the infrastructure levy, I do think that is a helpful move. All too often, developers use viability as an excuse to increase their profits, or landowners to increase the value of their land. Really, where there is a

significant uplift in the value of land as a result of receiving planning permission, it is only right and fair that that bonus of increase in value should go towards providing the essential infrastructure that is needed to support that development, whether that is roads, schools or soft infrastructure, such as health and community support. We welcome the community infrastructure levy as a simpler mechanism and one that will be applied to more developments, both commercial and housing.

One of the issues we have raised many times is the fact that developments of fewer than 10 houses do not pay anything. Quite clearly, that is all very positive. Of course, there are parts of the country where the land value uplift is not sufficient to provide the infrastructure, and that needs to be addressed and will have to be addressed by funding from Government. However, in areas where it is—yes, we welcome the fact that it is simplified. Of course, Sam just mentioned some of the other issues, such as nutrient neutrality, which is yet another imposition on development, so we need to be cognisant when we look at the infrastructure levy of the other levies and costs that are put on the land.

Q86 Stuart Andrew: Tim, do you have anything to add from a county council's perspective?

Cllr Oliver: Many thanks, and my apologies too for the technical issues. We absolutely welcome a simplified community infrastructure levy and section 106 arrangement. At the moment, CIL is administered by the district and borough council, and the county council, in normal circumstances, would make an application for a part of that funding. It would be helpful for the Bill to provide clarification on how that infrastructure levy should be used. It is a levy to enable infrastructure support to facilitate housing and development. I know that part of the suggestion in the Bill is that 25% of that infrastructure levy would be set aside for parish councils, but, to your point, I would hope that there would be early conversations between all three tiers of local government, where they exist, as to how that levy should be spent for the benefit of the community.

The Chair: Thanks Stuart. Just before I bring in Tim Farron, I will give both Neil and Matthew the opportunity to ask a question to the other two panellists, who unfortunately were not present earlier. Neil, have you got any brief questions? I will then bring in Matthew.

Q87 Neil O'Brien: Thank you, Sir Mark. James and Tim, the Bill contains measures both to simplify and accelerate the process of creating new combined authorities, be they mayoral or non-mayoral, and to create a new type of combined authority, which is more regularly usable in two-tier areas and respects the division of powers in those areas. I do not know what your views are on how much interest there is among your members in forming further combined authorities and doing further devolution deals. What is your view of the powers to accelerate and create new models to enable us to move forward with devolution in two-tier areas and avoid the unintended consequence of the Local Democracy, Economic Development and Construction Act 2009, which gave each district in an area a veto over its neighbours and led to us not moving forward with deals in Lincolnshire and in Norfolk, Suffolk and Cambridgeshire previously? I suggest James answers first.

Cllr Jamieson: First, in broad terms, we welcome the move to enable every part of the country to have devolution. Previously it has been very much city focused and, of course, most of the country is not in cities, so we welcome that fact and the ambition that everywhere should have a devolution deal.

Obviously, simplifying the process is always welcome, provided that there is a fair and reasonable consultation, and involvement of all relevant parties. Clearly, we should not ride roughshod over various parties. However, as ever with devolution, we think devolution should be led by devolving and not by restructuring. That is one of the issues that has happened in the past, and we need to ensure it does not happen this time. There needs to be genuine devolution from Whitehall down to the local level, at which point we will find much greater acquiescence at the local level when it comes to how to come up with a structure that works.

When we first start talking about restructuring and then about devolution, I am always concerned that we should devolve the powers down and then look at what is the best way, on a local basis, which will be different across the country, to deliver the outcomes from that devolution. I would emphasise—Neil, I really appreciate the work that you are doing—that we certainly believe that far more can be done on a place basis than on a Whitehall basis in local devolution, simply because if I am in the north of England or Northumbria that is very different from Cornwall or central Bedfordshire. We have different priorities and issues, and that can only be done at the local place level, so the more that is devolved, that is clearly better. I emphasise devolution first, and then restructuring to match the powers that are devolved to us.

Q88 Neil O'Brien: Thank you. Tim?

Cllr Oliver: Thank you very much. The County Councils Network and my members are hugely supportive of the intentions set out in the Bill. We see this very much as an opportunity for the two thirds of the country that are not currently able to benefit from any devolution deal.

We see this as the devolution of powers from Parliament down to local government. The complications that exist at the moment will be taken away by the Bill. I think we will see members embracing the opportunity to have a devolution deal. In terms of the CCA, only 50% of my members would need that, where they have an adjoining county authority or unitary authority. The other 50% could benefit from a simple devolution deal.

My understanding is that this is not about the organisation of local government, either overtly or through the back door. This is about the flow down of powers from central Government to local leaders, where those leaders are clearly identified, and then the county level engaging with all our partners. This is as much about delivering the health system, and the integration of health and social care, as it is about any tier of local government. It is important that the process is simple, straightforward and quick. If at all possible, we want to get on with this. Then it is for the county authority to engage with the other two tiers of local government, if those exist, and to work out how best to deliver that.

I am very supportive, as is the CCA. I am grateful to the Minister for clarification on some confusion around clause 16. That seems perfectly workable and reasonable, so I very much support the direction of travel.

Neil O'Brien: Thank you.

The Chair: Matthew, do you have any questions for the two panellists?

Q89 Matthew Pennycook: You will be relieved to hear I am not going to go over all my questions, Sir Mark, but I will ask James and Tim the specific question that I asked Sam about clauses 75 to 81 on planning data and digitisation. Can you foresee any issues with how authorities can implement those measures, specifically in terms of how well resourced IT departments are to do so? In his response, Sam from the District Councils Network said that yes, it will all work fine, presuming that the correct amount of capital support, and so on, comes with it. What needs to come with the Bill for you to properly implement those measures around data and digitisation?

Cllr Jamieson: The key thing is that we are all immensely supportive of digitisation; it is the way to go. We do not want paper. In fact, one of the things that we saw during covid was that a number of local authorities moved to remote working and digitisation anyway, which made the process so much easier.

This is something that we are supportive of. I think Sam is right that we need clear guidelines, the relevant capital support and clear technical things, such as, “How will the system work?” and “What are the data protocols?”, because we want a very clear system that works for everyone. As ever, I think we are all slightly nervous about big IT projects, but this should work, with proper engagement with local government to ensure that we do it in the right way.

Q90 Matthew Pennycook: Great. Tim, anything to add?

Cllr Oliver: Yes, I agree with both James and Sam. Obviously, planning is largely in the remit of the district and borough councils. In an ideal world, I would hope to see some sort of spatial development strategy, or the ability to create that. The duty to co-operate has not worked particularly well, and, where we are creating CCAs and county deals, it would be very helpful for there to be some input, at least, from a county-wide perspective. In terms of the digitalisation, I would leave that to the other two and I agree with what they said.

Q91 Tim Farron: Hello to all three of you; it is really nice to see you. Thank you very much for your time. My question is on housing and planning, so it is probably for Sam, but with a little bit of James, and we would be perfectly interested to hear what Tim has to say as well.

If we take it as a given that, particularly in the rural communities that many district councils serve, there is a collapse of the private rented sector into the Airbnb sector and a massive growth in second home ownership at the expense of permanent occupied dwellings, do you think that this Bill gives you any additional powers that help you to push back against that? What additional powers would you like?

Cllr Chapman-Allen: The relaxation for local authorities to tax second homes for council tax purposes had a really positive impact. We are seeing that across those communities in which second home ownership is immensely high. For communities such as yours, Tim, that Airbnb

community is a challenge. First, it removes those rental properties from the market for long-term tenants. Secondly, it creates a really fluid community, and sometimes there are risks of antisocial behaviour related to that. There could be more strengthening for those local authorities to place conditions on new builds and new properties to ensure that the type of mix and tenure, and/or usage around holiday homes and/or Airbnbs, could be strengthened.

That said, we have the existing legacy problems for coastal communities, market towns and cathedral cities already. I would not necessarily want to suggest that we change that through this Bill now. We need to ensure that we are working with those landlords positively, as with housing providers and housing legislators, to ensure that they understand the challenges they face, but more importantly, the challenges that the communities face.

We have a long way to go. Over the last 12 months, there has been a lot of change for landlords. Sadly some of those have now vacated the market because of the changes in regulations, and policies required of them. We must ensure that we have a suitable housing mix across the country, and those who want to and do rent have an important part to play. Therefore, landlords have an important part to play in that process. I would not necessarily want to over-regulate so that landlords no longer want to operate in that market. However, there is a challenge around Airbnb and there is further work we can do to support the Government in implementing some legislation on that.

Tim Farron: Thanks. James?

Cllr Jamieson: I agree with Sam on the issue of second home owners—I think that is a helpful move. Airbnb is a slightly separate issue that needs to be thought through because there is a whole range of issues associated with it. It is not just about taking it out of the market. As Sam alluded to, it is a potentially antisocial issue; it is a transient nature; and it potentially puts more pressure on local authorities. It is more about how we manage that type of property, which is something we are very keen to have a conversation about—on enforcement, on ensuring that the accommodation is suitable, and on things like a potential tourist tax. I am not quite sure the solution to Airbnb is part of the levelling-up White Paper. It is potentially a separate issue that we need to look into quite carefully.

However, you were right when you alluded to the fact that housing just costs far too much in far too many parts of the community. In your area, Tim, and in the south-west and coastal communities, housing is being soaked up by holidaymakers and second home owners, with not enough homes available for people who want to work there. There are manifest stories of people wanting to go on holiday—to, say, Cornwall—but the pub has to shut because it cannot get any staff, because they cannot afford to live there.

Q92 Tim Farron: Yes. I have one totally separate question—hopefully it will be of interest to all of you. The Government state that having an elected Mayor is essential to providing strong leadership. Do you agree? Are there exceptions?

The Chair: Could you answer quickly? We have one more question—possibly two—and we are running very short on time.

Cllr Jamieson: Our view is that we have excellent local government leaders. There is a role for Mayors, but it should not be essential to have a Mayor everywhere. There are plenty of powers that could be devolved to the existing structure without the need for a Mayor. As I said, there is nothing against Mayors; they are absolutely appropriate in certain places. We think it should be the choice of the local area as to the best governance arrangement for them.

Q93 Tim Farron: I think Tim might want to come in.

Cllr Oliver: I support that. I understand and agree with the Government's desire to have a single accountable leader. However, I think that in the case of a county council leader, that person already exists. I know that my residents know exactly who to write to if they have any issues, particularly on potholes. We do not necessarily need to have a directly elected Mayor or leader to deliver the devolved aspects and benefits that will come with the Bill. We respect the Government's position, but we do not see that as an absolute prerequisite.

The Chair: Okay. A couple of words, Sam?

Cllr Chapman-Allen: Thank you. In response to Tim's question, I would say that, once again, it comes back to the bottom-up position. We are sovereign bodies in our own right. We work in partnership across our localities, whether through public sector leaders' boards or leaders' forums, and we can already operate in that structure. The past two years, with the pandemic, have proven that collaboration.

In direct response to Tim's question, the risk is that, as we move forward, there are powers being devolved, and actions and functions—particularly around local enterprise partnerships—that are moving away to a single person who is not elected for that role directly. We should be using existing structures, arrangements and

collaboration to deliver on behalf of Government. Coming back to James's point, we do not actually quite know what is being devolved from Government yet.

The Chair: Greg Smith, you have half a minute for a question and half a minute for an answer.

Q94 Greg Smith (Buckingham) (Con): Thank you, Sir Mark. A big theme we are talking about today is localism in the Bill. Many a council over recent decades has been elected on a promise to stop overdevelopment, only to then preside over massive development. The common excuse is Government targets. Should there be a nationally set house building number, or should it be left entirely to local areas to decide what is needed?

The Chair: Who do you want to answer that?

Greg Smith: Let's go to Councillor Jamieson, who is chairman of the Local Government Association.

Cllr Jamieson: I represent localism, and I think it is all about localism. The Government need to be very clear about their objectives. Setting national targets and then blaming councils when houses are built and forced through on appeal by the Planning Inspectorate is slightly disingenuous.

The Chair: Order. I am afraid that that brings us to the end of the time allotted for the Committee to ask questions in this afternoon's sitting. On behalf of the Committee, I thank our witnesses for their evidence. The Committee will meet again at 11.30 am on Thursday in this room to hear further oral evidence. Thank you all for attending.

4 pm

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till Thursday 23 June at half-past Eleven o'clock.

Written evidence reported to the House

LRB 01 Community Rights Action

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

LEVELLING-UP AND REGENERATION BILL

Third Sitting

Thursday 23 June 2022

(Morning)

CONTENTS

Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Monday 27 June 2022

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The Committee consisted of the following Members:

Chairs: MR PETER BONE, SIR MARK HENDRICK, † MRS SHERYLL MURRAY, IAN PAISLEY

† Andrew, Stuart (<i>Minister for Housing</i>)	† Norris, Alex (<i>Nottingham North</i>) (Lab/Co-op)
† Atherton, Sarah (<i>Wrexham</i>) (Con)	† O'Brien, Neil (<i>Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities</i>)
† Dines, Miss Sarah (<i>Derbyshire Dales</i>) (Con)	† Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab)
Farron, Tim (<i>Westmorland and Lonsdale</i>) (LD)	† Smith, Greg (<i>Buckingham</i>) (Con)
Fletcher, Colleen (<i>Coventry North East</i>) (Lab)	Vickers, Matt (<i>Stockton South</i>) (Con)
Gibson, Patricia (<i>North Ayrshire and Arran</i>) (SNP)	
† Henry, Darren (<i>Broxtowe</i>) (Con)	Bethan Harding, Adam Mellows-Facer, <i>Committee Clerks</i>
Kruger, Danny (<i>Devizes</i>) (Con)	
Lewell-Buck, Mrs Emma (<i>South Shields</i>) (Lab)	
† Maskell, Rachael (<i>York Central</i>) (Lab/Co-op)	
Moore, Robbie (<i>Keighley</i>) (Con)	
† Mortimer, Jill (<i>Hartlepool</i>) (Con)	† attended the Committee

Witnesses

Victoria Hills, Chief Executive, Royal Town Planning Institute

Tony Mulhall, Associate Director of the Land Professional Group, Royal Institute of Chartered Surveyors

David Jackson, Head of Planning, Savills

Jonathan Owen, Chief Executive, National Association of Local Councils

Tony Burton CBE, Convenor, Neighbourhood Planners London

Public Bill Committee

Thursday 23 June 2022

(Morning)

[MRS SHERYLL MURRAY *in the Chair*]

Levelling-up and Regeneration Bill

Examination of Witnesses

Victoria Hills, Tony Mulhall and David Jackson gave evidence.

11.30 am

The Chair: We will now take evidence from Victoria Hills, chief executive of the Royal Town Planning Institute; Tony Mulhall, associate director of the Land Professional Group and the Royal Institute of Chartered Surveyors; and David Jackson, head of planning at Savills. Before I call the first Member to ask a question, I remind Members that questions should be limited to matters within the scope of the Bill, and that we must stick to timings in the programme motion that the Committee has agreed. For this session, we have until 12.15 pm. Could I ask the witnesses to introduce themselves for the record, please, starting with Victoria Hills?

Victoria Hills: Good morning. I am the chief executive of the Royal Town Planning Institute.

David Jackson: Good morning. I am David Jackson, head of planning at Savills. I also lead our sustainability and environment service, which is called Savills Earth.

Tony Mulhall: Good morning. Tony Mulhall is my name. I am a chartered surveyor and town planner, and I am a senior specialist at RICS, with a particular focus on land matters.

The Chair: I now call the shadow Minister, Mr Pennycook, to start the questioning.

Q95 Matthew Pennycook (Greenwich and Woolwich) (Lab): Thank you, Mrs Murray, and thanks to those attending for taking the time to come and speak to us. Could I start with the potential impact of the Bill on the status and functioning of local planning? To what extent do you believe clauses 80 to 84 of the Bill, relating to development plans and national policy, and schedule 7 strike the right balance between the aim of streamlining local planning and the need to allow councils to tailor plans to local circumstances and encourage participation?

Victoria Hills: We think the intention to streamline local plans and take some of the bureaucracy out of them is something to be welcomed. We support that. At the moment, it is not clear to what extent the policies are going to be nationalised or not. We know the intention is there, but if you take an average local plan, we do not know—because we have not seen the detail yet—whether, for example, 10%, 50% or 80% of local policies will be effectively nationalised in this way.

In addition to the streamlining—as I say, we are not against the streamlining; if there is an opportunity to streamline, we support that—one of the areas of interest to us is the extent to which the community and, indeed,

both Houses of Parliament will be involved in any consultation on these policies, which are very important policies. If they are to be pulled out of the local plans and put into a national framework, we think it is really important that an element of consultation and engagement, both with the community and across both Houses, is included in that. That is not in the Bill as currently drafted, and we think it is important.

I cannot answer the question exactly, because we have not seen the detail as to what proportion of local policies are going to be nationalised. If it were to be a significant proportion, we would be making the case even more for local consultation, engagement, and involvement of both Houses.

David Jackson: I entirely support what Victoria has said. There are some significant prizes to be won if we can streamline the process: speeding up decision making, adding certainty for investors and communities alike, and, through that process, building the prosperity and the flourishing communities that the Levelling-up and Regeneration Bill anticipates. But it is in the nature of the planning system and the complex legislative framework that it sits within that there are also downside risks. Victoria has identified those in terms of perhaps less room for discussion and negotiation. I would also put in there the risk of reduced flexibility—we might come on to that under another topic.

The other downside risk I would identify is the inevitable disruption as we go through the transition from the old system to the new system. Indeed, we will see some examples of that, so I think there are some downside risks. Again, I agree with Victoria that we have not seen the detail yet to be specific about the nature of those downside risks in their totality.

Tony Mulhall: I would like to add to that. We take soundings from our members around the country quite regularly. The sense I get is that members would like to see settled national policy and standards incorporated into these national development management policies, so that the same issues do not keep arising and being reconsidered. It is administratively efficient to do it this way, but it is also in line with the levelling-up agenda, where agreed standards and policies should apply to all areas. Many of the issues that are arising to do with climate change apply across the country. It also avoids the criticism that high planning and development standards can only be had in high-value locations.

In that regard, I refer back to a piece of work that we did called “Placemaking and value”, where we looked at exemplar places in the south-east of England. The criticism that we got about that was that a lot of people in the north of England said, “That would not be possible here because we do not have those land values.” It is very important that when we set national development management policies, we recognise what it is we are doing. We are ensuring that the standards apply to all areas and that all areas get the benefit of these standards.

Q96 Matthew Pennycook: Can I ask about the NPPF? The review was announced in the White Paper in August 2020. The publication of the final version will not come until 2024, and therefore the revised version will be operational only at that point. Given the number of place makers in the Bill—you have already spoken about the lack of detail in certain areas—that relate to the NPPF, will that delay or have an impact on the

legislation? What more needs to be clarified in the Bill in terms of issues such as five-year land supply to ensure the legislation can operate effectively?

Victoria Hills: I think that any further delay to where we are currently—reminding ourselves that this process of the White Paper initially started back in 2020—is something to be avoided, because it creates uncertainty not only for those preparing local plans, but for those who want to bring forward proposals. We would urge that any changes, including the NPPF, come forward quickly—as soon as possible—to get shot of that uncertainty. It is really important. We have seen the slowdown of local plans already. You will be aware that only somewhere in the region of 60% of local authorities have an up-to-date local plan. There are some really important aspects in the NPPF that we think need to be improved, not least adding in the climate change legal requirement and putting a greater emphasis on that. We would like to see that expedited, and I think that any further delay is not going to be helpful.

Q97 Matthew Pennycook: Tony or David, do you want to briefly add to that?

David Jackson: Very briefly, I think that is absolutely right. The Government are now referring to this as a prospectus of changes, multi-level—[*Inaudible.*] I think in those circumstances, we risk delay. Each component is a crucial part of the overall system. I referred earlier to the complex legislative framework within which planning sits, and it all comes together as a unified process. Any missing component or uncertainty risks being a drag anchor, if I can use that phrase, on the whole system, so we want to see these issues addressed as urgently as possible. Again, we are seeing local planning authorities withdrawing their local plans because of this uncertainty. Given the costs of preparing them, authorities do not particularly want to have to do the process twice. Equally, given the costs that our clients are putting into the local planning process and their commitment to it, any delay is hugely unhelpful.

Tony Mulhall: I would like to add to that. I am particularly watching this in relation to the infrastructure levy, the implementation of which seems to be quite a long way down the line. The delivery of effective infrastructure is such a critical part of the system, so it would be useful to have a clear picture of the timeframe for implementation, given that there is quite a lengthy testing period associated with that as well.

Q98 Matthew Pennycook: Tony, you mentioned the infrastructure levy, and I would like to move on to that aspect of the Bill. Again, there is a noticeable lack of detail on the face of the Bill about how the Government arrived at a considered judgment about how the levy will work, but how do you think it might operate in practice? I put it to you that there is the potential for local authorities to set multiple rates and thresholds—probably by means of a cumbersome examination process—and many of the issues around viability already exist.

It strikes me that the levy is not that dissimilar to the current set-up of the community infrastructure levy. Do you think that is fair? If not, what advantage, if any, do you think the levy will provide over the current system? How do you see it operating in practice on complex brownfield sites? Given the ability to vary rates—in the

sense that the Government are proposing a new metric for end-use value, not a new flat rate—what will that do for levelling up? Will local authorities in areas with low land value not just set low levy rates that do not afford much public gain?

Tony Mulhall: Yes, that is a concern we have expressed all along. For the last three or four years, we have expressed the view that a concept of land value capture as a way of funding your infrastructure is not adequate in itself. There are lots of areas where there will not be value to be captured, and we would like to see where the funding is for essential pieces of infrastructure.

One of the interesting aspects of the Bill is that the Secretary of State can intervene if they feel that the levy was set too high and will impact on viability. I think something like that should be directly connected to the alternative infrastructure source for that particular area. The funding for the infrastructure needs to be pointed out by the Secretary of State if they decide to reduce the levy. Quite a lot of small areas of the construction and design of the levy really need to be resolved fully. I know there is a consultation coming, but those details will be very important.

One of the main objectives is to capture additional land value, but also to avoid the contentious area of viability being contested at so many different stages in the process. We are very happy to help the Department to devise a system that will be easy to apply. Being easy to apply means that the metrics being used are easily discoverable and not contentious. That is a fundamental part of an efficiently operating taxation system, which is how this is described. What we are dealing with here is not an assessment of viability for planning purposes; these are valuations for taxation purposes.

You asked about two other issues—one was complex brownfield sites. It is quite understandable that the Government would look for a measure to deal with this subject, and I think something like the section 106 agreements will be the natural fall-back position here. Officials often say that it is amazing how derided these measures are until you try to remove them, but there is a logical reason for using a section 106 agreement on complex sites because the developer is in the best position to phase and programme the necessary infrastructure. The question then will be how this is to be set off against the liabilities that would have accrued under the infrastructure levy. Varying the rate is an important aspect as well, and I think it should be retained.

This is quite a complex proposal, and it sounds as if it is intended to be rolled out in phases, to make sure that lessons are learned in operation, as they had to be for the CIL measures. The real question is: will this be the replacement of one complex system by another complex system that we will have to learn and run simultaneously, because there will be a transition period? There is quite a lot to be resolved with regard to the infrastructure levy and we are quite happy to contribute to resolving it, to make it work better.

Q99 Matthew Pennycook: I think that is an understatement, Tony, but your response is very useful. Do you have anything to add to that, David?

The Chair: David, could I ask you to face the microphone please? The sound quality in your last answer was not good, and if you face the microphone, Members may be able to hear your evidence better. Thank you.

David Jackson: I beg your pardon. I think what Tony has said is correct. There is uncertainty around this new system. Fundamentally, it is one tax being replaced by another form of tax. The benefit of the new system is that it is charged on development value. That is a clearer metric than the rather complex viability assessments that led the CIL process, which was front-loaded in that respect and did not take account of changing market conditions, whether up or down. Clearly, there is a benefit in that simplification of the process based on value.

It is welcome that there is flexibility or variability in the system to take account of different circumstances. Complex brownfield sites are clearly very different from greenfield sites, as the question rightly identifies. The most important thing is that new development, new growth and new investment is facilitated rather than obstructed by the system, because none of those good things can come unless development and growth is facilitated. That is beneficial, whether it is by way of taxation, the CIL, the new infrastructure levy or, indeed, the investment that is brought forward through section 106. We started off with some uncertainty around the future of section 106, and one of the most welcome aspects of the legislation is that section 106 is being retained. It gives both developers and the community certainty about when that new infrastructure—whether it be social, physical or other infrastructure—is to be provided.

One area where there is less certainty, so far as we can see at the moment, is where the infrastructure levy is going to be spent. Previously, under the CIL system, we had regulation 123, which set out local authority priorities for investment and how money should be spent. The emphasis in discussions to date has been on affordable housing, but is this investment going to be directed towards other locally set measures? I think there needs to be transparency in relation to that.

Finally, I agree with Tony's point about the need for road testing. This is complex new regulation. It needs to be road tested by way of pilot schemes before we invite local authorities across the country to invest resources into this complex process.

The Chair: We are now 20 minutes into this evidence session. In the interests of time, I will call the Minister. If there is any time left at the end, I will come back to you, Mr Pennycook.

Q100 The Minister for Housing (Stuart Andrew): My first question is straightforward: what practical changes do you think the Bill will make to the people you represent?

Victoria Hills: I represent 27,000 members. Practically, and on a strategic level, we welcomed the Bill, because we welcome the recognition that, rather than having a planning Bill, planning is integral to levelling up and regeneration. That is why we warmly welcomed the Bill: it has elevated the status of planning from being some regulatory thing over there to being fundamentally essential to delivering levelling up. Indeed, we say it is the lead domino; if you get the planning system right, you have the framework and the foundations to deliver regeneration.

That is our starting point. Within that, we have to have a broader conversation—perhaps not today—about how we ensure that local authorities in particular are resourced for the changes. We look forward to the forthcoming consultation on the fees to help to fund

some of the additional work. Practically, it will mean that our members are going to be extremely busy—first, with responding to all the consultations, and secondly, moving forward with implementing the new system. There is an urgent need to address the resourcing, as I have highlighted, because local authorities are somewhat struggling at the moment anyway to deliver business as usual.

Some of this will be a bit business as unusual. We have heard that the CIL is potentially a major change. Changing local plans and updating them will take time and resources. It will be a busy period for the members I represent. That said, although we welcome the recognition that planning is integral to levelling up, we do need to have an open and honest conversation with you about how we now move forward quickly to resource local authorities to enable the changes. I hope that answers the question.

David Jackson: Likewise, given the high profile that has been given to the levelling-up agenda, it is very welcome that planning is so closely associated with such an important part of the Government's programme. We very much welcome that.

For the people I represent, it is difficult to define exactly what the changes will mean, because they are multifaceted. For people I work directly with, there is a lot to get through and understand about the changes, but we are planning professionals and that is what we direct ourselves towards. That is part of our responsibility. For our clients, there is an expectation of a transition period, and that is a process to be navigated through. We are there to help them through that process. I repeat what I said earlier about the importance of trying to get through that phase as quickly as possible so that we can move on to obtaining the key objectives of building prosperity and creating flourishing communities.

On flourishing communities, in the work that we do as planning professionals we become very much associated with and embedded in communities for the period of a project. It is really important that that process of local engagement and projects being opened to the public scrutiny that leads to improvement—[*Inaudible.*]

The Chair: David, you are looking away from the microphone again and we missed what you said.

David Jackson: Sorry. Public scrutiny is necessary to improve projects and win public trust.

Tony Mulhall: Chartered surveyors provide their services largely at the level of strategic land preparation and development delivery, so they are acutely aware of the increasing risk associated with development projects proceeding. Planning comes with certain risks—in other words, getting a project through the planning system—so it is very important that we have a system that works well in process terms.

From a development point of view, planning is one of the factors. We have huge pressure on costs at the moment. I have here a document that I have just received from the Building Cost Information Service that says that the materials cost index has continued to grow, with annual growth in excess of 20%, and figures say that the cost of complying with the building regulations is around 6%. Those are cumulative risks, and the planning system is just one of those. It is a very important one, and getting it right is very important, but in a

development context the danger is that investors will defer making decisions on taking projects forward until they have greater certainty about the regulatory environment they are heading into and that that regulatory environment can be priced, in a sense—what is it going to cost to get through the regulatory environment?

We need to take account of that, and not just in relation to large house builders. They are capitalised very well, but a lot of small and medium-sized enterprises find it extremely difficult to engage with the planning system at a level they can afford. That impacts on borrowing: you cannot engage a lender if you have what I would describe as planning risk associated with your side. These are the realities that our members face in advising their clients.

Q101 Stuart Andrew: Thank you. One of the complaints that I hear quite a lot, not just from my own constituents but from people throughout the country, is that people feel planning is something that happens to them, and we know that public engagement with the planning system is incredibly low. Do you think the measures in the Bill—the neighbourhood planning, the priority statements and the digitisation of the whole system—will help to improve community engagement? Do you think that, in turn, it will help to enlist more support for development within communities?

Victoria Hills: We welcome all those aspects, and particularly the investment in digital transformation and a bit more structure around what that looks like for local authorities so that they can make the investments in digital that are required. We also absolutely welcome neighbourhood planning, and also, potentially, street votes and all that comes with that.

Something equally important that we are strongly advocating for is that virtual planning committees can continue in the way they did during the pandemic. We are seeking an amendment to the Bill for that purpose, because we think it provided an additional aspect to the ways in which communities could be genuinely engaged, particularly for those people who cannot get to committee meetings in the evenings because of their own commitments.

We welcome all the aspects that have been included in the Bill to broaden engagement. Our top two omissions are the one that I started with—involving the community in the national policies—and enabling them to join in via a virtual committee.

Tony Mulhall: This is a really important point. Our experience, and what we get reported back, is that the community does not tend to engage with the plan-making process—people need to get a development on the corner of their street before they become exercised—so it is very important for us to understand what is a meaningful way to get feedback from the community about what it is that they do not like and what is top of their list of what they want.

I am not sure that the plans that we put through have the legitimacy we might expect from real engagement with people, because I think they do not fully understand what the plan is saying. We have seen the kind of developments in neighbourhood planning that were really good but probably did not get to the people who need to participate to improve their local communities. There is an interesting measure in the Bill to facilitate that. I would say that we really need to rethink what

meaningful participation in plan making is about, because people are coming away from the production of a plan without much knowledge of what is going to turn up in their neighbourhood.

David Jackson: I agree with that point. What we need is engagement at all levels of the plan-making process, from the SDS—spatial development strategy, the new strategic level of plan making—all the way through. It is down to the profession to go out and do that. That is where the parallel development of the levelling-up agenda, putting planning alongside that as the key delivery mechanism, has some advantages, because it demonstrates exactly the role that planning has in facilitating the benefits that we want to see for those communities. My slight concern is in what I might call the hyper-local, because that allows people to focus just on their immediate areas, but as I say, what we want is a focus across the plan-making portfolio, so that people have that aspiration.

One example of the risk of the hyper-local is footnote 54 in the NPPF, which requires onshore wind turbines to be supported by the local community that is most affected. While onshore wind has overall high levels of public support, a massive drop-off in the delivery of onshore wind has been the result of that particular control. It does not take us away from the need to engage with communities at the local level to win their support, but it does create difficulties—challenges—in that hyper-local environment.

Q102 Stuart Andrew: My final question returns to the community infrastructure levy. We have said that we want to take a test-and-learn approach, trialling it with a number of authorities, so I welcome the fact that you want to engage in that process. Do you agree that planning authorities often spend a considerable amount of time in negotiation on CIL or section 106, and often find the negotiations going downwards in terms of investment for the local community? That further erodes trust in the process in respect of what will be delivered on the ground for communities. Will this legislation help to free up the time of some of the planners to do some of the more important strategic stuff? I will go to David first.

David Jackson: On replacing CIL with the infrastructure levy, the simplification of the infrastructure levy based on value is certainly advantageous. In our experience, we were very engaged in the preparation of CIL on behalf of the Home Builders Federation. We engaged with many local authorities on that basis, and it was indeed a very complex process, looking at viability and trying to project that over a period of time and for a range of development scenarios. That simplification is welcome.

I take a slightly different view on section 106. It goes without saying that where section 106 is engaged, we are dealing in large part with complex, difficult, challenging projects. We have to ensure that local communities have trust in the process and that it will deliver the outcomes they expect to see. Inevitably, there is an element of commercial negotiation, because viability can often be engaged where we have multiple demands on investment in a local community, so it is right that we go through that complex process. I think CIL helps in terms of taking—[Inaudible.] The complexity of section 106 is merely a reflection of the complexity of the projects we are dealing with and the wish on both sides—both the

community and the developer—to ensure that the infrastructure that is required to make the project work is actually delivered.

Victoria Hills: We have been very clear that anything that comes in needs to not overcomplicate an already quite complicated system. As proposed, the infrastructure levies will all go through PINS—the Planning Inspectorate—which we think will add more delay and cost to the system. We are advocating for the new infrastructure levies to get directly agreed by local authorities with the Secretary of State or the Department, to take out some of what I think you are alluding to—the horse trading, the negotiation and all the rest of it. Then, there is one discussion between the directly elected authority and the Department, and that gets agreed. You can take months and significant cost out of the whole system by not running it through PINS.

Another important point, which I could not make earlier, is that it is really important to understand how, in simplifying the system, the new infrastructure levy will sit alongside other statutory requirements—not least biodiversity net gain and affordable housing—and how, in simplifying it, it will balance out those quite complex aspects. The requirement for affordable housing has always been the case, but biodiversity net gain was not a thing before.

At the moment, until we see the detail, we are not convinced that it will all be simplified. There are some important complexities to take on board.

Q103 Rachael Maskell (York Central) (Lab/Co-op): In the light of the Government's proposals and commitment to building 300,000 homes by 2025 and real revision of the planning process, do the witnesses believe that is deliverable? Do they believe we will see homes that are predominantly assets, investments, second homes and Airbnbs?

Victoria Hills: We have always been very clear that the way to deliver great places and great communities is through a robust local plan and framework where the local authority has the opportunity to set out their priorities, which could include some of the aspects you referred to. The elevation of the importance of the local plan in all this is welcome. The detail, which we do not yet have, is on to what extent local authorities will be able to carry on delivering priorities through policy, and to what extent they will get pulled out into the national framework.

We support the principle of the local plan being elevated. We recognise that it is the only way you can move ahead with delivering on agendas including net zero, affordable housing and well-designed, healthy homes. If you are going to have policies against second homes, that may well be something to prioritise in your local plan, or in national guidance—the detail is yet to be seen on that.

Whether or not it meets the housing numbers is still an area for debate. The Government are on the record saying that is very much the plan in action. We will be advocating for local authorities to be well resourced, without delay to the national framework, to enable them to get on with the business of producing local plans as quickly as possible, in order to provide certainty

for local communities and the development sector, so that it can get on and start planning and then building. It really just relates to the earlier theme of resourcing.

However, there also needs to be no further delay. There is an urgent need to deliver more homes, as we know. The housing waiting list continues to rise, and more and more people are still desperate to have a place of their own. The need continues to grow, so it is important that we move forward quickly on any regulatory reform and that we move forward with a resourcing package—which surely must include bringing up the planning fees as well, to help to move those things forward as quickly as possible.

Tony Mulhall: I totally agree with Victoria's point about the importance of having up-to-date local plans, and the important aspect in the Bill of being able to combine local authorities so that they better match their functional urban region or their socioeconomic hinterland. That is important because we are spending a lot of time and money squeezing the carbon out of our buildings, but there will not be much point in doing that if we have to drive miles to get to our jobs and schools. It is critical that we have a proper planning system linked with the standards of quality construction that will achieve climate change.

On the point as to whether the measures in the Bill will deliver the target of 300,000 houses per annum, the feedback that I get from our members is “No.”

Q104 Rachael Maskell: Could you expand on that?

Tony Mulhall: There are many other factors besides planning that have an impact on the delivery of housing. The market has typically provided a certain level of housing delivery. It has fallen to housing associations and Government to supply what is actually needed. There is a big danger here—we raised this during Sir Oliver Letwin's review—that if you allow house prices to increase to a certain level, there is nobody who is in favour of them falling. Everybody is invested in them staying at that level. If we continue to have a shortage of supply, which is resulting in price rises, then that is what is pulling up land values. It is the price of the house that is pulling up the value of the land, not the value of the land pushing up the house price.

Those are very important things to understand, because once a certain price level is arrived at in the housing market, nobody is in favour of that falling. Every metric that we are relying on extols the increasing value of property. We need to be very careful about what our expectations are with the affordability of housing if we allow there to be a very tight supply, like there is at the moment. The lending industry is not going to welcome a managed reduction in values. Those are really big issues that are outside of the planning Bill, but are crucial to the delivery of housing.

Q105 Rachael Maskell: Thank you for that answer. Could I ask Mr Jackson and then Ms Hills, is there anything that you think is missing from the Bill that would address housing inequality?

David Jackson: I will just comment quickly on the target of 300,000 and then come to your question. The 300,000 target is correct; we are in the midst of a housing crisis, so it is right to set that as a national ambition. If we look at vacancy rates for residential

property across the country, they are typically very low—between 1% and 2%. That ties in well with what the levelling-up agenda is trying to achieve. If we are seeking to create a stronger economy, then the availability of homes near to the jobs that we are creating is an essential component part of that. Tony was talking about creating sustainable relationships between jobs and homes. We have to boost the delivery of homes, but they have to be related to the availability of jobs and the growth in the economy. As Victoria was saying, the fundamental requirement of the local planning process is to get those balances right and to put in any checks that need to be in place to control the downsides of that—be those downsides secondary homes or whatever else.

Rachael Maskell: In view of the time, can I just move quickly over to Ms Hills—[*Interruption.*]

The Chair: Order. I am afraid that brings us to the end of the allotted time for the Committee to ask questions. May I thank the witnesses on behalf of the Committee for their evidence? We now move on to the next panel.

Examination of Witnesses

Jonathan Owen and Tony Burton CBE gave evidence.

12.15 pm

The Chair: We will now hear evidence from Jonathan Owen, chief executive of the National Association of Local Councils, and Tony Burton CBE, convenor of Neighbourhood Planners London. They are both appearing via Zoom. Gentlemen, may I please you ask to introduce yourselves?

Jonathan Owen: Good afternoon. I am Jonathan Owen. I am the chief executive of the National Association of Local Councils, which works closely with 43 county associations to support and promote the interests of 10,000 parish and town councils across England that are keen to help with levelling up and address many of the missions that are set out to support the Bill.

Tony Burton: Hello. I am Tony Burton. I am one of the convenors of Neighbourhood Planners London. We are a volunteer-run network, which supports neighbourhood planners in the capital and raises the profile of neighbourhood planning. I can also bring some personal insight, as a neighbourhood planning examiner.

The Chair: We have until 1 o'clock and this time I turn to the Minister first.

Q106 Stuart Andrew: Thank you, Mrs Murray, and I thank the witnesses for their attendance this morning.

In the previous evidence session, we heard that people often describe planning as something that happens to them. Do you think that the measures in the Bill will increase community engagement in all aspects of the planning process, particularly the development of local plans and other individual planning applications? Do you think that some of the measures, such as the introduction of the neighbourhood priority statements, will help to increase the number of neighbourhood planning groups that might be spread in areas that have been difficult to reach so far?

Tony Burton: Generally, we think the Bill is helpful for communities who want to have more of a say on planning issues. There are one or two headlines. The most pre-emptive one is that the Bill confirms the statutory role for neighbourhood planning, given the uncertainty since the publication of a White Paper that said relatively little about it and that brought forward some proposals that would have shut out community input, such as those at the planning application stage.

The specific measures around neighbourhood planning, and I appreciate that your question goes wider than that, are relatively limited. The adjustments to the basic conditions and the broad definition that has been provided, which is helpful, will not have a significant impact on take-up. They will help to clarify some elements of process. And neighbourhood planning will be caught up in the same changes as local plans, when it comes to the primacy of the development plan and the centralisation of the development of management policies. Again, they need to play out, but much of that is welcome, because it attaches additional weight to the document, and to the time and effort that volunteers invest.

The neighbourhood priority statements are triggering some interest among the groups we work with, but they are also raising a significant number of questions. In our view, if the aim is to support greater take-up, particularly in urban areas, which I know the Minister is keen to see, then more needs to be done. They need to be seen as something that is additional to and complementary to neighbourhood planning, not a replacement for it.

The legislation is quite weak in the weight that needs to be attached to it by local authorities; the “have regard” requirement is weak. We have a decade of experience in London of boroughs not really taking that much notice even of neighbourhood plans, which are statutory documents, so we would like to see a stronger weight attached.

It needs to be confirmed in the legislation, not just elsewhere, that it is about more than informing local plans. We understand that that is the Government's intention, but the current drafting of the Bill is quite restrictive. We think that it would be really sensible if the Government supported communities to pilot and to try to make all priority statements before the legislation is finalised, so that we get a real sense of what they could achieve.

The disappointment is that the local planning provisions are not more extensive, to encourage wider community involvement. We are about to publish our “The State of Neighbourhood Planning in London” report this evening, and it shows that progress in engaging communities is still being hampered by obstructive local authorities in many cases. Therefore, we believe that if the Bill is to effectively engage communities in leading development, as opposed to responding to it—doing planning, as opposed to having it done to them—it really needs to strengthen the legal duty on local authorities to support neighbourhood planning. It needs to give neighbourhood forums the same powers as parish and town councils in receiving and spending the neighbourhood element of the community infrastructure levy. At a stroke, that is the single most important thing that the Government could do to encourage local planning in cities. The Bill also needs to set time limits on local authorities making decisions on key stages.

The final point we would make is that the Bill itself will not be enough, and that there will need to be support for communities to engage and involve themselves. We would put particular attention on the role of the neighbourhood planning support programme, which is probably the single most important measure available to accelerate community involvement in planning decisions. It could be significantly improved and increased.

Jonathan Owen: I am sure it will not surprise any of you to hear that probably the No. 1 issue affecting 10,000 parish and town councils and 100,000 councillors is planning. That is top of their agenda, and I think it would be fair to say that we need to look at every way we can to make sure that the public are more effectively engaged with the system. We are pleased with the emphasis on a plan-based system—that is right—and public engagement in that planning is absolutely vital.

The main area of interest for us is neighbourhood planning, and parish and town councils have really been in the driving seat of producing those plans. I think there have been about 3,000 so far, with about 90% done by parish and town councils. They have had amazing referenda, with something like a million people voting in them over the last few years. I think they cover an area of about 10 million people. That is a really good way in which the public can engage with the planning system, but there are thousands and thousands of other communities that are being left behind and that do not have neighbourhood plans by parish and town councils or neighbourhood forums.

Some of the feedback that we had from our 10,000 parish councils was that they were concerned that it will be costly and time consuming, and that the neighbourhood plans will be overlooked and not taken seriously by principal authorities. A lot of the measures in the Bill will help address those issues, which should help with promoting neighbourhood planning.

This must not stop with the Bill. If you are going to reach the other 7,000 or 8,000 communities, we need to make sure that we are promoting neighbourhood planning and its benefits, and that we are investing in helping those communities to do that work. I would encourage you to continue with the grants that are available, and perhaps to make them easier to access. We have had a good start to neighbourhood planning, and I am really pleased that you are committed to continuing with it and making it more effective. We will work with you to try to make that happen.

There are a couple of bits of other feedback around the infrastructure levy. Again, that is to be supported, but there is a risk that because the percentage is the same regardless of whether you have a neighbourhood plan or not, there might be a slight disincentive to produce a neighbourhood plan. As you know, there is a boost to the share of the community infrastructure levy if you have a neighbourhood plan. It would be good if you could consider how best to address that point, so that people are incentivised to have neighbourhood plans and to engage effectively with the public.

On the specific matter of the mini neighbourhood plan, I think that is fine but, again, we need to make sure that doesn't limit communities' ambitions to go further and to have neighbourhood plans. We probably need to balance that territory.

I have been amazed by the innovation of many neighbourhood plans and the things they are now trying to address, including climate change, health and wellbeing, such as dementia-friendly aspects, and a vast range of other things. Clearly, we must not lose that innovation. We must use this Bill to drive forward neighbourhood planning and get more people involved with it, and I think that would be a good thing.

Q107 Stuart Andrew: Thank you. In the spirit of wanting to encourage more people to get involved in the development of local plans, we have certainly heard from communities that it is a very complex process. If you are a parish or town council, there may be some resource you can lean on, but in areas that are not covered by town or parish councils such work is reliant on volunteers. Do you think the digitalisation of the process will life a lot easier? Will that encourage more people to take up the mantle of developing a neighbourhood plan for their community?

Jonathan Owen: I think one thing we have learned over the last couple years is that people are getting more and more used to digital engagement and using such systems, so that probably will be the case. Obviously, you will need to review and monitor it, but I think it is certainly something that is worth developing further.

Many of our parish and town councils are already using digital processes when considering planning applications for principal authorities, so I think that could well make a difference. There might be some capital investment required to ensure that even remote communities in the middle of rural Suffolk, where I live, can access the material online without being excluded.

Tony Burton: Our experience is that digital is part of the answer. In relation to local and neighbourhood plans, we would point to the opportunities it presents around new, complementary forms of community engagement—there are now a variety of tools available to support that—and more effective ways of pooling and analysing the evidence that is required, which is often a minefield of PDFs that do not link to each other or help people to navigate the system or get to the nub of the issues.

There is a potential—this is something we have been pressing for—for the neighbourhood planning support programme to provide bespoke support around this and to offer provision for particular elements, such as centralised tools or databases. Also, we would emphasise more digital mapping. Almost by definition, planning is about maps and places—it is spatial—and yet the ways in which we bring everything together on a map are still rather clunky and not all that effective. The best of what is out there shows what can be done, and the best should be the norm.

I would emphasise that digital is only part of a solution. It is no panacea and nothing is more important than the peer-to-peer, face-to-face support that communities need to support them to be their best when it comes to engaging with these processes.

The Chair: I am afraid that this will have to be the last question from the Ministers before I move to the Opposition spokesman. Minister O'Brien, I believe you have a question.

Q108 The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien):

Thank you, Mrs Murray. The Bill comes at a time when various processes to look at the reform of neighbourhood governance are still under way, but it still contains a number of important changes, be it the strengthening of neighbourhood plans or the changes to the infrastructure levy, with potentially larger sums for neighbourhood communities. There are also things such as street votes and high street rental auctions, which might give community groups, and indeed parish councils and the like, a chance to get on to the high street and increase their visibility. Reflecting as practitioners of neighbourhood governance, what is your advice on how best we can put into practice the different measures in the Bill so that they best channel the energies and pick up the concerns of neighbourhoods and local communities?

Jonathan Owen: We are really keen to see the detail on some of the other aspects of the neighbourhood governance review. The White Paper held out for us real promise to ensure that the opportunities of devolution and levelling up were really seized, so I hope you will not mind if start off by encouraging you to consider how you can build aspects of that wider review into the Bill. We are particularly keen to see the review conducted within quite a reasonable timescale, to be involved in the process and to make sure that any proposals that come out of it are enacted. We would quite like to see some sort of placeholder clause put in for street votes, to say that the neighbourhood governance review will be completed within a certain time and the agreed proposals enacted. I do not know whether that is possible, but I really do think you might miss an opportunity if you do not engage fully in that review and implement some of its actions.

The key things for us are about making it easier to set up parish and town councils. At the moment, about two thirds of the country has a parish, but only about a third of the population, which means that two thirds of the population are missing out on having the first tier of local government supporting community empowerment and helping them address the big challenges that we face. Many of you will be aware of the research done by Onward. Its social fabric index showed that places with parish councils tended to have a stronger community identity and so forth. I think there are some real opportunities that need to be picked up either as part of the Bill or as part of that wider neighbourhood governance review.

The other big area for us is funding of the sector. At the moment, our councils are not necessarily able to access some funding streams, such as the community ownership fund and other things. It would be good to look at making it possible for them to access that funding. An interesting example of that was how, through the covid pandemic, a lot of our 10,000 councils stepped up really early, as you will be aware, to set up volunteering arrangements and support local communities. Many of them did really great things, but many of them lost out from lost income. You were able to compensate the principal authorities but unable to compensate parish councils that had lost out. To be honest, principal authorities were reluctant to devolve much of the funding they received down to our level.

I think you should consider using the Bill to put in place a mechanism whereby you would be able to fund local councils directly. That could be really helpful to

this Government and probably to future Governments when another big problem happens, such as the pandemic, so that you would be able to reach down to communities throughout the country and provide some financial support or lifeline as necessary.

On the street votes, we will be interested to see the detail on that and, again, picking up on my other point on neighbourhood planning, we just need to make sure that that complements and does not replace the wider neighbourhood planning role.

Finally, returning to the last question on digitalisation, the holding of remote meetings has been really useful in the last couple of years. We have seen evidence that lots of members of the public have attended parish and town council meetings because they are able just to attend for the one item that interests them, which is often a planning matter. Enabling councils to meet remotely and have engagement remotely from residents would be really good.

Tony Burton: I think it is a really helpful question to be asking at this stage. There is experience from similar questions that came through on the Localism Act 2011, from which some of the existing community rights measures stemmed. If we look back over those 10 years, we see that some have been successful and some have disappeared, frankly—they might be on the statute book but no one is using the power they provide. The things that worked are those that responded to what people want—there may be lessons here for the provisions you cited and others in the Bill. They were a response to what our communities were asking for, as opposed to us saying, “We’ve got a good idea. Please will you use it.” Some came with support and help, which allowed communities to really understand how to navigate and use the process and talk to others that are maybe slightly further ahead of them in the process. Some in a sense held the ring on some of the bigger questions.

That is why neighbourhood planning is so good. It is such a flexible and strategic tool, as well as being locally specific. You can make it a single policy about a single issue if you want, or you can make it a mini local plan that covers the bases. It is up to the community to drive that process.

I would also encourage you to anticipate where there will be blockages in the application of whatever powers or rights are being established. With neighbourhood planning we have had to retrofit a lot of those, and it has not been that helpful. There have been things such as the timetables for local authorities to make decisions and some of the powers to appeal to the Secretary of State. It is actually worth stress testing these against the worst cases within which they are trying to be applied as well as thinking that we are always going to be operating in a benevolent environment.

Neil O'Brien: Thank you. That was very helpful.

The Chair: I call the shadow Minister.

Q109 Matthew Pennycook: Thank you, Mrs Murray, and I thank both witnesses for attending. I would ideally like to get through four questions, so I would appreciate it if you could trim your answers to help me do that. The first question relates to national development management plans. Do you take issue with them on

principle, on the grounds that they undermine the primacy of local and neighbourhood plans? If not, do you think their use should be circumscribed? If so, how tightly?

Jonathan Owen: As I said, we are strongly supportive of a plan-led system, and we are concerned that those national development management policies might well take primacy over neighbourhood plans and cause difficulties. We would like to see the Bill amended so that they do not have primacy over those other local deals. I also think there should be consideration to make sure that if those national policies are changed, it does not require an immediate updating of a neighbourhood or local plan. I think there is a risk that we will have waves of new national plans that will then set aside some of the local policies.

Tony Burton: I agree with that. [*Inaudible.*] There is merit in setting out at a national level those policies that are appropriate to be expressed at a national level: policies that are universally applicable and set the framework within which other things happen. We see completely unnecessary repetition, rewording, obfuscation and a lack of clarity when they are carried forward through development plans and some neighbourhood plans.

The risk is that national policies stray too far into matters that are much better decided at the local or neighbourhood level. There will always be a very strong temptation for Whitehall to overstep the mark, as history shows. We think that there need to be clear measures that prescribe and limit the national development management policies to those things for which they are appropriate and which do not fetter the nuance and local understanding that is brought at local and neighbourhood level.

Q110 Matthew Pennycook: Thank you. I am sure you both know that, unlike national policy statements, the Bill proposes no parliamentary approval process for NDMPs and stipulates that the requirement to consult is entirely at the discretion of the Secretary of State. Can I take it that you both agree there should be a greater degree of consultation and parliamentary oversight of these plans?

Tony Burton: Yes, indeed. We don't necessarily think that they are sufficient on the NPSs or indeed the national planning policy framework, so it is not just about equivalence. That could all be significantly improved to a much more citizen and community-led insight into how these policies are being drawn up.

Jonathan Owen: As for the first tier of local government, I think that the more engagement and consultation, the better. So yes, I think that is something that should be looked at.

Q111 Matthew Pennycook: I have a very specific question relating to clause 83, which states that planning determination must be made

“in accordance with the development plan and any national development management policies, unless material considerations strongly indicate otherwise.”

Is that language sufficiently clear to be easily understood by councils?

Tony Burton: May I digress briefly? This is a personal question, because over 30 years ago, in a different campaigning role, I was responsible for drafting all the amendments to what became the Planning and

Compensation Act 1991, which includes the provisions that clause 83 now seeks to change. At that time, we went through about a dozen variations of how to express on the face of the Bill what we were seeking to achieve. Sir George Young was the Minister responsible and was seeking a plan-led system. We even tried “strongly” at the time and, if my memory serves me right, it was rejected by Parliament's legal experts. So although the language is clunky—it is legalistic—it has a 30-year track record. The insertion of a single word is a helpful expression of a more plan-led approach. It might be more helpful to go down that route than it would be to develop an entirely different set of wording, which would then trigger a whole new set of case law having to be established. In terms of the pragmatic achievement of what we are trying to do here—to strengthen a plan-led approach—the pragmatic approach, as suggested in the Bill, is reasonable.

Jonathan Owen: I agree with Tony. Adding “strongly” is helpful.

Q112 Matthew Pennycook: The Bill introduces two new development plan documents: spatial development strategies and supplementary plans. However, it provides only for extremely limited opportunities for the public to participate in producing them. Should the Bill be amended to ensure that members of the public can be involved in every aspect of development plan formulation? If so, what might that look like?

Tony Burton: Again, it is the same point that we have made throughout. You cannot, on the one hand, have a Bill that has written through it political rhetoric about communities having more insight and influence, being less done to, and strengthening the role in local planning, but on the other hand have critical documents prepared by other parts of the system being drawn up without the benefit of the insight that those communities that will be involved in other ways can bring. Providing those legal safeguards is an essential process, in our view, and that needs to be more than six weeks of a PDF being on a website; it needs to be something that requires positive interaction being secured with those who are going to be interested and engaged in it.

Jonathan Owen: There is some helpful evidence from the neighbourhood planning process. Where communities have been engaged and have inputted effectively to the development of neighbourhood plans, they have understood the reasons for some of the development pressures and other things. Actually, where there are neighbourhood plans, additional housing to that anticipated in the local plan has often been put in place. Engagement and full consultation, as Tony suggested, is sensible.

The Chair: I call Greg Smith.

Q113 Greg Smith (Buckingham) (Con): Thank you, Mrs Murray. Good afternoon to our witnesses. I work with a lot of parish councils across my constituency, which is predominantly rural. More often than not, parish councils come to me when there are issues with contentious planning applications and other development-led problems. One of the things that I see on a daily basis is almost a level of burnout among parish councillors, including last year losing an active, prominent chairman of the parish council—he had retired and wanted to

give something back to his community, only to find that he was working longer hours on parish matters than he had been in the full-time job he had just retired from. Given that the Bill will place greater pressure on parishes—on neighbourhood planning and other matters—without creating another tier of professional politician, how can we rebalance the asks that are put on our parish and town councils? Jonathan, that is probably a question for you predominantly.

Jonathan Owen: Well, that is a \$60 billion question. That is an issue for parish councillors.

I have a few reflections. First, we need to promote their work more effectively, publicising what they can do and understanding their potential. Parish and town councils can deliver exciting and good things for their communities. They are not just a place to go and sit for a boring meeting; they are about getting out there to help communities. I think that was the experience of the pandemic, actually: a lot of parish councils rolled up their sleeves, as they often do, and made things happen. I remember that my previous chair, Ken Browse from Devon, who was a small parish councillor, used to get his tractor out and dig out the ditches when there was flooding in Devon. It is about trying to use that potential of councillors, rather than getting them borne down, as you say, under a sort of semi-professional thing. That is not what they are there for: they are there to represent their local constituents and do their bit to make their local places much better.

We would like to see some real promotion of parish councils. It is ironic that over the past year they have probably had much more of a national profile because of the Jackie Weaver affair, but I think national Government should be investing significant money in promoting the potential of parish councils and why people should get involved. The National Association of Local Councils has its Make a Change campaign going at the moment, which is trying to encourage more people to get involved and stand for election. We are putting out a lot of material and, I think it would be fair to say, getting a lot of interest. The average age of a parish councillor is something like 61. We would like to see that much reduced, and we would like to see people from different backgrounds getting involved. As with all things, it needs to be marketed and promoted.

The second point I would make is that principal authorities get something like £18 million from Government to support the work of the Local Government Association and build the capacity and competence of councillors. We are really grateful to the LGA, which we are able to work with in some limited areas to access some of that funding, but our sector and our 100,000 councillors need some support from Government too, to make sure they are able to deliver the things that are required in a sensible way. I think that that investment in councillors as local leaders and place shapers, making a difference for their communities, would help tackle burnout.

Tony Burton: If burnout is an issue in town and county councils—which I can well acknowledge—imagine what it is like when you are dealing with an entirely volunteer network. We do not have a National Association of Local Councils; we do not have a parish clerk or a town clerk; we do not have an infrastructure organisation; we do not have an email address; we do not have an office; and we do not have a place to meet. When a neighbourhood forum is set up, it is set up from nothing,

and it requires volunteers like us to put forward networks for London. London is unique in having a network that provides a bit of mutual support.

There are two points I would emphasise to make the life of being a civic volunteer something that you really want to do, and where you don't burn out. One is to remove as many of the obstacles we spend much of our time fighting against as possible. We are not naive—of course life is going to be difficult—but there are pointless, and sometimes gratuitous, obstructions being put in the way of volunteers trying to do the right thing in their area. We have a range of evidence for that in relation to neighbourhood planning in London or from the research we have done. We do not have the time to go into it here, but it is available to the Committee if it wishes to look at it. The second is to put booster rockets under the support programme, which we have touched on already as being the single most important intervention—far more important than the Bill—so that it can be effectively delivered, ensuring that neighbourhood planning is one of the tools available to communities to take back more influence over planning.

Q114 Greg Smith: That is very helpful. As parishes, town councils and volunteer networks—particularly in London—look to the future on the presumption that this Bill will become law, given the relatively low percentage of areas that have an active neighbourhood plan, how prepared are parish councils and town councils for taking on the work that is going to come down the line. In the case of London, how robust do you think the London boroughs can be?

I ask that through the lens of having been a London councillor for 12 years, before moving to the countryside and later having the privilege of being elected to the House of Commons. Thinking through some of the geography, the London borough I sat on was smaller geographically than some of the parishes in my constituency now. While I totally salute the efforts of volunteer networks across the capital, do we think that the geography in some parts of London, particularly inner-London boroughs, lends itself to those boroughs still having that primacy?

Tony Burton: I hear what you are saying, and I am sure the populations of those boroughs and parishes are dramatically different. We need only point to the “city of villages” and Ebenezer Howard. The neighbourhoods of London are defined much more tightly than the boroughs, and many London neighbourhoods cross borough boundaries. One example is Crystal Palace, which is a very identifiable community, yet it crosses five London boroughs. It has been almost impossible to establish an effective boundary through the neighbourhood planning process, but that does not mean Crystal Palace is not Crystal Palace.

Crystal Palace identifies with itself, as do all the other neighbourhoods in London. We think there is significant scope below the borough level. There is an open question, which goes beyond the scope of the Bill, as to whether London might have too many boroughs, and the way they share services at the moment would suggest they acknowledge that—they share chief executives, legal services and all the rest of it.

London is an example of where there is still a need. There is the question of whether areas are willing to take on those responsibilities, linked to the issues of

support, the attitude of professionals and politicians within the boroughs and the question of where this is going. What happens after they produce a neighbourhood plan? We would like to see the evolution anticipated by the Localism Act 2011 of neighbourhood forums evolving into the urban equivalent of a town or parish council, of which we have only one in London at Queen's Park, which has a particular history. There are opportunities in this Bill to help the process mature and to create more sustainable models that might start with a neighbourhood forum producing a neighbourhood plan before growing into a much more all-encompassing, community-led form of governance.

Jonathan Owen: It would be great if we could make it easier to set up local structures that are equivalent to parish and town councils. I would love to change the name to "community councils," which would help to dissociate the sector from the connotations of the word "parish" and enable them better to reflect urban communities. Slimming down some of the legislation would make it easier to set that up. We would have community councillors and a community co-ordinator, otherwise known as a clerk. The clerks do a brilliant job, but they are often community co-ordinators. We obviously support the work Tony mentioned.

There has been a degree of uncertainty about neighbourhood planning over the past few years, and some people have been concerned that it is overlooked on appeal. The measures in the Bill might well help with that, and it is important to reboot and refresh the support package.

Finally, it would be good if we could boost the infrastructure levy for areas with neighbourhood plans. We are keen to work with the Government on driving greater numbers of parish and town councils to do neighbourhood plans. We share with our councils the things that have been done in so many places to tackle climate change and to promote health and wellbeing as part of the neighbourhood planning process.

Q115 Greg Smith: I have a very quick last question, as I am aware another colleague wants to come in. Given that parish and town councils know their communities better than any other tier of government, who should set the level of housing need—or housing targets, to use a controversial phrase—for house building development? Should it be national Government, planning authorities or parish and town councils, or whatever is created in London below the borough level?

Jonathan Owen: Tony, do you want to go first?

Tony Burton: There are two issues here. The first is the numbers, and I do not think it can be done by just adding up all the local levels, because the nature of the housing market is such that you need a blend of strategic and local insight. It is about how we make sure the discussions and negotiations that take place mean there is an effective blend.

There are particular opportunities to strengthen the identification of particular needs that would not otherwise be met, whether they be house sizes and types; questions around affordability and rent; or the provision of alternative tenures—community land trusts and others. There is plenty of evidence now that neighbourhood plans are providing a much more refined insight into what is needed in areas, which can then carry appropriate weight

through not just planning decisions but housing decisions. That would ensure that whatever the total number, a higher proportion are meeting the needs that are being expressed and are not just being used for investment or other less publicly useful purposes.

Jonathan Owen: It has to be an interplay between the various levels. We need to change the culture around planning to get different tiers talking and engaging with each other. That often does not happen at the moment, and it would be really good to see better engagement between the various tiers coming out of this Bill. The experience of neighbourhood planning is people being engaged and consulted, and having an effective input. They understand the pressures for local housing and the need to meet the needs of their local residents and their young people. I am a glass half full man and it would be great to see better dialogue and interplay between the various tiers to deliver what we all need, which is more local housing.

Tony Burton: Briefly, the evidence is that neighbourhood plans are delivering more housing locally than would otherwise be the case if it was left to local councils.

The Chair: The final question is from Rachael Maskell.

Q116 Rachael Maskell: How do you think the Bill could be strengthened to better support neighbourhood planning? What kind of governance structures would you want to see to achieve that?

Tony Burton: We would like to see a Bill that gives more incentives to produce neighbourhood plans and ensures that neighbourhood forums have access to and can make decisions on the spending of the community infrastructure levy. We would like to see a Bill that removes some of the obstacles to neighbourhood plans coming forward where there are obstructive local planning authorities—principal authorities—by strengthening the legal duty on them to support neighbourhood planning and by putting more time limits and appeal mechanisms in place to navigate the process accordingly.

We would like to see the neighbourhood priorities statements being given more weight where they are to be taken forwards, so they cannot just be ignored, and to see them piloted. We would like to see the Bill come forward with a package of support that would scale up what has been learned from the experiences of the last 10 years, and a programme of support, with an emphasis on more funding but also better use of the existing funding, that was designed to enable those communities to come together to produce plans and tap into the expertise that they need at certain key stages. Above all, the support should enable them to learn from each other and build the neighbourhood planning movement, so that that becomes the norm across the country.

Jonathan Owen: I agree very much with what Tony has said. I would offer a couple of additional points. First, recipients must be able to use the infrastructure levy flexibly for a range of uses. Linked to that, I would like to see in the Bill the extension of the general power of competence, which is proposed for the county combined authorities, to parish and town councils too, so that they can use some of that to support a range of things that they might not otherwise be able to support. That should make it easier for local councils to deliver for their communities and to ensure that they are spending money wisely on the right things locally.

Rachael Maskell: Thank you.

The Chair: If there are no further questions from Members, I thank the witnesses for their evidence. The Committee will meet again at 2 pm in this room to hear further evidence on the Bill.

Ordered, That further consideration be now adjourned.
—(*Miss Dines.*)

12.59 pm

Adjourned till this day at Two o'clock.

PARLIAMENTARY DEBATES

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GENERAL COMMITTEES

Public Bill Committee

LEVELLING-UP AND REGENERATION BILL

Fourth Sitting

Thursday 23 June 2022

(Afternoon)

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Examination of witnesses.

Adjourned till Tuesday 28 June at twenty-five minutes past Nine o'clock.

Written evidence reported to the House.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Monday 27 June 2022

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The Committee consisted of the following Members:

Chairs: † MR PETER BONE, SIR MARK HENDRICK, MRS SHERYLL MURRAY, IAN PAISLEY

† Andrew, Stuart (<i>Minister for Housing</i>)	† Norris, Alex (<i>Nottingham North</i>) (Lab/Co-op)
† Atherton, Sarah (<i>Wrexham</i>) (Con)	† O'Brien, Neil (<i>Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities</i>)
† Dines, Miss Sarah (<i>Derbyshire Dales</i>) (Con)	† Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab)
Farron, Tim (<i>Westmorland and Lonsdale</i>) (LD)	† Smith, Greg (<i>Buckingham</i>) (Con)
Fletcher, Colleen (<i>Coventry North East</i>) (Lab)	Vickers, Matt (<i>Stockton South</i>) (Con)
Gibson, Patricia (<i>North Ayrshire and Arran</i>) (SNP)	
† Henry, Darren (<i>Broxtowe</i>) (Con)	Bethan Harding, Adam Mellows-Facer, <i>Committee Clerks</i>
† Kruger, Danny (<i>Devizes</i>) (Con)	
Lewell-Buck, Mrs Emma (<i>South Shields</i>) (Lab)	
† Maskell, Rachael (<i>York Central</i>) (Lab/Co-op)	
Moore, Robbie (<i>Keighley</i>) (Con)	
† Mortimer, Jill (<i>Hartlepool</i>) (Con)	† attended the Committee

Witnesses

Andy Street CBE, Mayor of the West Midlands

Nicholas Boys Smith, Founding Director, Create Streets

Lizzie Glithero-West, Chief Executive, Heritage Alliance

Adrian Dobson, Executive Director of Professional Services, Royal Institute of British Architects

Dr Richard Benwell, Chief Executive, Wildlife and Countryside Link

Carolyn McKenzie, Chair of the Energy and Clean Growth Working Group, ADEPT

Paul Miner, Head of Policy and Planning, CPRE

Dr Hugh Ellis, Policy Director, Town and Country Planning Association

Gavin Smart, Chief Executive Officer, Chartered Institute of Housing

Kate Henderson, Chief Executive, National Housing Federation

Will Tanner, Chief Executive Officer, Onward

Alex Morton, Head of Policy, Centre for Policy Studies

Public Bill Committee

Thursday 23 June 2022

(Afternoon)

[MR PETER BONE *in the Chair*]

Levelling-up and Regeneration Bill

2 pm

The Chair: We are now sitting in public and the proceedings are being broadcast. Members may remove their jackets if they want to because of the temperature in the room. Good afternoon, everyone—I am not filibustering for any particular reason, other than we do not seem to have our guests at the moment. Andy Street, the West Midlands Mayor, will be our first witness.

I should remind Members to limit their questions to something vaguely to do with what the Committee is considering. This is of course the only time the Ministers have fun during the whole of the proceedings, because they get to ask questions and do not have to answer them. Next week, it is their turn to be scrutinised.

With that, someone should press a button and Andy Street should appear—[*Interruption.*] I tell you what we will do: we will go into private session and talk about the questions. We skipped it this morning, but we now have some time to do that. We will sit in private until somebody tells me the technology is working.

2.1 pm

The Committee deliberated in private.

Examination of Witness

Andy Street CBE gave evidence.

2.5 pm

The Chair: We are now in public session. Good afternoon. I can see Andy Street, Mayor of the West Midlands. Welcome to you. For the record, will you say who you are?

Andy Street: With pleasure, Chair. I am Andy Street, Mayor of the West Midlands, as you said.

The Chair: Thank you. We will go straight to the Opposition. Shadow Minister.

Q117 Alex Norris (Nottingham North) (Lab/Co-op): Thank you, Mr Bone, and thank you, Mayor Andy Street, for your time this afternoon. It is much appreciated.

I will start with a simple question: with the experience you now have of being Mayor of a huge part of the country, and of the powers you have been exercising, what do you see next for the powers of the West Midlands Mayor?

Andy Street: Thank you for the question. I think there are two ways of answering it. In some of the areas where we have been exercising powers already, we are looking for them to be deepened—so housing, transport and skills. Then, of course, in some policy areas, we

have not had any powers and are looking for them, and we might talk about inward investment as an example of that.

The other way of answering the question is to talk about the fiscal deal. At the moment, we have really been applying to Government for funding and then allocating it using all our knowledge—the whole idea that decisions taken next to people are better—but we have not had our own fundraising power. There is a real moment as to whether this next trailblazer devolution deal is going to begin a process of fiscal devolution.

Q118 Alex Norris: Thank you, that is really helpful. I am hoping that you might pull back the curtain, in so far as you are willing to, on the operations of a combined authority. Your membership is very big, so how does that work in practice? How do you work with those who have democratic mandates and with others who have been selected, because they are involved with your local enterprise partnerships? I believe you also have a trade union representative—I would always suggest that people join trade unions, because it seems a good idea to me. I wondered how that works in practice, how you try to build consensus and how you work with your combined authority?

Andy Street: Yes, you are right—interesting question. The remarkable thing about this area of the country—I think what I am about to say is true, and it is in contrast to every other combined authority—is that we are completely balanced politically: 14 Conservative MPs, 14 Labour MPs, four Labour councils, three Conservative councils and a Tory Mayor. That means that there has to be a model of working across party and consensually.

The way the decision making works is that our board takes the decisions. That is the seven local authorities, obviously balanced. The executive will be responsible for all the preparation of all the policy areas, all the proposals, but it will be that board that formally takes the decisions. One thing that I often talk about and am very proud of is that every single major financial decision that we have taken over the past five years has been taken unanimously by that board, across party. So, actually, an enormous amount of work has to be done to find what we might call regional interest and that consensual point, rather than—dare I say it on this call—the more conventional Westminster approach, the partisan approach.

Q119 Alex Norris: Moving on, there has been some interest, in both oral and written evidence, in clause 140, on compulsory purchase orders. Do you think that the powers go far enough? If not, what more would you want to see, perhaps in a Government amendment? Would it be an opportunity to address the issue of hope value in the legacy of the Land Compensation Act 1961?

Andy Street: To be very honest, you are taking me beyond my level of knowledge with that last clause. I do not see it as a critical part of this Bill. I am quite comfortable with the CPO powers that we have at the moment. We use them infrequently, but when we have needed to use them, they have been powerful. We have also used them almost as a deterrent. I am not sitting here thinking that that is the thing that I must get out of

this legislation. That is not a dodge of the question; it is my honest view. But I am not equipped to give you a detailed answer on that bit in your question.

Q120 Alex Norris: That is absolutely fine. I appreciate your candour. I have just one very quick one to finish, Mr Bone. The written evidence for this Bill is starting to trickle through. There seems to be more with particular reference to the West Midlands. Obviously, we had the chief executive of the combined authority here on Tuesday. We seem to have had more interest in police and fire functions in the West Midlands than on any other issue. Some of that evidence is contradictory. Can you express your definitive position, as Mayor of the West Midlands, as to what the future is in this area, what level of interest you have, and how that might be shared, or not shared, with other Mayors that you work with?

Andy Street: I think the reason you have had a lot of interest in this is that we are in a different position to the other very large combined authorities. It is interesting why that has come about. You thanked me for my candour earlier on; I will give you my candour again on this. The situation here, unlike in Manchester, London and Leeds, is that the Mayor does not have the police and crime commissioner responsibilities. It was obviously imposed—I shall use that word—on those three areas through their deals. When our deal was struck, it was subject to local agreement. Despite a public consultation that came out overwhelmingly in favour of a merger of the two roles, the board decided that that was not what was going to happen. I regret the fact that that board decision was split on party lines. I said earlier that we always try to find consensus, but this is the one issue where we did not find it. That is, I think, why you have had input, because it remains a contentious issue. My personal view is, as it has always been, that there is enormous advantage to the model of one single accountable person. There is clear evidence that that has worked in other areas, and where we have not yet achieved that, we are slightly weaker for it.

Having said that, we have done two things here. Both the police and crime commissioner and myself, although from different parties, have committed that we will work as effectively as we can together. The second thing is that I have always committed that, so long as the rules were the same, we would not reopen this issue. Of course, the Bill changes the rules, and therefore it will, potentially, give an opportunity for this issue to be reopened. Hence the correspondence you have received.

The Chair: For the Government side, I call the Minister.

Q121 The Minister for Housing (Stuart Andrew): With permission, Mr Bone, I shall ask the first question, and then Minister O'Brien has some further questions to ask.

Good afternoon, Andy. It is good to see you and thank you for giving up your time.

Andy Street: You, too.

Q122 Stuart Andrew: You have been quite a champion of brownfield sites and regeneration, particularly with a focus of trying to preserve many of the greenfield areas in the West Midlands. There are a number of planning

reforms in the Bill. Do you see those as potentially helping you in your aim to deliver the housing that the West Midlands needs and, in particular, to level up the parts of the region on which you are really keen to focus?

Andy Street: I will give you a straight answer to the question in one moment if I may, Mr Andrew, but let me give a bit of general context. This, I think, is a very good example of where the combined authority has been able to demonstrate the fundamental principle that each can achieve things that individual local authorities working on their own probably would not have done. Of course, the critical point is that we achieve it by working with our local authorities, but we can clearly demonstrate that we have brought additional firepower.

The stats are very clear: we have hit our housing target in this region over the last four or five years, and we had, pre pandemic, doubled the number of homes being built every year in this region. One way that we were able to do that is, of course, working with central Government by deploying the brownfield land funding that the Department for Levelling Up, Housing and Communities had allocated to us in various tranches. We have made the existing system work, and very clearly we probably would not have had a negotiation—for example, Walsall or Wolverhampton separately—with DLUHC had we not existed.

Coming to your question, we are doing this against a good backdrop. We hope we will win further funding in due course to advance this even further, but on the reforms in the paper—it is a general question—essentially I would be supportive of them because they do bring simplicity to the operation. I do think that one of the challenges we constantly face is the time difficulty in drawing these items to a conclusion.

Q123 The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Neil O'Brien):

Thank you, Andy, for joining us. The Bill makes various provisions to speed up and to simplify the creation of new combined authorities and to make it easier, as we have just discussed, for Mayors to take on PCC powers. It also makes it easier to create combined authorities in two-tier areas through the combined county authorities clauses. Do you think the extension of mayoral combined authorities to more areas of the country is a good idea, and what would your advice be to places that are setting up new combined authorities?

Andy Street: The answer to the first question, in one word, is yes. Let me explain why, and this is something that Minister O'Brien and I have talked about for probably a decade, since we were both in previous roles. If you look at the economic history of this country and compare it with other, similar countries, we definitely have a weakness in the out of London areas. There is nothing original there; we know that. Of course, part of the answer is to try to address that in what you might call areas of sufficient scale. I think the thing that the combined authorities have done, as you could argue that the more successful and bigger LEPs did as the precursor to it, is begin to think about economic policy at an appropriate spatial level, or what the books would probably call a natural economic area—a travel-to-work area or whatever. That, I honestly think, has been one of our great successes. Transport policies do not stop at the end of Birmingham when it moves into Solihull, as

Gill's market does not stop at the end of Wolverhampton when it moves into Dudley. We have been able to think about these determinants of economic success across the appropriate geographical area. In our case, that is not yet fully complete, and if you look around the country, you see that other combined authorities are more clearly incomplete in that sense. I would argue that they should be encouraged to expand to fill their natural economic areas.

In terms of the advice, I think there is one simple word: you have to make sure that everybody is up for it. I do not believe this should be imposed. I do not think this should be about unwillingness. I do believe there needs to be a sort of buy-in to the core principle that the very first question is that everybody has got to be prepared to compromise and make this work for it to be a success.

Q124 Neil O'Brien: Thank you. I have a very brief supplementary. One of the levelling-up missions that this Bill puts on a statutory basis is to increase the public domestic R&D spending outside the greater south-east by a third over the spending review period, and one of the institutions helping us to drive that is the new innovation accelerator in the West Midlands. How, other than through the legislation that we are passing, can we achieve that goal of driving high-quality public investment in R&D outside the golden triangle, and what role do you think the innovation accelerator can play?

Andy Street: Brilliant. I actually think this is probably one of the single most important parts of this Bill, and I am not sure it has had—what is the word?—the celebration it probably deserves. If you look at the long-term determinants of inequality, the intensity of R&D in an area is absolutely critical. You only have to look at the states of the Union and at an area such as Massachusetts and its leadership in R&D in medtech to see how Boston has become the most successful city in that sector by a country mile.

We have had a lopsided country in terms of public R&D—not just a little lopsided, but hugely lopsided. If you look at the West Midlands, we are very successful at drawing in private R&D, and we are very weak at drawing in public R&D. Our ratio here is four to one. It is definitely the worst in the whole country. It is ironic, isn't it, because the private sector sees the opportunity and the public sector has not seen it in the same way? So for the Government to commit to tilting that and leveraging in even more private sector cash on the back of that is very important.

What has got to happen to do it? Frankly, we have got to change our approach to some extent. There is a whole piece here about cluster theory. Our public R&D has been incredibly focused in a very small number of research councils and research universities, which are basically around our automotive sector. We need to continue to play to that strength, but then to balance that by looking at the medtech sector, the fintech sector and clean growth. That is where we will be putting our focus in the innovator accelerator, so that it is a catalyst for us to improve our performance in new, adjacent sectors. So that diversification approach is a very important sprat to catch a mackerel—that's what I call it.

The Chair: I call Rachael Maskell.

Q125 Rachael Maskell (York Central) (Lab/Co-op): Thank you, Mr Bone. I would like to ask about site viability and how the legislation can help, particularly with brown site regeneration developments, and about how the aspiration of local communities around economic generation—particularly on the back of talking about cluster economies—can lead to that opportunity to build out, versus the demand to get viability on the site and capital receipts, with people therefore opting for high-cost housing, which often does not meet the needs of the community.

Andy Street: It is a really interesting question. I think the trade-off you are implying comes most acutely in the dispersal of public land and indeed any land where the public sector has to offer a subsidy. So what we have just done recently is launch what we call our “public land charter”. It is looking at some of the principles that will apply to how that is disposed. I am pleased to say that the Cabinet Office was very involved with us, as were some of the big private sector landlords and our local authorities. What we have come down very firmly on is this whole notion of an economic assessment that addresses what we might call the “greater good”—just as you have described, long-term value to the regional economy, not just the short-term transactional value. So we are trying, in terms of the principles by which we will guide the use of the funding we have to make this happen, to address exactly the point that you are drawing out.

Q126 Rachael Maskell: I really appreciate that answer; it is incredibly helpful. If I may, I will just ask a further question about that. How do you believe the infrastructure levy will help with bringing forward affordable housing and vital infrastructure on to sites? Do you have any concerns over the timing of the delivery of those funds?

Andy Street: I do not know the answer to this. I was honest enough to say earlier that I was not sure, but I am genuinely not on this one, because the huge advantage of the current variable system is that it can be waived where it is going to make a difference. I do worry, if I have understood the proposal correctly, about the absence of that ability. I know that that is not transparent and it does not pass some tests, but I think there is clear evidence that it can be used judiciously, for and against, when there is a marginal development. So my straight answer is that I do worry about that, but I can see, on the other side, the simplicity argument, which, as I said earlier, was valuable. I think that that is what has to be weighed.

Rachael Maskell: Thank you.

The Chair: Thank you. I call Greg Smith.

Q127 Greg Smith (Buckingham) (Con): Thank you, Mr Bone. I have asked this question of a number of the witnesses. There has been a controversy in recent years on the assessment of housing need for an area and who should decide what the housing need is for an area when it comes to the development of neighbourhood plans, local plans and so on. Where do you think is the most appropriate level for housing need to be assessed to put into local plans? Should it be national Government? Should it be principal planning authorities? Should it be—as in the West Midlands, which you are the Mayor of—mayoral areas? Or should it be at a lower tier?

Andy Street: Thank you for that question, because this process is pretty bust; it is lovely that the Housing Minister is in the room for this debate. The answer to the question of where is that I have no difficulty with it being assessed by the upper tier planning authority—so, in our case, the met authorities. But I do not think that that is really the problem. The problem is that something systemic is incredibly wrong. We followed up the detail of this using Coventry as the case study, where the system of assessment through the Office for National Statistics has churned a number that is clearly nonsense. It shows that the growth of housing needs in Coventry will be more than 30% over 10 years. In the rest of the West Midlands, the average is about 11%, so you think, “This isn’t right” and you follow the story through. We have had a number of incredibly helpful and very honest conversations with the ONS, which has acknowledged in a letter to me that the number is wrong and is getting more wrong, as the assumptions that it made are not playing out over time. But when the wrongness—if that is not poor English—of the number is revealed, there is nothing in the current system that forces the local authority to review its plan, so there is a huge misstep in the process between that calculation and the actions that are then taken.

I have not raised this issue with the current Housing Minister, but I had lengthy correspondence with the previous Housing Minister. I believe it is an area of huge potential improvement, but the system is clearly broken, and I would be very happy to furnish members of the Committee with all the detail on Coventry, which was such an obvious outlier. Let us be clear that the consequence is that the city council is pursuing a policy that it has to pursue because of the numbers—I do not doubt the council’s internal working—and it is digging up the green belt around Coventry on the basis of spurious calculations.

Q128 Greg Smith: I am very grateful for that answer, which I recognise from my own constituency and the wider county that it sits in. On the basis that the system is broken, the Bill would seem like the obvious legislative vehicle to fix it. I am trying to tease back to my original question, which was about who should decide and using what data. What would be your best suggestion? I appreciate that there will be no magic bullet, but what would be your best solution for deciding a new system of determination?

Andy Street: I have no difficulty with the ONS, which is clearly the most objective, calculating the numbers—there is no question about that. I have no difficulty with the city council then being guided by that number, but the point in the middle is that there has to be a way that that can be challenged. There has to be a way to know whether it is on target and then it has to be reviewed, and the council has to have an obligation to review its plan if the numbers are wrong. It is not about who does the calculation; it is about the consequences of that calculation and feeding it through the next stages.

Q129 Greg Smith: I appreciate that the use of the word “target” is controversial in this debate, but would there be benefit in making any figure that is calculated by the ONS and propagated by central Government locked in as advisory, as opposed to a set-in-stone number?

Andy Street: I still do not think that hits the point. The point is: whether it is fixed or a target, if the number can be challenged and proven to be wrong, what is going to happen? I can see where your logic is going—if it is only advisory, a council has more room for manoeuvre—but I think there is something even more fundamental, which is that there has to be a way of testing that number and then making sure that, if it is acknowledged by the ONS not to be accurate, it can be reviewed.

Greg Smith: That is very helpful. Thank you.

The Chair: We have unfortunately almost run out of time. I was tempted to see whether the Housing Minister wanted to come back and chat to our witness, but he seems to be pointing to the fact that time is up. Or does he want to use the remaining minute?

Stuart Andrew: The time is up.

The Chair: The time is up, I am told. Thank you so much for coming, Mr Street. Your evidence was extremely clear and very helpful to the Committee.

Andy Street: Thank you very much.

Examination of Witnesses

Nicholas Boys Smith, Lizzie Glithero-West and Adrian Dobson gave evidence.

2.29 pm

The Chair: Thank you, Nicholas, for waiting so patiently. You are here and alive.

Nicholas Boys Smith: I am certainly alive.

The Chair: We now move on to the fourth panel. I will not list everyone’s names, because I am going to ask them to introduce themselves. I will first ask the witness who is with us in the room to introduce himself.

Nicholas Boys Smith: My name is Nicholas Boys Smith. I am the founding director of the social enterprise Create Streets. I think it is probably also relevant to say that I was previously the co-chair of the Government’s Building Better, Building Beautiful Commission.

The Chair: I ask the lady on the Zoom call to introduce herself.

Lizzie Glithero-West: I am Lizzie Glithero-West, chief executive of the Heritage Alliance, which is the umbrella body for the independent heritage sector, with over 180 organisational members.

The Chair: And the gentleman on screen.

Adrian Dobson: Good afternoon, everybody. My name is Adrian Dobson. I am the executive director of professional services at the Royal Institute of British Architects.

The Chair: For the benefit of the Committee, I am told that we have until 3.10 pm with this panel. Who would like to start? The Housing Minister seems most keen.

Q130 Stuart Andrew: Thank you, Mr Bone. There has been quite a bit of criticism that much of the development that we see around the country is the same wherever you are, and that there is a lack of imaginative design. Some would describe those developments as uninspiring places to live. How important is it to improve the design of new developments for the people who live there and to encourage more support for development in communities?

Nicholas Boys Smith: I assume that question is for me. Thank you, Minister. That is a very profound question, and I do not mean that in a sycophantic way. The current percentage of British people who trust planners to make their local neighbourhood better is in medium single figures, and for those who trust developers, it is in low single figures—between 4% and 7%. Despite the widely accepted desperate need for new housing, the instinctive assumption of most neighbourhoods, most of the time—sorry, this is a bit of a coda, but we have the lowest houses to households ratio in the western world—is that new development will make places worse. That informs the politics of all large developments and most small ones.

That is new, and it used not to be the case 50, 70, 100 or 200 years ago. It is something that is particularly prevalent in this country. Until we fundamentally fix the instinctive assumption that people have—before they learn more—that new development will worsen your bit of the world, the caught-between-the-horns nature of the politics of housing will never go away. As elected Members of Parliament, you do not need me to tell you that. This is not a criticism of the Bill, but it will not fix that—no one bit of legislation or set of actions can—although some elements of it are relevant.

I will say one final thing before I shush so other people can come in. This is not just about support for new housing, important though that is. Provably, where we live has very measurable and, in some large degree, quantifiable and predictable consequences for the lives we lead, our personal health, our mental health, how many of our neighbours we know and how much we walk in our daily existence, rather than just jumping in a car to go to the shops. It has very profound consequences, not just for spatial development patterns, but for the depth with which we tread upon the planet.

Q131 The Chair: Lizzie, do you want to come in on that?

Lizzie Glithero-West: Very briefly, because I am sure that Adrian will have some points on this. From the perspective of heritage and the environment, the Bill and the things around it—I support the point that this is not just about the Bill, but about the policies around it—should support sustainable reuse of buildings. Some of the best new homes are not necessarily new built; they can be renovated. Something that would be on our list for the Government to think about alongside the Bill would be the incentives to encourage reuse rather than demolition and new build.

We welcome the possible introduction of design codes, which would allow for developments that could recognise the local vernacular. Design codes should offer sustainability, safety and quality. There is a big point about the protection of designated heritage assets, as well as non-designated heritage assets, which are not necessarily included in the

Bill. Some provisions could be made, either within the Bill or around it, to incentivise repair and saving buildings, and using them as a way to keep the character of a place rather than just resorting to new homes and new buildings.

There are two things that we could look at in particular. The first is removing the permitted development right for demolition, which is a problematic loophole at the moment; it incentivises flattening beautiful buildings that may not be listed. Secondly—I can presumably talk about this in more depth later—we could look at the VAT on the maintenance of current buildings. That is normally 20%, which is completely contrary to the 0% rate for new build and incentivises the wrong solutions for the environment as well as for local communities.

Adrian Dobson: The Building Better, Building Beautiful Commission highlighted the value of good design, presumably in part because communities are more likely to accept well designed buildings. It also highlighted a lack of resource within the planning system, particularly in design expertise. The Bill itself places a lot of emphasis on local design codes. I am sure the Committee will want to talk about that; it is something that excites quite strong opinions both ways. Some people see local design codes as a way of establishing good basic principles, greater certainty around development and the ability to reflect local needs, but some people see them as potentially stifling innovation. That would be one way of addressing the issue.

I think it is important for us to think about design as not just being skin deep, although it is about appearance. Good quality design needs to address issues around sustainability, quality of build and the health and welfare of the people who use the buildings. When we talk about the Bill, there are perhaps some contradictions at the moment. There is possibly a contradiction between emphasis on local design codes, but growth in permitted developments. They seem to contradict each other slightly, and that might be one thing to think about. Also, there is a tension in the Bill between national development management policy and its relative weight against local development plans. Again, that might be part of the area of debate on the issue.

To follow up on something Lizzie said about the sustainability and embodied carbon aspects, we probably ought to be making more presumptions on reuse, retrofitting and alteration of existing building stock, and not just looking to new build as the solution to those issues.

Q132 Stuart Andrew: Looking more broadly at heritage, there have been a number of calls for the strengthening of measures. Do you think the Bill goes far enough in answering the calls that the sector have been making for some time?

Lizzie Glithero-West: We believe that heritage is at the heart of the levelling-up and place agenda. We are really pleased that heritage is in the Bill and has its own chapter—chapter 3. There is a lot to welcome in the Bill. Given that heritage has not recently had any distinct legislation of its own, as we had hoped to have with the draft Heritage Protection Bill of 2008, nor is it likely to, it is important for us to take any opportunity to address some of the legislative aims of the sector and policy makers. Many of those aims had cross-party support. This Bill is one of those significant opportunities. There is always more to be done around heritage protection, but several elements of the Bill, and some further measures

we have sent in a briefing to the Committee—I can unpack that, if it would be helpful—address some of those long-awaited calls from the sector.

We strongly support clause 185, which would make historic environment records statutory. That has been a long-term ask from the sector, and it features in our heritage manifestos. The sector is delighted that this has made it into the Bill, and I congratulate those working on that behind the scenes. We strongly support clause 92, which extends the protection of heritage assets. We suggested a limited number of key additions to the heritage assets list that would ensure that protection was clearer and more comprehensive, and those are outlined in our briefing.

Given the presidency of COP26 last year and the recognition of the climate emergency, we hope to see more action from Government in parallel with the Bill, or possibly within it—for example, the mention of permitted development that I made earlier for demolition—to encourage the use of current building stock over a presumption to new build. We hope that will be picked up in tandem.

Clauses 93 and 94 are also welcomed by the sector. Clause 93 makes stop notices, which have long been available within the wider planning system, applicable to heritage consent regimes. There is strong support from some in the sector for clause 94, which says that urgent works can be required in certain cases where listed buildings are occupied.

I think clause 95 is the one that you are probably referring to. There is general agreement from the sector that there needs to be a better system for the protection of buildings that are being considered for listing. The whole sector recognises that interim protection of heritage during the listing process is important. There are different views in the heritage sector on the proposals in the Bill to address that. Many in the sector welcome the removal of compensation in clause 95 and would go further by asking for a duty on local planning authorities to serve a building preservation notice where they believe criteria for listing can be met.

A significant minority, however, have concerns about the removal of compensation from those wrongly served a BPN, which could result in delays and losses. There is a concern that that would set a precedent for other compensation clauses. The organisations that I mentioned would rather have a system of interim protection akin to that in Wales. It is important for the whole sector that there is clarity on the approach taken in any transition period until the Act is fully effective. There are other bits I would like to mention, but they are not necessarily directly on the heritage angle and are particularly in relation to the replacement of environmental impact assessments and strategic environmental assessments. We can come on to those if the Committee would like to touch on them later.

Q133 The Chair: Nicholas, did you have anything that you wanted to add?

Nicholas Boys Smith: I will make a quick point linking to the wider discussion on levelling up. The danger in the years to come is that as public sector money rightly supports the regeneration and investment in left-behind towns and places, in areas with low land value, that could actually lead to the reduction in quality

of the urban realm and thus the reduced liveability of lots of historic but low-value places—the Grimsbys, the Hulls and the Stoke-on-Trents of this world. It is very important that the Bill focuses on the protection of heritage.

I think it will be very important in the years to come to think hard about how we protect, as we do not do quite so well at the moment, late Victorian and early 20th century heritage. At the moment, the ability to list gets much tougher for the late 19th century. This is not something that needs to be done through the Bill; it could be done through secondary legislation or guidance. We should make sure that as lots of money and focus goes on to levelling up places, we do not, as we have too often in the past, erringly do great harm to areas with unlisted and perhaps not very fashionable early 20th century-style places.

The quality of the urban infrastructure and realm of many of our left-behind towns is fantastic. They are often post-industrial towns with much lower levels of listing than the Salisburys and the Winchesters of this world; that is no disrespect to Salisbury or Winchester. There is a quite urgent need to face into that. Doing so would have the added advantage that more of our housing requirement could hopefully come in a more sustainable pattern from these rather under-utilised, under-invested-in and under-lived-in towns in the midlands and the north.

Q134 The Chair: Adrian, did you want to add anything?

Adrian Dobson: I return to capacity and expertise, because the Bill puts more and more pressure on stretched planning departments. We know that they struggle to compete for resources with other frontline services, and yet the care of these heritage assets requires more expertise both within planning departments and among the professionals who carry out the work. To pick up on the last point about the huge volume of pre-1945 housing stock that we have, all of that will have to be improved and have its insulation improved. There are risks that if that is not handled sensitively and with the right expertise, we could damage the very environment we are trying to protect. It is just that issue of how we lever that, whether or not from the private sector, and how we get that sensitivity and expertise from the conservation architects and conservation specialists.

The Chair: I should have said to the witnesses at the beginning that you might be surprised that you are getting questioned by the Minister, but the advantage of these evidence sessions is that we can have a wider debate and get more information, which feeds into the process later on, so Ministers are taking the chance to get your evidence for that purpose. We are now going to go to the shadow Minister.

Q135 Alex Norris (Nottingham North) (Lab/Co-op): Thank you, Mr Bone, and thank you to our witnesses this afternoon. Your time is much appreciated. I also want to turn to heritage. It is an area of the Bill about which there is a high degree of consensus on its importance. As you say Lizzie, it is important that it is seen as a levelling-up issue and a place issue, and I think that gives us exciting scope to build on. I will turn

[Alex Norris]

to clause 92, and I will go to you first, Lizzie, but I hope the other panellists might put their views in, too. I will just ask you to expand on your written evidence, in which you say that there is scope to go a little bit further. What sorts of things did you have in mind?

Lizzie Glithero-West: We are very pleased to see the list of assets. While this table does cover many of the key asset groups we would expect to see—it has been pointed out that the inclusion of registered battlefields could be a little clearer—it would be good to address a couple of gaps at this stage. To be clear, they are not major gaps, and we really welcome this clause being in the Bill.

One such gap would be around the setting of conservation areas. A number of my members are supportive of the idea of inserting a clause to allow the protection of a small number of nationally important archaeological sites that cannot now be designated because they lack structures. These are things that would have gone into other Bills. It is a very small number of sites, but they are very important. They cannot currently be designated but they could be designated, so there is a great opportunity to address that.

The point about setting is around conservation areas and the impacts of, for instance, tall buildings nearby and so on. Our briefing refers to that not currently being in the Bill. The other thing we would like to probe a bit for parliamentarians is how these designations will interact with other natural environment designations—for example, ancient trees, ancient woodlands, veteran trees and ancient hedgerows. There is such a symbiotic relationship between the natural and historic environment. Often, a few different designations will be in the same area, and it is important that there is clarity around that. It has also been noted that there should be consideration of maritime archaeology—perhaps looking at the Protection of Military Remains Act 1986 in addition to what is already in this list.

One other point I want to make is about the clarification of some of the wording. If the wording has been chosen to align the Bill with the national planning policy framework, it should be noted that the NPPF talks about preserving and enhancing significance, which is subtly but importantly different from preserving and enhancing assets. A related amendment should replicate the intent of the NPPF, which would ensure that the process of undertaking archaeology, which, by its nature, can be destructive but enhance knowledge and significance, is covered by the duty and not inadvertently excluded. The concern from some in the sector is that unless enhancement of significance is properly defined, it could lead to unintended consequences. Those were the main points on my list. I hope that is helpful.

Alex Norris: That is very helpful. Do the other panellists have anything to add?

Nicholas Boys Smith: I will make a point very quickly; I will not comment on those detailed points. This does not actually need to come through primary legislation, but, building on what I was saying earlier, there is an important opportunity and need in the criteria for listing, as set out by the Department for Digital, Culture, Media and Sport and Historic England, to put more

focus on issues such as townscape quality, pride in place and local popularity as well as—not instead of—issues of architectural importance.

An architectural historian might say about a building, “Oh, there are 50 of those around the country” or “Well, that is the 15th of those, and there are earlier ones over there.” Actually, if that were a town hall, it would be very significant to the people living in that town. It comes back to the wider debate about levelling up and pride in place. There is an important need to gently weave those things more clearly into the guidance for listing, but as I say, that does not actually have to come through the Bill. I do not get invited to this kind of thing every day of the week, so I have taken the opportunity mention this today.

Adrian Dobson: I do not think I have anything to add on this particular point.

Q136 Alex Norris: Turning to clause 93 on the stop notices, are you confident that they are rigorous and strong enough to beat back unscrupulous developers? Lizzie, you mentioned your concerns about the period between now and Royal Assent; I think you were making a point about greater risk. Could you cover that in your answer? I am interested to hear the views of all the panellists on that.

Lizzie Glithero-West: It is a very short answer from me. Clause 93 is supported by our membership. Private owners of heritage will want to be sure that it is very clear, but the clause is welcome. My only point would be that in any transitional system between Bills, you want to ensure clarity and that there is no confusion.

Adrian Dobson: I have just a general point. One of the challenges for the planning system is that, inevitably, things get concentrated on development management and that can be, initially, at the expense of what you might call proactive planning and also enforcement activity. There is just a concern that the proactive planning and enforcement activity can become the Cinderella element of the planning system if you are not careful.

The Chair: Nicholas?

Nicholas Boys Smith: I think I am done on heritage.

The Chair: Anybody else?

Q137 Rachael Maskell: Thank you ever so much to the witnesses. In representing York, I certainly understand the importance of archaeology, so I emphasise the point that has been made. Will you elaborate further on whether there are any omissions from the Bill or anything that could be added to help protect our archaeology? If I may, I will go to you, Ms Glithero-West.

Lizzie Glithero-West: Excellent—yes, of course. I have mentioned a list, particularly in relation to clause 92. There is always more that we can do. It is not an omission but an opportunity—that was the point about sites without structure and the list that is in our briefing.

What I would like to turn to, which is very much related to this—and which is less an omission and more an area that we think needs scrutiny—is the environmental outcomes reports. We are pleased that the relevant clause recognises that “environmental protection” should

include protection of the cultural environment and landscape, as well as the natural environment. The historic environment often forms part of the habitat for nature, and it is vital that that symbiotic relationship is recognised. It is important to archaeology, which I know is your area, too.

However, we have some questions about how the proposed EORs will differ from the current environmental impact assessments. It is good that cultural heritage is included, but we need a bit more information on how they will work, and it is important to ensure that the definition of cultural heritage in the Environment Bill is not used in this legislation. We were not happy with the Environment Act, because it excluded built heritage. If that were translated across to this Bill, that would become problematic for heritage and archaeology.

There are particular concerns about an inadvertent drop in the protection currently offered by EIAs and SEAs—strategic environmental assessments. The sector seeks reassurance that that will not be the case. Those concerns arise, as it is difficult to see the detail. We are concerned that the delivery through regulations might mean that there is not the same opportunity to scrutinise the details as would be the case through primary legislation. We want to ensure that the new EORs have the same scope as the current EIAs, which include protection of cultural heritage and landscape. We want those aspects to be given the same weight as the natural environment.

Also, there is a question about clarity. It would be useful and helpful to have clear confirmation that cultural heritage includes underwater cultural heritage—that is particularly important for archaeology as well—and clarification of what “relevant offshore area” will mean in the context of the Bill.

Rachael, I hope that that is a couple of points in addition to the points about clause 92.

Rachael Maskell: Thank you.

The Chair: Nicholas, do you have anything to add?

Nicholas Boys Smith: Again, I could add something on wider things, but not on that particular point.

The Chair: Adrian?

Adrian Dobson: Interestingly, Lizzie has made the connection between the new, so-called EORs and their impact on the heritage environment, and she has made the point that there is a lot of detail still to be developed. I think you could apply that to the Bill generally, so I just make a plea for the various sectors—the heritage sector and the architectural sector—to continue to be engaged, because there is a whole level of detail that we cannot really comment on today, because the ambitions and powers are there, but quite how they will be evolved and enacted is not so clear.

Rachael Maskell: Thank you very much.

The Chair: I call Greg Smith.

Q138 Greg Smith: Before I ask my question, I should say this: it is not an interest to declare, but I should say for transparency that when I was a councillor in Fulham, Mr Boys Smith was one of my ward residents and he is known to me.

Nicholas Boys Smith: Many years ago.

Greg Smith: It was many moons ago, but I thought I should put that on the record for transparency.

We have been looking at what the Bill is seeking to do in terms of protecting heritage and identifying that which makes a place within the planning system. For rural communities, one of the defining characteristics, certainly of every village that I represent, is the farmland and the food production that goes on in that village. It is the farmers who maintain the hedgerows, the beauty of the place, and so on. Therefore, can I explore with you, in the spirit of protections for heritage, place, and identity for a locality, how much, in a rural setting food, production and agriculture should equally be protected or at least considered as part of the planning process? Perhaps we could start with Lizzie.

Lizzie Glithero-West: I am just pondering that for a moment. Your question is on the balance of the production of food versus land being taken out of production—is that the nature of the question?

Q139 Greg Smith: That is certainly part of it. To clarify, it is equally the case that a lot of rural communities would not look the way they do if it were not for farmers maintaining the hedgerows, looking after the land and maintaining the footpaths that people use for leisure. If you are going to identify the characteristic and heritage of a place, as well as the physical architecture, in a rural community, it must surely equally apply to that which makes the countryside happen—if I can boil it down to its lowest common denominator. My question is, to what extent, on top of architectural heritage and so on, should that equally be considered in the planning process?

Lizzie Glithero-West: I feel I am perhaps leaning into a discussion about the Environment Act, but it is absolutely a part of levelling up. As archaeologists, we do not see a dichotomy between the natural environment and the historic environment. In fact, none of our landscape is purely natural in that sense. Hedgerows and features in the landscape—often scheduled ancient monuments—can provide homes for biodiversity. The two need to be thought about together. It is actually really fundamental in the roll-outs of the Agriculture Act and the Environment Act. Heritage is a pillar at the heart of the 25-year strategy and it is so important that it remains so, hence some of our concerns around the Environment Act.

We absolutely believe in public value for public goods. As some of those public goods would be around the preservation of heritage, which then goes on to support rural communities and biodiversity, it is all part of character of place to be able to use those assets; they are at the heart of place both in the town and in the rural landscape. A lot of the measures we are talking about today contribute to that.

We would like to have seen more in the Environment Act. We were concerned about some of the definitions, and that heritage was removed from some of those protections. The future farming regime and how farmers are paid for public goods will be fundamental to the point you raised—that although those features in the landscape and these places often might not be seen as valuable for food production, they are incredibly important for rural tourism, local communities, biodiversity and heritage.

Q140 Greg Smith: Thank you. I appreciate that answer. Before I bring in the others, I appreciate that there will be crossover with the Environment Act and the Agriculture Act. However, I am looking at this very much through the lens of the Levelling-up and Regeneration Bill, and planning reform. Mr Boys Smith, you were indicating that you would like to come in.

Nicholas Boys Smith: Yes. I can come in with passion and, perhaps, too much aplomb. One of the most consistent, heartfelt and distressing pleas that I have heard, that the Building Better, Building Beautiful Commission has heard and that is shown in evidence more widely is that people feel that new housing is done at them, not with them, and that it is of everywhere, not of “here”. That theme emerges in every piece of research I have done or read, even if it is expressed differently.

At one of the very first co-design workshops I ran, a marvellous lady from the West Indies—I forget which island—said that she wanted places with a heart and places that could not just be anywhere. You hear the same thing in the Cotswolds, Buckinghamshire or York. It comes up time and again. We know from neuroscience that people need and want that sense of place—a place that is their home in the world. It is unquestionably the fact that we are not currently providing that. That is something that is particularly heartfelt in your type of community, Mr Smith.

Why is that? There are several reasons. One is that although our policy on design quality and on the nature of developments we create is often quite aspirational and sounds nice, it is not cutting through in reality. If you look at the houses and the types of place we create, they are pretty similar from Cumbria to the Cotswolds—to take two random places beginning with c—or from Berkshire to Buckinghamshire, or wherever. They are very standard typologies, done with very similar highways rules.

We were doing a design code for a housing association that wanted to do houses that fitted in with rural communities. The highways rules and expectations for parking and for splay circles—things that sound technical and boring—meant that they could not. We desperately need to empower people’s preferences—it is right to do this; the NPPF has already made some good moves—for the types of places that they pay a premium to live in, so they must value them. The best way to achieve that is to stop banning the types of village centre that we have essentially banned. That does not quite answer your agriculture question directly, but it does indirectly.

If we are able to stop villages growing carcinogenically, by which I mean you have a village centre and then sprawl being—rude word—into fields around, we could perhaps allow a secondary village centre, which is perhaps more nature-similar and linked, and accept that perhaps some of the houses or flats in the village or town centre have fewer cars and are a little bit tighter together. Lots of the types of traditional village or small town street, you just could not build, although it is getting easier now. Until recently you could not build at all, but thanks to recent changes, it is getting easier.

We need to allow a visualised expression of local character to more axiomatically set local standards and expectations, as defined by local people—not by me or you or the council, although it might have a role. That becomes absolutely essential and it will allow us—again, you can see the premium in the numbers—to develop at

slightly higher densities. I call it gentle density, which, again, people will pay a premium for. It does not need to be spewing out into field after field. If we can, we should create a type of walkable, attractive, gentle density, and the focus on design codes linked to the NPPF and the new national model design code in the Bill makes that more possible. It will not solve all the challenges, because they will be existential and go on forever, but it is the best and most credible route.

Greg Smith: Thank you. Adrian, do you have a view on this?

Adrian Dobson: Just to reiterate the point about density. Higher densities can be acceptable. If they are designed in the right way, that is very valuable. The Town and Country Planning Act 1990 has served us quite well in many ways, although criticisms of it could be made. We have some slight concerns about over-centralisation. The concept of local plans and local design codes, where good designers can respond to that local context, is one of the traditional strengths of the UK planning system.

Nicholas Boys Smith: Can I constructively, in a good and friendly fashion, disagree with that point? Is that allowed? I don’t want to be out of order.

The Chair: We encourage you!

Nicholas Boys Smith: It is constructive and friendly, Adrian; it is not meant to be unfriendly. I agree with the principle of what you say, but I think the reality is different. If you do a comparative analysis of the power and strength of our local plans compared with equivalent documents in other countries, our local plans are incredibly weak. They are policy documents that are verbalised and in practice allow you to do almost anything most of the time. Let me paint a picture. In Sweden, in much of America and in parts of France, and in different ways in Holland or Denmark, it is much easier for someone almost to pick a house out of a catalogue provided by a much wider range of providers, rather than being reliant on a small number of house builders who produce far too high a proportion of our homes.

We are living in a—am I under parliamentary privilege? I don’t know. I am not sure whether I am allowed to say “cartel”. We are certainly living under a massively overly concentrated market, because the local plan has not managed to set regulatory clarity. A lack of regulatory clarity, although associated with nationalised development rights, is a major barrier to entry, and it is exactly how it is operated. I agree with what you say in principle, Adrian, but sadly not in practice. I hope that was okay, Mr Bone—sorry.

Q141 The Chair: We have time just before the end to ask each of our witnesses to say briefly what they think we should have asked and did not. This is your opportunity to influence the Committee before we go into the detailed discussion of the Bill. I will start with Adrian.

Adrian Dobson: Thank you, Chair. I disagree and agree at the same time. I think all the witnesses agree that design is highly important. I have tried to say please let us not think of it as just skin deep. We need to create buildings and public spaces that address sustainability, build quality, safety and welfare, and that are responsive

to local need. I would still make the point that it is at that local authority level that you can get the best response to local context. At the micro level—neighbourhood plans and, although we have not talked about them, street plans and so on—we have not had a good record of really making that work in the UK, so it is at that local authority level that we can be most effective.

Really though, the Bill's ambitions can be met only if we have proper resources. Design expertise in particular is just not there in local authorities. That is not a criticism; it is just a reflection of the facts. In fact, we do a monthly economic survey of our members, and although at the moment the biggest barrier to projects proceeding is probably inflationary costs in construction products, in every survey we do the time it takes to navigate the development control process is always a halt on development.

Finally, we have not really talked about it but the Bill has lots of ambitions on climate change and sustainability, and there is obviously a lot of movement in the right direction generally from Government, but this is another one of those areas where there is not much detail about how that will actually be realised. I just make that point as my third one.

The Chair: Thank you. Lizzie, as I said to Adrian, what would be the one point you would want to make? *[Laughter.]*

Lizzie Glithero-West: I suppose it would be that this Bill is part of a wider jigsaw of the Government's levelling-up agenda. Building on "Building better, building beautiful" and other reports, what does the Bill not do that the Government also need to think about in tandem? I have touched on it already, but this Bill is one component of thinking about a fiscal and legal framework to incentivise heritage and reuse at the heart of place.

I touched on them briefly, but there are two key things, one of which could be picked up in the Bill, and I encourage the Committee to be thinking about it. The removal of permitted development for demolition is truly damaging to really valuable recyclable stock. Associated with that we really welcomed in the "Building better, building beautiful" report the strong recommendation that the fiscal regime for repair and maintenance needed looking at. That is a really significant change that the Government could now effect that would incentivise repair. It would also boost productivity, and there is some great research behind that. The Federation of Master Builders and Royal Institution of Chartered Surveyors looked at a temporary five-year cut and estimated a £51 billion economic stimulus from construction and repair around that. Of course, it would also help the Government to meet their net zero targets as well.

In the context of the Bill, I would strongly encourage policy makers to consider those two points.

The Chair: Briefly, Nicholas.

Nicholas Boys Smith: Briefly, did you say? I will make one point, into which I will weave three themes, quickly. *[Laughter.]*

The Chair: In 90 seconds.

Nicholas Boys Smith: One of my favourite quotes from the "Book of Common Prayer" is that we should be "godly and quietly governed". That is probably an

old-fashioned quote these days, but Mr Kruger may like it. The way we currently run planning is not quiet. We put a disproportionate amount of the process and the political difficulty—and my golly it is difficult—on the development control system or process, and not on politically acceptable local plans. My ultimate plea to Ministers, shadow Ministers and Members on both sides of the House is to work together to try and bring the democracy forward into the plan-making process and to rely less on the hard-to-avoid, personal, difficult and emotional debates that will then happen around individual development decisions.

That is not necessarily politically easy, because the whole process around it and around civic society is to worry about the individual planning applications. We actually have to allow more power and more popular process on the local plan, to express that visually and typographically, and to think about sustainability not just in terms of the energy and use, but the lifestyles that we live and the longevity of buildings. More beautiful buildings get reused and last longer, and their embodied carbon is recycled. I think, "Pull the democracy forward," is my plea to you all.

The Chair: Thank you all very much. I very much appreciate your evidence. That ends this session, and we will now move on to our fifth panel.

Examination of Witnesses

Dr Richard Benwell, Carolyn McKenzie and Paul Miner gave evidence.

3.10 pm

Q142 The Chair: One of the witnesses is in the room with us, and the others are on Zoom. Starting with the witness in the room, could you say who you are and who you represent?

Dr Benwell: Good afternoon, and thanks for having me. My name is Richard Benwell, and I am the chief executive of Wildlife and Countryside Link, a coalition of 65 environmental charities.

Paul Miner: Good afternoon, everyone. My name is Paul Miner, and I am the head of policy and planning at CPRE, the countryside charity. I am a chartered town planner.

Carolyn McKenzie: I am Carolyn McKenzie, director of environment at Surrey County Council. I chair the energy and clean growth working group at the Association of Directors of Environment, Economy, Planning and Transport.

The Chair: Thank you. The witnesses can expect questions from Ministers because the object of this Committee is to gather evidence to influence our detailed consideration of the Bill.

Q143 Matthew Pennycook (Greenwich and Woolwich) (Lab): I thank the witnesses for their attendance, which is appreciated. I have a general question to start, and then a few specifics. Do you think the Bill is a missed opportunity to respond as needed to the climate and environment emergency? If that is your view, in what ways would you like to see the Bill overhauled to that end?

Dr Benwell: It is definitely not a missed opportunity yet, because we are only at the start of the process. I would say it is a huge opportunity to tackle two important environmental problems associated with planning and levelling up.

The first of these is environmental inequality. We think of the levelling-up agenda as being about economic inequality, but we live in a country of really deep environmental inequality. We have probably all heard the statistic that there are 40,000 premature deaths a year from air pollution, but it can vary street by street, let alone town by town. It goes deeper than that, because there is environmental inequality in things like access to natural green space, which has been brought to the fore over the past couple of years when so many people have depended on it. Those inequalities are, again, really deep. People from the lowest socioeconomic backgrounds are nine times less likely to have access to high-quality natural green spaces, which is hugely important for our physical and mental health. People from ethnic minority backgrounds are twice as likely to live in places that are bereft of access to natural green space.

At a wider level, there are deeper environmental inequalities still. Think, for example, of folk living in areas where degraded uplands mean that water flows more quickly over surfaces, flooding homes and businesses. Think of the same in urban areas, where densification and the use of impermeable surfaces is increasing flood risk and other environmental risks. There are huge levelling-up aspects to environmental inequality, which this Bill is an opportunity to fix.

Secondly, the planning system can help us environmentally through its impact on nature. We know that more than 40% of species are in long-term decline, and 15% of species here in Great Britain are at risk of extinction. The last “State of Nature” report made it clear that planning and unsustainable development play a big role in that. The Bill is a chance to make sure that, in future, the planning system is not imbalanced as it so often has been in the past when it focused on things like housing numbers alone. We need to balance that with the need for spatial planning and careful development that contributes to nature’s recovery. At the moment though, those opportunities have not been realised. On the contrary, some provisions in the Bill will do quite the opposite and bring in new environmental risks.

I will quickly address how to grasp those opportunities. It would be excellent if, among the levelling-up missions set in clause 1, you included access to a healthy natural environment. I was really surprised to see that the levelling-up White Paper’s list of capitals included human capital, financial capital, intellectual capital and social capital but not natural capital. Not to list environmental capital as one of those fundamental assets reflects a 1980s philosophy, really. So we should have access to a good-quality natural environment as a levelling-up mission, and a duty on public bodies to help people achieve that with access to natural green space.

On improving the planning system, there are some obvious missed wins there, such as making sure that planning and development decisions are in line with section 1 of the Environment Act 2021 and section 1 of the Climate Change Act 2008, to meet our carbon budgets and halt nature’s decline by 2030. You could go further, with things like implementing the findings of

the Glover review to improve the contribution of national parks to restoring nature here in the UK. So there are some really missed opportunities for positive planning.

On the negative side, I do not know whether we will touch on this later, but although the environmental outcome reports proposed in the Bill sound positive in principle for the natural environment, the way they are framed risks undermining some of our most important conservation laws. Those clauses and that part of the Bill need some attention to make sure they do what I think they are intended to do, which is to add a new layer of protection, not to weaken our long-standing, important environmental protections in this country.

Q144 Matthew Pennycook: Many thanks. Ms McKenzie and Mr Miner, do you have anything to add?

Carolyn McKenzie: The earlier speaker made some really good points; I back up all those points, but I will not reiterate them. At the local level, it is very much about integration across different policies. There is some really good stuff in the Bill, but integration across all the different policies will be key. This is not just about the big infrastructure, such as wind farms or EV charging; it is about making sure that environmental considerations are integrated across all projects in infrastructure and all levelling-up projects, because a pound spent on levelling up can deliver on your outcomes for net zero or biodiversity, and investment in net zero and biodiversity can deliver on your levelling-up ambitions as well.

In addition, although there is a real need for some of the big infrastructure projects, if I take a look at Surrey as a whole and our net zero emissions, the biggest proportion of those emissions, 41%, is down to private sector transport, and 31% to 33% is down to domestic housing. Those local actions—local public transport and active travel to get people out of their cars, and remote working, as well as tackling retrofit—have the potential to not only reduce emissions, but to drive jobs and growth and tackle inequalities, because inequality is hugely linked to the environment: a lot of our poorer communities have the poorest environments. The one thing I will repeat from Richard’s comments is that there is a lack of recognition that a healthy environment for all is really important when it comes to having a healthy economy and a healthy social area as well.

The last point I would like to make is about taking a place-based approach. Funding is often fragmented, competitive, and focused on specific things like EV cars or renewable energy. At the county level, we are very much looking at a place-based approach where we can link things together and look at a community as a whole. If we could link all that funding together and have a pot that delivers on an evidence-based approach that says what is needed in the area and links up all of our ambitions around health, economy, social and environment, that would be a lot easier, and we could make funding deliver more than the separate, individual pots could. Having place-based funding that is based on local evidence of need would be really helpful.

Paul Miner: I should say at the beginning that I am speaking today on behalf of CPRE, the countryside charity, and point out that CPRE is leading the Better Planning Coalition, which includes a wide variety of environmental, social and community organisations that have come together to put forward a shared view on how we can improve the Levelling Up and Regeneration

Bill and make it stronger for people and nature more generally. We are working in a number of key areas. Climate change is one of them.

In CPRE's view, at the moment the planning system has an institutional weakness in dealing with climate change. There is a duty on local authorities in the Planning and Compulsory Purchase Act 2004 for their development plan document—so local plans essentially—to contribute towards the mitigation of and adaptation to climate change. However, that duty is not strong enough. It does not consistently influence local authorities or planning inspectors examining plans or appeals. The Bill merely reiterates this existing and insufficient duty. We have seen, for example, recent planning stats reports for 24 recently adopted local plans that show only one mention of climate change for 24 of boosting housing supply. The priorities of the planning system have become massively skewed and unbalanced.

We want to see in the final version of the Bill some additional clauses that apply the climate change duty both more meaningfully, so that it clearly reiterates the national commitments made in the Climate Change Act 2008, but also applies the climate change duty to national planning policy as well as just local plans. It should also apply to decision making on specific planning applications, as well as just in the making of local plans. We also need to see more detail about what the duty means both in terms of mitigation, achieving Climate Change Act targets on budget and climate budgets, and in terms of adaptation, relating it to relevant statutory risk assessments and compliance. The coalition is coming forward with some further ideas on this, which we are very keen to discuss further with the Committee in due course.

Q145 Matthew Pennycook: There were lots of very general points there; I want to get into the specific. I would like to ask you two questions, so I ask the witnesses to be as brief as they can to ensure I can do that. Dr Benwell, you mentioned environmental outcome reports. What is the panel's view on them as a replacement for environmental impact assessments and strategic environmental assessments? To an extent, can you give a considered view given the lack of detail in the Bill as to what they will look like in practice?

Dr Benwell: We cannot give a complete view, because so much is proposed to be done in regulations and that itself is a problem. The idea of taking a more outcome-based approach to environmental impact assessments is a good one and there are definitely areas where environmental impact assessment and strategic environmental assessment can be improved. So things like making sure that you get the thresholds right to include all potentially environmentally damaging plans; that could be improved. Things like making scoping decisions mandatory; that could be improved. The problem as we see it with the environmental outcomes proposed in the Bill is that the outcomes set can simply be spliced in in place of existing environmental requirements. We do not know that those will be robust enough.

For example, in the environmental impact assessment process, if anything proposed in a plan or a project is likely to cause significant harm to the environment, there is a duty to avoid, mitigate or compensate for that potential harm. In the new system, if an environmental outcome is set that, for example, talks about a general outcome of improving the abundance of species at the

national level, any sort of project that claims to be doing that nationally could ignore local impacts. It could ignore the impacts on particularly important sites and species at the local level. That could be extremely damaging for things like sites of special scientific interest and UNESCO sites, which are afforded their main protection through the planning system and through the EIA and SEA.

I should point out that these clauses will affect not just the EIA and SEA; it is really important to note that the habitats regulations and the habitats regulations assessments are also affected. If you look at clause 127, you will find an extraordinary provision that says that anything done in an environmental outcomes report can be treated as satisfying any existing duties under the habitats regulations assessment process. That process, which is what protects our most internationally important wildlife sites from harm, is even stronger than the EIA and SEA, because under the habitats regulations process, before a site can be affected by a project that causes significant harm on site or by contiguous activities, the developer must prove that mitigation is in place to avoid that significant harm, or that there are imperative overriding public interest reasons to proceed and compensatory measures are in place.

That is a really high legal bar to protect our most important sites and species of international significance. Under the Bill, the Government could put in its place a more parochial and limited environmental outcome, such as saying that the best available technology has been used to reduce water pollution, or that overall national trends will be going in the right direction. That would weaken and undermine the extremely important protection provided by the habitats regulations. You do not often see a clause in a Bill that says that anything in regulations can be treated as satisfying existing legal duties, or indeed that anything in them can amend, replace or repeal any of the most fundamental parts of the habitats regulations that we have come to rely on for decades. The concept is quite good, but the way in which it is being applied brings serious risks of undermining long-standing environmental rules that would potentially create huge uncertainty in the planning system, because developers and conservationists alike have become used to operating under this system.

Paul Miner: I agree with Richard about the environmental dimension of the environmental outcomes reports. It is also worth the Committee considering that under the current system, local authorities have to do a sustainability appraisal, looking not only at environmental factors but at social and economic factors.

To pick up on what Richard and Carolyn pointed out, there is quite an important issue about the effect of the planning system on human health. It seems particularly strange that in a Bill about levelling up we are not using the outcomes reports as a means of embedding the Government's levelling-up objectives in the planning system. For example, the levelling-up White Paper calls for measures on increasing healthy life expectancy and regenerating town centres, but those will not be assessed at all through the planning system under environmental outcomes reports, whereas they would have been under the current system of sustainability appraisals.

Carolyn McKenzie: I agree that taking an outcome-based approach allows us to be more flexible and achieve more, but it depends on how narrow the outcomes are,

which is Richard's point. It would be really good to ensure that the outcomes in the Bill match the performance targets and indicators that the Department for Environment, Food and Rural Affairs is currently consulting on under the Environment Act 2021. They need to link up so that we have one set of environmental indicators that all sectors and all areas are delivering on.

To pick out one example, there is no mention of natural capital in the Bill, as Richard pointed out. How can we put in an outcome relating to natural capital, which could be really important for health, attracting businesses to areas or carbon sequestration? That is a key element of levelling up, so I urge caution in ensuring that any new outcomes link directly to the Environment Act and the 25-year environment plan.

Q146 Matthew Pennycook: Finally, do you believe that clause 117 could potentially lead to an erosion of existing environmental protections? Do you believe that clause 120 provides adequate protection? Will it ensure that, at a minimum, there is no regression from existing protections? If not, how would you ideally like to see the Bill strengthened?

Dr Benwell: I should have brought my copy of the Bill. There are actually some very good bits in clause 117. The Government have done quite a good job of writing in the mitigation hierarchy, which is welcome to see. The problem is linked through to clause 127, which allows everything in preceding parts simply to replace existing environmental law. It would be much better if the Government came forward with fully worked-up proposals for how to strengthen the existing system of the EIA and SEA, rather than taking the approach of giving themselves the powers to take out layers of environmental law and put in something different.

You mentioned clause 120, the so-called non-regression clause. It is obviously a good thing to have a commitment not to weaken environmental protection, but I am afraid that the efficacy of such a clause is really in doubt, for a number of reasons. First, it is the Secretary of State in whose opinion environmental law has to be maintained at an equal level. That is a highly subjective opinion left in the hands of Ministers—and, just to emphasise, not a court in the land would challenge that on the basis of ultra vires without it being patently absurd. Courts are really deferential to decision makers, so if a Minister were to say, “Yes, this is equivalent,” that statement would have to be really, really daft for a court to challenge it. So we think that that kind of non-regression provision is unlikely to be robust.

Secondly, the other noteworthy part of the non-regression provision is that it talks about overall levels of protection. That is where we come back to the idea of talking about the environment in aggregate and those big broad trends of species-level data, which is really important—like Carolyn, I think that we should be linking back to the Environment Act targets—but it is not sufficient. We must keep in place the rules that protect the particular, the peculiar and the exciting at the local level that matter to important people, and those local populations of species and habitats that are so important. Otherwise, we get into a runaway offsetting mentality where the assurance that things will be better overall can be taken to obscure a lot of harm to the natural environment at the local level.

So there are some good things in clause 117 and some nice sentiments in clause 120, but overall they do not give the reassurance that would be provided by simply taking time to work up provisions in full and bring them forward in primary legislation rather than giving Ministers the power to swip and swap through regulations.

Paul Miner: I have nothing further to add on this question.

Carolyn McKenzie: I have nothing further to add other than to reiterate the local element. You do get lots of peculiarities in different areas, and they can be lost, so we must make sure that they are not.

Q147 Neil O'Brien: This question is directed at Paul in the first instance. The Bill contains a number of measures from the infrastructure levy to strengthening compulsory purchase order powers, high street rental auctions and heritage protections that are intended to drive more brownfield, urban regeneration. It also contains measures to create more combined authorities with transport and regeneration powers as part of building on the Government's urban uplift and shift towards a regeneration-led approach to planning and housing. What assessment have you made of the advantages in embodied carbon of building reuse and of denser, better public transport-connected cities in reducing pollution? What is your take on that model of development?

Paul Miner: We think that a brownfield-first approach to new housing and commercial building development can have a number of benefits. We have seen constantly over the years that there is enough brownfield land available for over 1 million new homes in any given year, and this supply of brownfield is constantly replenishing as more sites come forward, and it is possible to build at higher densities.

We think there are a number of clauses in the Bill that could help with brownfield regeneration, such as those relating to changing compulsory purchase order powers, as you have mentioned, and the infrastructure levy. Getting local plans in place more quickly will also help to bring brownfield sites forward. So we see a lot of benefits to a brownfield-first approach.

However, the problem we have consistently had over the past 15 years, under both Conservative and Labour Governments, is that it has been easier for large housebuilders to bring forward speculative developments through the planning system, often not contained within local plans, than to be able to get these schemes through at appeal. We think there are a number of measures the Government need to look at.

Some of these may involve legislation but more involve changes to policy to give councils more power to set targets for the amount of housing needed in their area, to make sure that housing targets reflect what is likely to be built in the area, as opposed to what house builders say when they claim to be meeting housing targets that they then do not build, and to identify local needs for affordable homes. In many areas of the country they are crying out for affordable homes, but the kind of housing that is being built is not meeting those identified needs.

We recognise that there is a lot in the Bill that is helping to bring forward the benefits of a brownfield-first approach, in terms of, as you say, embodied carbon, saving precious agricultural land and regenerating communities in need levelling up. At the same time, we think there is scope to do much more.

Q148 Neil O'Brien: Let me extend that question to Carolyn.

Carolyn McKenzie: To build on what Paul has said, I think the circular economy is missing from the Bill. There is not much that is looking at what can be reused, recycled or reclaimed. It is about the new, and sometimes that is not the best way to go. Specifically around things like housing retrofits, it is about repair and regenerate rather than new housing. There is not that look at retrofitting that there should be, bearing in mind that the majority of housing we have is already in existence.

Q149 Neil O'Brien: One of the other things the Bill does is take forward measures to widen and deepen the devolution agenda by making it easier to set up new combined authorities, for authorities to join them and for them to gain new powers. How would you like to see the devolution agenda drive positive environmental outcomes? Is it primarily through helping towards our transport mission and better public transport? Is it through the housing quality mission? Or is it something else entirely? How do you think the devolution agenda can best serve a wider environmental agenda? I put that to Carolyn first.

Carolyn McKenzie: The first thing would be to actually have a mission in the Bill that relates to environmental outcomes, as the Bill does not have such a mission in there. Even though there has been some commitment to sustainable and non-competitive funding, if there is no mission then you cannot link that back. When you have funds such as the shared prosperity fund, which will take regard of the environment, if there is no mission you cannot just say, "Well, this is a priority." So having a mission on the environment would definitely push this along.

There is a need within devolution to be clear about people's roles. At the minute, everything that is done around climate change is done by local authorities, both at county and district level, because they have been driven to do so by the public through climate emergencies. It is not because we are being asked to do it. That drives action, absolutely, but it drives different types of action—inconsistent action—and the data is different so you cannot compare.

Also, when you get things like covid coming along, or Ukraine, or inflation, the risk of dropping down the agenda is really high, so that sustainable approach to funding is needed, rather than there being small pots of funding and grant-based funding, which can change and is short-run and competitive. That approach is not great for really putting down the foundations and encouraging local authorities to work with partners and to partner up. We are looking at working with the private sector, residents and other public sector bodies to really partner up their funding with our funding, to get more bang for our bucks and to achieve more through things like volunteering to plant trees, which involves health and social, and tackling fuel poverty, which keeps people out of hospital as well as reducing carbon emissions. As I keep saying, that integration is really key.

Again, when we look at things to spend money on, we really need to look at what is needed at the local level. There are lots of things that will be consistent that people need to spend money on, but there will be lots of differences and nuances at the local level that will make

it better spent. I reiterate again that 41% of Surrey's emissions—we are not unusual among other authorities—are down to the private car. With little or no funding for public transport, it is a really difficult target to hit to get people out of the car. You can get people to change to electric vehicles, but that has an equalities aspect to it: not everybody drives and not everybody can afford it. Public transport and good safe routes for walking and cycling are really crucial, as is the housing side, again.

Q150 Neil O'Brien: Thank you. Paul, on the transport powers that are devolved through devolution deals, as well as getting more people on to public transport, which is good for the environment, what is the potential impact of improved public transport in driving more brownfield regeneration rather than sprawl? You must have done quite a lot of work on this kind of thing.

Paul Miner: Yes, we have done plenty of work on that, which we can send to the Committee. In particular, we produced a report a few years ago on public transport-oriented development, which showed that you could get much higher densities in urban areas that were already served by an intensive public transport network. In turn, that mutually reinforced and made sustainable public transport improvements within that area. There is certainly more on that that we could send to the Committee, which we would be very happy to do.

In addition to Carolyn's point, I also want to say something very quickly on the rural aspect as well. Cornwall in particular is a possible trailblazer on rural devolution, in terms of what it has been able to do to integrate its transport network—that is in trains, ticketing and single points of information. It has also done some great work in terms of setting housing policies and on retrofitting rural housing stock. It does seem to be an exciting model that others could look at.

The Chair: Richard, we have not forgotten you; we will ask you to comment in a second.

Carolyn McKenzie: The key point on that is that there are so many different actors and so many different funds in respect of devolution. It is about looking at how we co-ordinate that. I am proposing to my authority to look at taking a lead climate change authority approach, similar to the lead local flood authority approach, so that we can actually co-ordinate, get the data down, look at what is relevant for the local level and deliver on that. We can then use that data to influence the funding that we bring in or to influence Government funding pots, so it is appropriate. That co-ordination element among all the different sectors is really key. At the minute, it is not there around environment. There are lots of different people and lots of different areas to come from.

The Chair: Richard, you have been very patient.

Dr Benwell: Thank you, Chair. I have been expansive on other questions, so it is no problem.

I will make two points very quickly. First, it would be great if we could always preface "brownfield" with "low-biodiversity value". My friends at Buglife would send a plague of spiders my way if I did not point out that sometimes brownfield can be really important for nature. That has a really important link through to localism, because it is often local communities—our

brilliant heritage of amateur ecologists—who know about these things. It is really important for the planning system to keep being able to investigate and interrogate what is on individual sites.

It was welcome, in this version of the Levelling-up and Regeneration Bill, to see the move away from the previous proposals in the planning White Paper, which would have taken a broadbrush zoning approach, taking away some of the granularity of local information. It is really important that we keep doing those site-based surveys and that, as we move to digitisation, for example, we do not do everything from a laptop computer and assume that there is nothing important there.

Quickly, on another aspect of devolution, on the environmental outcome reports, it is noteworthy that the outcomes can be set for the devolved nations as well, after consultation. I do not know anything about devolution politics, but it would be great if it can be clear that whatever is set by Westminster is a base, not a cap. If other countries wanted to move further and set bolder outcomes, it would be unfortunate if a new power that enables those things to be set from Westminster prevented Wales, Northern Ireland or Scotland from being able to go further if they wanted to.

Q151 Rachael Maskell: Communities are facing multiple challenges, and not just on flooding but on drought. How could the legislation be strengthened to mitigate those climate risks?

Dr Benwell: It would be wonderful if climate and nature were at the forefront of the Bill. A modern planning system ought to have environmental recovery embedded in its very purpose. Some of the things in the Environment Act 2021 moved us forward in thinking about compensating for environmental harm, and indeed things like biodiversity gain set a precedent, but actually some of those big sectors have a role not just in offsetting the harm that they do, but in contributing to improvement.

I know that there is some suspicion about purpose clauses in Bills, and that those are not something we do in UK law, but what you could do is to set a requirement that plans and individual decisions are compatible with nature's recovery under section 1 of the Environment Act and with climate change mitigation under section 1 of the Climate Change Act 2008.

More locally, you could take a real step forward by bringing into statute some of the things that the Government have already promised. For example, we have this excellent commitment to protect 30% of land and sea for nature. Would it not be great if the Bill were to bring that into statutory form by setting an aspiration, or a requirement on Ministers, to ensure that all sites of significant importance for nature are properly designated by 2030; and to bring in some of the exciting new proposals for things like a wild belt, a new planning designation not just to protect what we already have for nature, but to provide areas where nature could recover?

On your question about the growing environmental risks that come from climate change and nature degradation, that comes back to the question of natural capital. Really, we ought to be thinking about levelling up not just geographically, but temporally: we ought to be thinking about the concerns of future generations. This is about making sure that geography does not define destiny. If you are more likely to be flooded, less likely

to breathe clean air, or going to be in a place where you cannot access clean rivers or access a positive natural environment, there ought to be something of the past; that the length, quality and happiness of your life are defined by the physical environment around you. Surely that gap, having natural capital and a healthy natural environment as one of the missions that came in the White Paper, should be filled by a clear duty in the Bill—to set that as one of the missions, when they are formally set in statute.

My final point is that with some of the questions about, for example, flood risk mitigation versus housing development and space for agricultural land, there are inevitably trade-offs. It is really difficult. We know that if we are to meet net zero, a third of that effort has to be delivered by nature-based solutions—so, finding space for land to sequester more carbon through better agricultural soils, and through more trees and wetlands.

If we are going to do that at the same time as ensuring that we have space for business and development, and space to grow enough food, we have to improve how we do spatial planning and we have to make those trade-offs explicit, and a planning system that is still weighted towards housing numbers over those other considerations is one that will never make those choices properly. A spatially explicit planning system that has nature's recovery and climate change mitigation at its heart is one that would make a real boon of this Bill.

Rachael Maskell: May I have a supplementary question?

The Chair: I am afraid that we are going to be caught by the clock, because I now have another Member who wants to come in. Paul and Carolyn might want to come in too. We could have gone on with this session for ages. Quickly.

Q152 Rachael Maskell: I will be brief. There has been a lot of talk about brownfield development first, and I understand that, but if we are talking about levelling up—you referred to the whole wellbeing of an individual—should we not also be looking at how brownfield could perhaps be swapped with some greenfield, in order to ensure that we do not build such density in urban areas, which is actually quite harmful to personal wellbeing and health?

Dr Benwell: It is hugely important, and we need to make sure that those existing green spaces are not just little patches of grass that are full of litter and dog mess. They need to be thriving natural abundant places that people can go and enjoy and find solace in nature. You are absolutely right; we need a system that can identify those spaces that really matter to local communities, whether they be notionally brownfield or not. We have seen an 11% loss in urban green space over the past 15 years. Were that trend to continue, you would find more people left bereft of nature. You would find productivity falling and ill health growing, so these things are hugely important. Things like—

The Chair: Sorry, I am just going to have to stop you there and move on.

Q153 Sarah Atherton (Wrexham) (Con): Dr Benwell, you spoke about bolder outcomes in devolved Administrations, so you will probably know about this. The Welsh Government have introduced phosphate mitigation targets in areas of special interest, which

covers my constituency. In practice, that has halted all development for many months, including care home extensions, and the impact is delayed discharges from care. A homeless hostel has not been built. It has been left to the local authorities to scramble around with developers and Natural Resources Wales to find a way forward. That still has not happened, so how could the Bill square that?

Dr Benwell: This situation that we have got to, where I think 70 local authorities are facing moratoria on development because of nutrient loading, is a real problem, but it is a problem because in some ways the system is working. We have allowed ourselves to reach a threshold where our rivers are facing ecological destruction because we failed to halt diffuse pollution from agriculture and to halt run-off from urban areas. We need to find a way through it, absolutely, and there are a couple of ways to do that.

In the short term, we should make sure that developers have options to mitigate and compensate for any additional load that they would put on those water bodies—that is absolutely crucial. We have seen some brilliant examples around Poole harbour, where developers have been allowed to invest in treatment wetlands or to work with farmers to reduce artificial inputs of fertiliser—nitrate and phosphate—to reduce that load on the system so that you can go forward and provide that infrastructure and development that you need, but not in such a way that we leave our rivers and streams ecologically dead.

In the long term, we need to move to a more systematic approach, where we take these problems into account in advance and we permit plans and projects only when they are within a nutrient budget in the system. It is about having a catchment-level nutrient budgeting plan that says, “This is what is currently in the system and what it is adding to our waters; this is what we can bring forward; and this is what we have to take out of the system.” Other countries have done that really successfully, and it has enabled development to take place in a way that does not take them over those critical environmental thresholds.

So we should not knee-jerk and get rid of the rules that are in place, because they are serving a vital ecological function, but we should help developers to do their bit by taking away aspects of the problem. In the long term, we need to use things such as environmental land management to help pay farmers to shift towards more agroecological systems. We need to help developers to come forward with permeable membranes and reduce the load on the sewerage system so that they are not contributing to the problem.

The Chair: Paul, did you want to add anything—in 60 seconds?

Paul Miner: Just to go back to Rachael’s initial question, one area of the Bill that gives us real cause for concern, in terms of local authorities’ ability to adapt to climate change, is the proposal on national development management policies. We think that, as the clauses are currently drafted, it will make it more difficult for local councils to have what is known as Merton rule-style policies, requiring a higher amount of renewable energy generation in new developments compared with the national building regulations. Similarly, on biodiversity net gain, the national policy is to ensure 10%, but some local authorities want to go beyond that. They would

not do so if we had a national development management policy that told them to keep to what is nationally mandated.

We therefore think that clause 83 needs to be changed so that it just says that local authorities should be able to decide applications in line with both local and national policies, but not always have to give supremacy to national policies. We hope the Committee will look further at that in due course. We know that, for many members of the Committee, it is a major cause of concern, which they have raised already.

The Chair: I am really sorry to our witnesses. We could have gone on for much longer, but time has beaten us. We must move on now to our sixth panel. I very much thank the witnesses for their evidence.

Examination of Witness

Dr Hugh Ellis gave evidence.

3.56 pm

The Chair: As there is only one gentleman on this panel, it is easy for me to ask him to introduce himself.

Dr Ellis: Good afternoon. My name is Dr Hugh Ellis and I am director of policy at the Town and Country Planning Association.

The Chair: For your benefit, Sir, the purpose of this Committee is to gather evidence to help us when we consider the Bill as we go through it line by line next week. One advantage of this Committee is that the Minister gets to ask questions. That is the only fun that he will have in this Committee, so I think we will start with him.

Q154 Stuart Andrew: Thank you very much, Mr Bone.

Dr Ellis, thank you very much for your time this afternoon. Could you perhaps tell us what your organisation and its members think about many of the reforming aspects of the planning system that are contained in the Bill?

Dr Ellis: I think they regard it, and we regard it, as a mixed picture. We welcome the issues on hope value and on development corporations, and strengthening the development plan is certainly welcome. But then there are a series of issues on which we need some serious reassurance. There are just three. First, how can we drive delivery and does the Bill do enough on that. Secondly, democracy and public trust are absolutely critical to everyone because, as we have already heard, there is a lack of public trust in the system. Finally, there are the really positive measures that could be taken on climate change.

Briefly, I will throw one more in. When we write legislation on planning and when planners think about the future, we often have a tendency to think about it through our lens. I think it would have been great to see more creative, local community solutions in the Bill, particularly on the cost of living. The planning system has enormous potential to be a solution for things such as local food growing and local flood defence. It would have been great to see some concrete measures enabling that kind of activity from the bottom up.

Q155 Stuart Andrew: Given that about 39% of England is covered by up-to-date local plans at the moment, do you think that the measures in the Bill will make it easier, or is there anything else that should have been included to try to progress these plans; to give confidence to communities about what will be developed in their areas?

Dr Ellis: The primacy of the local plan is really important. We are very worried about the relationship with national development policies and whether that masks a centralising tendency. Local and neighbourhood plans are so important in giving certainty to communities. As is often the case, we are making some changes to the process of planning reform—that is nothing new—but the fundamental issue is about resources. Most people who talk to us about planning and the delivery of local plans would say, “Well, if we had more resources we could deliver them more quickly, and if we had more certainty we could also do that.” So we should not get too hung up about changing the law.

We have divided the local plan into several pieces now through this Bill: we have said there is a local plan, then a supplementary plan, and then a strategic plan, and two of those are voluntary and one is not. In that sense, we have created that framework. The answer is that it all depends: it depends on resources and on how much power the Secretary of State wants to take to the centre on the content of local plans. We have an honest concern that if you want to rebuild public trust, you need to handle those powers with extreme caution.

Q156 Stuart Andrew: Do you welcome the strengthening of neighbourhood planning and the neighbourhood statements included in the Bill to try to engage more of that community involvement?

Dr Ellis: I think we do. We are obviously desperate to preserve the rights to be heard. That is an important point. We are losing some rights to be heard and communities really need them. The TCPA fought for them from the 1960s onwards so that people had a right to be in the inquiry of a plan. Our planning system is very asymmetrical; the development sector is very dominant in that process.

A lot of people are sceptical about the idea of neighbourhood planning. I admit my own scepticism about it, because plans are often happening in places with more social and economic capital than others and we absolutely have to address that, but they are proving powerful—I speak as an ex-parish councillor, so I have served my time on this. Whether the statements get us over the line in creating something simple and meaningful is the challenge we want to see explored through this Bill’s progress. Will those statements actually have weight? Yes, you have to have regard to them, but what exactly will that mean in detail? Local and parish councils are denigrated, but they do have a powerful and meaningful role in the planning process.

Q157 Stuart Andrew: Finally, we have heard time and again about complexity and bureaucracy in the development of local and neighbourhood plans. What has been the reaction of your association’s members to the digitisation of the planning process in the Bill?

Dr Ellis: There are two sides to that reaction. First, what is not to like about digitisation? There are some very archaic practices in the planning process and it

would be great if we could catch up and have the resources to digitise. That will make information more accessible. It is also really important that we are able to integrate environmental data, because there are competing datasets out there. One of the most important recommendations is that we sort of need a national laboratory for that spatial data, as that would simplify the process no end.

But digital data goes so far. There is an issue about digital exclusion that worries us for communities. We can have as much digital information as we like, but we also need access to the arenas where decisions are made, so there is a twin relationship between understanding what is going on and being able to do something about it. That is where rights to be heard, which we are so exercised about in the planning process, are so important.

The Chair: I call the shadow Minister, Matthew Pennycook.

Q158 Matthew Pennycook: Thank you, Hugh, for giving up your time to speak to us. I want to start with some of the measures you have spoken about in terms of local planning. The TCPA is on record as having concerns about some of the centralising thrust of the Bill. What impact do you believe clauses 82 to 84 and schedule 7 could have on public participation, trust and confidence in the planning system, and how would the TCPA ideally like to see them amended?

Dr Ellis: There are two issues. One is about rights to be heard. We have decided now in the Bill to call several documents “development plan documents,” which has a specific legal meaning and a specific legal way. So the strategic plan, the supplementary plan and the local plan are now all development plan documents. If a development plan document is being prepared, it has legal weight in planning, and the quick answer is there therefore must be a right to be heard. On the strategic plans, the Bill currently says that it positively excludes the right to be heard at an examination. That seems to us wholly wrong and unnecessary. If people want to, we should give them the opportunity turn up at an inquiry and test the evidence.

To be clear, even if the criteria are set nationally, green belt allocations will probably be set in those strategic plans. In other words, the issues that people really care about have to be debated in an arena where there is a right to be heard. That would be an easy modification to make, and I so hope that Ministers will seriously give it consideration.

The other issue is centralisation. That worries us even more, because nationally described development management policy has a new legal status. There has been some debate about that, and we are absolutely convinced that it does have a new and special legal status as national policy described in law. The clauses elevate that policy so that where there is a dispute, it is resolved in favour of the national policy.

There are no limitations on what the Secretary of State can include in that national development management policy; nor is there a robust process of parliamentary scrutiny, which there is for national policy statements in major infrastructure. That has to change. If the Government are determined to have such a policy, parliamentary scrutiny and public participation in setting it are crucial.

Q159 Matthew Pennycook: The Bill proposes the abandonment of the duty of co-operation. What do you think are the likely consequences of that proposal for strategic planning and the delivery of new homes?

Dr Ellis: Simply, there will not be any. The duty to co-operate was a problematic measure—a stop-gap measure—inserted after the abolition of regional planning. You would expect me to say this, and it may not be popular, but regional planning in this country was critically important to our future. I understand and have to accept that there was insufficient public support for it. Again, it simply did not have the right kind of governance, but it was important.

Put simply, for the reasons you have heard, which I will not repeat, it is absolutely essential that we have bigger-than-local decision making. That enables communities to make decisions; it does not trump them. If you want to preserve the east coast from a sea level rise of 1.5 metres by the beginning of the next century, which is predicted by the Environment Agency, you cannot expect 33 district councils between the Humber and the Thames to do that on their own, so it is very important that we get that right.

Removing the duty to co-operate and replacing it with a policy imperative just makes a situation even worse. Devolution could help, but of course, that is an ad hoc process; we do not yet know who wants to do devolution. I am sat in Derbyshire, and I have no idea whether Derbyshire wants to be a combined authority or not. It is vital that we have that strategic tier.

Q160 Matthew Pennycook: Part 6 of the Bill aims to standardise the range of powers available to each type of development corporation, and gives local authorities the power to request their formation. Are those measures likely to have much of an impact? If not, how might the Bill be strengthened to ensure that development corporations can contribute more effectively to delivery?

Dr Ellis: Development corporations are really welcome, but it is worth remembering that when you have effective planning, which links planning to delivery—that is what a development corporation does; you can really drive change—the most important thing is that their governance needs to be modernised so that they are genuinely accountable and participative. The purpose of a development corporation is to draw on what Oliver Letwin recognised in his review: the critical role of the public sector as master developer in de-risking development.

Much of the challenge in why we are not delivering the homes that we consent in the planning process is because the private sector has limited incentive to deliver beyond certain levels, based on absorption rates. Development corporations can do that. It is worth reflecting on the fact that, within 20 years of the war, we consented 33 new towns, which housed 2.8 million people and paid for themselves. That record is largely forgotten but still very powerful.

The answer is that the challenge in giving the powers solely to local authorities is that they work only when Government stand behind them. I think it is the Government's role in housing that we need to draw out. They need to be more muscular in supporting local authorities. The experience from the locally led development corporation in north Essex illustrates that point.

Q161 Matthew Pennycook: In our previous session, we had an interesting and thoughtful discussion with witnesses about how the planning system might help us to respond to the climate and environment emergency. I will finish with a question that I asked in our second session. You will know that nowhere in legislation is the purpose of the planning system set down. Do you think there is any value in more clearly defining in legislation the aims of the planning system on climate change and other issues? Is the Bill an opportunity to do that, and if so, what would that look like?

Dr Ellis: I think there is a huge opportunity to do that. It is essential that the Bill contains a purpose for planning if you want to recreate public trust by making it clear in statute what the system is for. It is interesting that there are currently four outcome duties in law on planning, but there is nothing in the Bill equivalent to what we see in Bills on social care or in national parks, where there is a clear sense of what planning is meant for.

If you want this new journey—we all do—to benefit the future of England, you need to need to set down that purpose around sustainable development. That is an inclusive goal; we are already internationally signed up to it, and for me, it is the only development goal that is credible for the future of this nation. Underneath that, I would quickly say that it is heartbreaking to see the potential that planning has to deal with climate change mitigation and adaptation and the dysfunction that we are currently presented with.

I have just seen an inspector remove a net zero policy from an area action plan for a new development in West Oxfordshire. That tells you that Government policy urgently needs to be reviewed. The whole sector has been calling for an urgent ministerial statement to clarify how net zero is delivered. We really cannot wait for the NPPF review at the end of 2024 for that; it must happen now. On adaptation, the issue is even more serious, in terms of having to begin to think about shifting population off the east coast, the challenges of surface water flooding, the endless flooding in Calder valley and how plans need to grasp the allocation of land for natural flood defence.

I know that I cannot go on, but all I can see is huge potential. We need to bind the planning and climate Bills together. The climate Bill must have specific requirements on the sixth carbon budget, and stronger requirements on adaptation, specifically around water and flooding.

The Chair: I call the Minister.

Q162 Neil O'Brien: Through the devolution agenda, we have devolved powers at scale over things such as transport and regeneration, giving places the power to create things such as development co-operations. Through this Bill, we will make it easier and quicker to set up new combined authorities, particularly in two-tier areas, and make it easier for them to widen and take on new powers. There are also a range of measures in the Bill to drive more brownfield regeneration—the infrastructure levy, CPO reforms, high street rental options, street votes, heritage protections, and so on.

As we negotiate devolution deals with areas such as Derbyshire, where we are in talks at present, how do we best bring together the new instruments and new combined

[Neil O'Brien]

authorities to achieve everything we potentially can through spatial planning to drive the kind of join-up you have been arguing for in this session?

Dr Ellis: That is a complex question, but time is short. The single biggest issue is with trust and public consent—whether the people of Derbyshire understand the benefits of the combined authority. I am tempted to say, at the moment, that they do not. People have talked in the past about double devolution, and I think that is still important. You have two problems going on; you have the fantastic opportunity that devolution presents to empower local authorities and collections of local authorities, but then you have an important issue about the citizen and trust within communities, and how they relate to that.

In thinking about the devolution agenda, it is important to show regard and care to things such as parish and town councils—that lower tier—and what powers they might get. Otherwise, all that happens is that you shift the trust problem down a notch. The opportunity is there when resources and powers are provided for places to begin to set a new course that tells a story about that place. That is desperately needed in this country.

My only fear is that we need coverage across most of England—we do need that—and the ad hoc nature of this is giving different powers to different areas. The status of the strategic plan in Liverpool, legally, is different to the one in Manchester, which is different again to the London plan. That might be fine, but it also creates levels of legal uncertainty. There is a tension between those things, but I would continually emphasise the point on community trust and what communities can do, as well as what local authorities can do.

The Chair: Thank you, Mr Ellis, for your clear and concise evidence. We very much appreciate it. We must now move on to our seventh session of the day.

Examination of Witnesses

Gavin Smart and Kate Henderson gave evidence.

4.14 pm

The Chair: I have in front of me a gentleman and a lady. Would the lady like to introduce herself for the record?

Kate Henderson: I am Kate Henderson, chief executive of the National Housing Federation. We are the voice of housing associations in England.

Gavin Smart: My name is Gavin Smart. I am the chief executive of the Chartered Institute of Housing, which is the professional body for people working in housing in the UK.

The Chair: Thank you. We are going to take questions from members of the Committee, starting with the shadow Minister.

Q163 Matthew Pennycook: May I start with the infrastructure levy? We touched on it with an earlier panel, and I will ask almost the same question that I put to witnesses earlier. The potential for local authorities to set multiple levies and threshold rates—no doubt by

a cumbersome examination process with some of the issues around viability that already exist—strikes me as not too dissimilar from CIL, so I am trying to get from witnesses a sense of whether you think that is fair. If that is not a fair assessment, what clear advantages, if any, do you think the levy will provide for? How do you see it operating in practice on complex brownfield sites? Finally—and particularly importantly, given the thrust of the Bill—given the ability to vary rates, will the levy do much for levelling up? Will local authorities in areas with low land value not just set low levy rates that do not lead to much in the way of public gain?

Gavin Smart: The levy is certainly similar to CIL, but I believe it is managed in a way that CIL is not. I share some of your concerns about the impact of the levy on lower-value sites. One of our concerns is that we are currently struggling to deliver the housing that we need, particularly affordable housing and social rented housing. Whether a levy on a lower-value site will be able to deliver the resources needed to support the delivery of new homes for social rent is a significant concern.

The other issue that I would raise with respect to the levy is that we are very aware of the role that, historically, section 106 planning gain has played in the delivery of affordable housing and social rented housing. About half of affordable housing is delivered in that way. Although there are commitments from the Government that affordable housing delivery will be maintained, we are anxious to understand the detail of that, because section 106 has been such an important part of the delivery mechanism.

Kate Henderson: Thank you for the opportunity to speak to the Committee today. We really support the Government's ambition to address regional inequalities in our towns and cities' economies through levelling up. It is also very good to see housing and planning as part of the Bill, but we share concerns around the impact of planning reforms on the ability to deliver much-needed affordable housing.

When it comes to the infrastructure levy, we are really looking at four areas where we would like to have a bit more detail and some assurances. The first is the issue of protections for the delivery of affordable housing. The second is around the importance of on-site delivery of affordable housing. The third is around the risk to viability, and the fourth is that we would like to see an exemption from the levy for sites that are 100% affordable.

The Chair: We are going to carry on, but we are having a slight problem with your sound and picture, Kate. If it breaks down, we might turn the video off and just have your audio, but we will see.

Q164 Matthew Pennycook: Kate, may I pick you up on the first point you raised: the potential impact of the levy on affordable housing supply? In responding to the publication of the Bill, the NHF stated on your website—I hope I have got this right—that it was pleased that the Government had written into the Bill a mechanism

“to ensure affordable housing levels will be maintained, with current levels as a minimum.”

Correct me if I am wrong, but I assume that you were referring to proposed new section 204G of the Planning Act 2008, which is discussed in schedule 11. I wanted to probe why you think the language in that clause, or

anything else the Government have said in relation to the Bill, is anywhere near robust enough to guarantee the maintenance of current affordable housing levels. I read the language, which is

“must have regard...to the desirability of ensuring”

as quite weak in terms of ensuring that we see that affordable supply of housing come forward.

Kate Henderson: My starting point is that we really welcome the Government’s commitment to ensuring that as much affordable housing will be delivered. As Gavin Smart mentioned, at the moment section 106 planning obligations deliver around 50% of all affordable housing in England. It is vital that what replaces it delivers, ideally more, but at least as much. We are pleased that there is that reference in schedule 11, in proposed new section 204G, around having a mechanism to ensure that affordable housing levels will be maintained at current levels, but what we would like is a greater commitment and assurances from the Committee and ideally in the legislation about what we mean by current levels of affordable housing delivery.

There is a risk that in some areas minimum affordable housing requirements, which should be based on objectively assessed need, are actually being delivered by what is coming through the planning system now, and that is not enough in some areas and we do not want that under-delivery to be baked in. We would really like clarity from Ministers that, to protect affordable housing delivery, current levels will be based on current targets for affordable housing, which should be based on objectively assessed need.

Q165 Matthew Pennycook: That is really helpful, thank you. It seems—how do I phrase this?—that it is not entirely explicit on the face of the Bill, but we have got a sense from what Ministers have said on this on previous occasions and what they are saying generally that they see a continued use for section 106 on certain sites. Do you think the Bill is an opportunity to reform and strengthen the operation of section 106 agreements? If so, how might the legislation be amended to that end?

Kate Henderson: I think the Bill suggests that section 106 agreements will be retained for larger sites. I do not think we have necessarily determined the size of those sites yet and potentially that will come through in secondary legislation.

What we are learning from section 106 is that there are some really important considerations. We have been having positive conversations with the Government about this, particularly around the delivery of on-site affordable housing. The Government are bringing forward a new infrastructure levy. That levy has got to ensure that we get inclusive, mixed communities—that we get the integration of different housing types and different tenures, and that they are built to good, high standards. We know that mixed communities are far more successful than exclusively, for example, poor ones. We want to have the affordable housing integrated in.

That is one of the really important lessons from section 106—when it works well, you get an integration of your housing all on site and you get other good on-site infrastructure delivered at the right time as well. That helps with public acceptance of development, particularly at scale.

I think we would want to see in the design of the new levy that early engagement with housing associations is there absolutely at the outset and that on-site delivery is considered the default position when it comes to significant sites. We would really like to ensure that local authority use of contributions for purposes other than affordable housing would have to come after the agreed level of delivery of affordable housing on site.

Gavin Smart: I strongly agree with Kate, particularly around needing to be sure that we are not baking in low levels of performance on the delivery of affordable housing. We need to be sure that the expectation of the continuation of delivery of affordable housing is at a sensible level, supported by some sort of assessment of need. Like Kate and anybody involved in the delivery of affordable and social housing, we are acutely aware that the key benefit of section 106 has been the delivery of on-site in-kind provision that delivers the mixed communities that we all know work. It actually helps a scheme’s viability, because it means that developers know a proportion of the scheme they are developing will be sold immediately on completion to a landlord who will immediately fill it with tenants. That helps with speed of completion at the site.

The most important point is that levies do many things, but what they do not do is give you actual physical buildings; they give you an amount of money. If you are struggling to find a site to deploy that money, they do not perform in the same way as section 106 reforms. So we have concerns about the levy and that is why we welcome the fact that, although what we mean by larger sites is not yet defined, the Government are signalling that they want to retain section 106 for larger sites. That is important. I think it will help delivery and help to build mixed communities.

Q166 Matthew Pennycook: Final question. Assuming the Government do not fall in the coming months, and the Bill becomes law and is implemented, you know that the infrastructure levy will be rolled out—the Minister has made much of this—on a test and learn basis. What is your understanding of how that will work and progress? Do you foresee any challenges once the Bill has come into force, where that infrastructure levy is not operating around how the new provisions in the Bill interact with the existing system as we transition towards the levy?

Gavin Smart: First of all, there is more flexibility in setting the levy than we previously expected. That is welcome because we want local authorities to be able to respond to the facts on the ground. However, like many public policy problems this is a matter of trade-offs. You do not want such complexity in the system that we are down to negotiating levies on individual sites, so it is about getting the balance right.

More important, something that I think is a bugbear of every attempt at planning reform is that, although we all believe that no planning system is perfect so it is always worth looking at how you can improve it, the other issue with planning policies is whether they are properly resourced enough to enable the local authorities that are operating them from London. Certainly, we have a concern that it might prove challenging for local authorities to be able to manage the complexity of negotiating a large number of different levies in different places. We know that elsewhere in the planning system local authorities can be outgunned by the development

industry in terms of capacity. That remains a concern, because we think that overall capacity in local authority planning is stretched.

Kate Henderson: We think the test and learn approach is really to be welcomed. Alongside that, obviously we would want to see a transitional approach. Test and learn is particularly important when we are looking at viability and the delivery of much-needed affordable housing. It is really important, given that development and land values vary greatly from site to site and place to place, that we get the levy set at the right level to ensure viability, to ensure delivery, and to ensure we are creating great communities that include much-needed affordable housing. We have advocated a test and learn approach and it is really positive that the Government are looking at that. We would want to be a part of that approach to make sure we are able to get affordable housing, and that we have the good working relationships between local authorities, developers and housing associations on-site working with the community—

The Chair: We are having slight problems with the sound. We will just give it a second. Do you want to carry on?

Kate Henderson: I was just saying that we are very, very keen that, as test and learn is rolled out, housing associations, working with councils and developers, are part of that programme, so we ensure we set the levies at a level that enables the delivery of great places with high-quality affordable housing on site in mixed communities. Doing that in a phased way to make sure it is working, while retaining parts of the old system as this is transitioned out, sounds like a sensible, pragmatic way forward.

Q167 Stuart Andrew: I thank you both for your time this afternoon. We know that protracted section 106 negotiations can sometimes result in a reduction in the amount of affordable housing from what was originally intended to be delivered. We are introducing the right to require, so we can get as much, if not almost all, of our ambition to achieve that. Are there any specific points you would like us to look at as we develop that side of the policy? More broadly, how do you see the proposals on access to information on land helping housing associations to look at opportunities to deliver more affordable housing?

Kate Henderson: Taking the second part first, transparency on land ownership is hugely welcome, as are the clauses in part 7 on compulsory purchase. I know this is not the same thing, but they are interlinked. Being able to access land at the right price to capture that land value is a really important mechanism for ensuring that we are able to deliver affordable housing. The best section 106 agreements do that because they understand the infrastructure need in a local area and those policies are in the local plan, so that when you go in for your planning application it is all costed in. I think the main principle of the infrastructure levy is that the cost of the levy is costed in so it can be factored into the price, which factors into what you are willing to pay for the land.

Land transparency is welcome, as is part 7 on compulsory purchase, regeneration and the enhanced role of Homes England, not just as a housing agency but as an agency involved in regeneration and place making.

Gavin Smart: I support much of what Kate says. I do not want to repeat her, but I have a couple of observations. Some of this is about the creation of a new planning system and some of it is about the resourcing of local authorities. Some of what characterises good section 106 negotiations is the ability to negotiate effectively. It is quite hard to design either a section 106 or a levy system in which developers may not come back, either legitimately or less legitimately, to argue that the situation has changed and needs to be looked at again. We have to accept that as a fact of life in these negotiations. It is not done until it is done.

I agree with Kate that land transparency is very helpful. Considering whether compensation needs to be paid in quite the same way as it has until now, and addressing hope value, is a very sensible proposition that we would support.

Q168 Rachael Maskell: In areas of high land value, how do we bring forward sites that are not built just for investment—Airbnb, asset homes and second homes—but are built to meet local need? What measures would you add to the Bill?

Gavin Smart: I do not know about adding measures to the Bill, but it is about the quality of local plans and the quality of local decision making. Going back to Kate's point, it is about making sure we are operating on an objective assessment of need. We need to be sure that in our plans we are delivering the housing that is required for the whole community, rather than simply housing that can make the best return. In that sense, the planning system is something of an intervention to prevent what one might describe as a kind of market failure, which is that the housing market will not deliver the housing we need without being provided with a degree of direction. It is as much about what happens in implementation as what is actually in the Bill and the quality and strength of local plan-making behaviour.

Kate Henderson: There are already tools in the planning toolbox that enable local authorities to deliver different types of development that are right for their area. One example is rural exemption sites. I know your constituency is in York, so you are not necessarily rural, but our rural areas often have high land values and pressing affordability issues. The rural exemption policy enables affordable housing to be developed in perpetuity. A local landowner might be more likely to put forward a piece of land for affordable housing if they know it is going to stay in the community, for the community, so there are policies such as those that can be used. I agree with Gavin: it is really important that the local authority has a good evidence base of what is actually needed, so that when it is making decisions on schemes coming forward, there is an opportunity to argue for the social mix that it wants to see, including affordable housing.

I also think there is a role for different actors in the housing market: who is actually coming forward with proposals? What is the role of Homes England in terms of its land assembly role and its partnership role with local authorities, and how do we get HE more in the mix in its place-making role, as well?

Q169 Rachael Maskell: How do we ensure the viability of a site for development? Are measures just too short term, and should we be looking longer term? Is there

anything we can put in the Bill to ensure we do that, to get the right kind of housing into the future? I am particularly cognisant of the comment made about maintaining the target of housing developed, as opposed to looking at what is actually needed within a particular community, the type of affordability or social housing.

Kate Henderson: That is a great point: the point about how we define current levels is vitally important. The commitment to deliver and protect housing delivery at current levels should reflect objectively assessed housing need for affordable housing, so having that in the Bill would be hugely welcome, ensuring that we enshrine that protection for the delivery of affordable housing.

On the practicalities of viability, this is not about legislation; there is a really important resource point. Local authorities need to have the skills around the table that put them on an equal footing with the private sector when they come in and negotiate on viability, which has been a real challenge for overstretched, under-resourced local authorities in some parts of the country. They have not been able to have an equal footing in those negotiations on viability. That is not about the legislation piece, but about how we upskill and empower local government to make sure they are getting the best possible deal for the community.

Gavin Smart: Without wishing to repeat myself, I support what Kate said. When working up an objective assessment, need is a very important place to start from, because it gives robustness to local planning. I have made the point about local authority capacity already, but Kate is right that they need to be able to compete on an equal footing with the developers they are negotiating with. That is where the really hard discussions about scheme viability take place, and you want local authorities to be approaching that with the same skillset, the same ability and the same resource, because if they are not, it is not an even playing field. Many developers are very socially responsible, but those who choose not to be can use the viability assessment process to drive affordable housing out of new housing schemes, which is not something that we would want to see.

Rachael Maskell: Thank you.

Q170 The Chair: Witnesses, you have been very good and very kind and answered all the questions; now it is your chance, just before we finish. The Members around this table will deal with line-by-line consideration of the Bill next week, which will in due course become an Act of Parliament. I will start with you, Kate: what is the one thing they should do, and what is the one thing they should not do?

Kate Henderson: The thing that would be fantastic would be to have real protection for affordable housing delivery on the face of the Bill, defining what current levels are. If I am allowed, rather than saying something that they should not do, I am going to ask for a second, which would be exemption from the levy for 100% affordable housing schemes.

The Chair: Thanks, Gavin?

Gavin Smart: I am going to copy Kate: it would be invaluable if we very specifically defined the affordable housing levels that we expected to see. At the moment, we do not have a definition of what we mean by

affordable housing, so it would be extremely helpful to have that in the Bill. I would back Kate on exempting affordable housing from the levy, because that would enable us to deliver more of it. That would be useful, because we are running well short of the levels of social and affordable housing that we currently need. In fact, we are losing homes at a rate.

The Chair: Thank you very much. You have been excellent witnesses. We will move on to our eighth panel, who will appear not on screen but in front of us.

Examination of Witnesses

Will Tanner and Alex Morton gave evidence.

4.40 pm

The Chair: Gentlemen, thank you so much for coming today. We should be able to hear you, and you will not freeze mid-frame, which is welcome. For the record, could you state your name and who you represent?

Alex Morton: I am Alex Morton, the head of policy at the Centre for Policy Studies think-tank. Slightly related to this, a few years ago I worked in No. 10 doing housing and planning issues.

Will Tanner: My name is Will Tanner. I am the director of Onward, another centre-right think-tank, which was established four years ago, in 2018. Similarly to my fellow witness, I was in the No. 10 policy unit until 2017.

The Chair: Gosh. Is the Minister starting this one?

Neil O'Brien: What fun.

The Chair: What fun you will have, Mr O'Brien.

Q171 Neil O'Brien: Thank you, Mr Bone. May I apologise, as I will have to leave a few minutes before the end of the session?

Alex and Will, thank you for joining us in person. The Bill takes forward the devolution agenda by making it easier and quicker to set up new combined authorities, particularly in two-tier areas. It also contains a number of powers to speed up and improve regeneration, from the infrastructure levy to compulsory purchase order powers, high street rental auctions, street votes, heritage protections and land market transparency. How can we use both the devolution agenda and these new tools best to drive urban regeneration and more brownfield development—the kind of development that a lot of people want to see? How can we build on what we are doing in the Bill and make the powers that we are creating work most effectively? I will pick first on Will and then go to Alex.

Will Tanner: First, thank you for having me. It is a very important question, and the Bill goes some way towards answering it. The Bill tries—if I may infer Ministers' intentions from it—to establish a much greater level of strategic authority in the planning system to bring together different elements that are important for regeneration and economic development in local areas. That includes building some of the institutional framework in the form of both more and stronger mayoral combined

authorities or equivalents in counties and giving them clearer incentives to intervene and bring land together with other forms of intervention—I point to the infrastructure levy in particular in that regard, not just at mayoral level but below—as well as creating much greater transparency in information to allow the system to work more effectively and generate more community buy-in. That is both at a national level through the levelling-up mission framework that the Bill sets out, setting a clear direction on where the levelling-up agenda is due to go, and more information for consumers of the planning system through the digital planning framework and, indeed, through greater powers to require information on behalf of local authorities such as owners of high street shops and other parties locally.

Alex Morton: I am a little more sceptical on parts of the devolution agenda. It has worked very well in some places, such as Manchester, but less so in others. London has probably one of the biggest housing backlogs, and obviously it has had a Mayor for a very long time.

For me, the most interesting and best thing about the Bill is the focus or push around trying to make local plans more delivery-oriented, moving towards a system of local plans as delivery mechanisms and not huge, long lists of policies by moving some of that policy up to a national level. It would be good to discuss that further. I think that is the right aim, but there are some difficulties in how that is planned to be done. The shift away from a five-year land supply is also welcome.

Listening to people earlier, what often came up is planning issues x, y and z. Really, planning is just to deliver enough land, so that enough homes are built, we meet housing delivery targets and we do not have a housing crisis. Almost everyone else has a strong interest in planning doing mixed communities, planning doing sustainability, planning doing an ageing society and planning doing obesity. Planning is not really meant to do all those things; it is not some kind of titan that can hold the world on its shoulders. The whole point of planning is that there are sufficient land released to a different mix of developers who will build enough homes so that we do not have a housing crisis. If the Minister is inclined to put in place some kind of definition of what planning is, I would say that planning is designed to make sure that we build sufficient homes of sufficient quality in the right places—full stop. If the planning system could just focus on doing that, we might have less of a housing crisis, with everyone shoehorning everything else under the sun—important and noble though those other things are—into the planning system.

Q172 Neil O'Brien: Thank you. Can I press Alex on street votes? Is this something you welcome? What observations, if any, do you have about how we could potentially make a success of that policy?

Alex Morton: I think street votes are a very good idea. They are a way to try and encourage communities. They are not a solution to everything—I think we have to be honest about what street votes are. Street votes are in areas where there is high demand in housing and you have relatively low density—particularly Metroland, for example, in London—where you might be able to persuade people to replace a certain amount of terraced housing with four or five-storey terrace streetscapes, which would be quite attractive. That could be a good way in lots of high-demand areas, without building on green belts and

green fields, to get a recycling of space. That used to happen. For most of our city's history, that densification process was natural. You had a single landowner usually—sometimes aristocratic, sometimes merchants, sometimes commercial holdings—who would buy blocks, demolish them and build them up. You have to do that now in a way that is consensual and fit for the 21st century.

Street votes are a way to try to get people together and say, “Look, we can all, on our street, agree that we can build up another few storeys. We will all benefit from this. This will mean that we do not have to build on greenfield sites on the edge of London.” I do not think we should be too optimistic about it in the next, say, five years solving the south-east's housing crisis. However, it has to be something that the Government moves at great speed on, to try and put pilots in place to get this going, so that if it can work—I think it should—we can then roll it out on a wider scale. That said, I do not think, sadly, that it will alleviate the pressure on green fields in the next five or 10 years, but it is a thing we need to do now if we are to stop building on more and more of our land surface.

Q173 Neil O'Brien: I have one last question, for Will. One of the things the infrastructure levy does is have the neighbourhood share, in the way that CIL does, but CIL only applies to a certain number of authorities. How might that connect to the work you have been doing on what you called double devolution and neighbourhood-level governance?

Will Tanner: I thoroughly welcome the commitment to maintain the neighbourhood share within the new consolidated infrastructure levy. As you say, the infrastructure levy is compulsory rather than optional and it will apply everywhere, so it represents an opportunity to share a considerable amount of revenue directly with communities where the right governance exists. Parish and town councils only cover about 37% of the English population at current levels—about a third of local authorities are fully parished—so only a relatively small number of places will be able to take advantage of this at first. The inclusion of the neighbourhood share will create a very strong incentive for local areas to put in place strong, hyperlocal governance to control local decision making and some local services within a general power of competence that exists for parish and town councils.

We know from our research that there are strong benefits from that. If you look at rates of volunteering, rates of group membership or rates of local philanthropy, all those things are higher in areas where parish and town councils exist. So I am very supportive of the Government's efforts to try and create a stronger incentive for places to put in that local governance and to benefit from the gain from development. I would also suggest that it should create a stronger incentive for places to become more welcoming of development as a whole and therefore embrace new housing.

Q174 Neil O'Brien: On CPO powers, which the Bill streamlines by speeding up the process and simplifies by taking out bits of the process, while also potentially enabling the capturing of more value for the community and for wider infrastructure projects, with implications for consent and regeneration, what observations, if any,

do you both have about the plans in the Bill on CPOs and how we make a success of them? Shall we go to Will first, then Alex?

Will Tanner: As the Minister will know, Onward's first ever paper looked at this issue in some detail. As the Committee will know, at the stroke of a planner's pen, the value of a piece of land can go up 100-fold. There is an opportunity for the UK to do much more to capture the gains from development in a way that other countries, such as the Netherlands, do more systematically. The Bill goes some way towards doing that through the simplification and clarification of when local authorities can use CPO powers, which will hopefully make CPO more widespread.

I think the greatest opportunity lies in the clarification of what constitutes fair market value. That is a relatively contested area of policy; there are lots of different views from different areas. I thoroughly welcome the proposed Law Commission review into this area of legislation more generally, because I think legislation has spread over a number of years. However, there is an opportunity for the UK to more systematically capture those gains for development, and allow local authorities to buy and assemble land—especially with regard to ransom strips and small plots that hold up development—to capture those gains for public benefit. So I am supportive in principle but keen to see a bit more detail.

Alex Morton: I support the idea of streamlining CPO. I would be quite nervous, as a small “c” conservative and a small “l” liberal, about the measure to have a direction from the Secretary of State setting out the value of land. As Will has just suggested, there is a potential area in terms of ransom strips or other areas. If that was narrowly defined in legislation, so that, for example, on brownfield sites where there is multiple land ownership, there may, in exceptional circumstances, be a direction by the Secretary of State, that would be quite different from the current powers, which look like they could be abused by a future Government that was not sympathetic to property rights.

There is a case, with some ransom strip owners and some landowners who hold out and are unreasonable, for there to be some kind of change to get those people. But that is a big shift in property rights, which should probably be set out in primary legislation and very tightly circumscribed to small areas of brownfield land where there are multiple landowners, or be more tightly defined than the current situation, which I think could be abused—probably not under this Government, but under a future, more radical Government that did not support property rights.

The Chair: Mr Pennycook.

Matthew Pennycook: No questions.

The Chair: Ah, right. We come to Mr Henry.

Q175 Darren Henry (Broxtowe) (Con): Turning to CCA England Mayors, I think Onward has written a report about England's Mayors and their potential. The Bill recognises that the more power you give to these local leaders, the more accountability measures you need to bring into place. Do you feel that the Bill goes far enough with things such as audit committees for us to be able to hold local leaders to account?

Will Tanner: I support the measures in the Bill to extend the mayoral devolved model to county areas. Up until now, the mayoral model has, as you know, been largely ascribed to urban areas. I think that is a missed opportunity for historic counties in England. I particularly welcome the removal of the requirement for constituent authorities to consent to combined county authorities, so that counties cannot be held to ransom by districts within their area. I also recognise that the Bill goes some way to introducing stronger accountability for those combined county authorities.

However, in our recent paper, “Give Back Control”, we argued for a significant extension of the mayoral model. I see the provisions in the Bill as a starting point to extend the breadth of coverage of mayoral combined authorities, but I think there is a further step to deepen the powers and responsibilities of those authorities, both in cities and county areas. I would argue that that should be done in a number of ways. First, by giving much greater financial control to Mayors through a single mayoral settlement, rather than a panoply of different funding pots. That is not necessarily something for legislation, but it is a matter for Government, and the Treasury in particular. There should be the extension of further powers—this would be a matter for legislation—over local transport, local energy systems and other matters to give Mayors more ability to join up local services on behalf of their constituents.

Alongside that, we should have strengthened mayoral scrutiny panels, on which MPs as well as local councillors could sit, to join up the scrutiny of Mayors around the country—or indeed governors, as they may be called—so that they are held to account for those additional powers. I think Mayors have been successful to date, but there is much more they can do. Looking at international models, the mayoral model in this country has quite a long way to go to replicate the success of other countries.

Q176 Darren Henry: Have you got a country in mind that is doing it really well?

Will Tanner: I would point to the United States as a good example of where you have much greater levels of local and regional state-led control. The UK is almost uniquely centralised as a country, compared to other countries in the OECD. Just 5% of taxation is raised locally in this country, which is a third of the rate in France and a sixth of the rate in Germany. Just a quarter of that revenue raised is spent locally, compared to about 75% in Canada, for example. This country has a very long way to go on devolution, despite some of the advances made under this Government and indeed previous Governments.

Alex Morton: I would argue that devolution, or any kind of power structure, tends to work best when there is clear accountability. One of the problems that is beginning to emerge in this country is that you have Mayors, local enterprise partnerships, parish and town councils, district councils, county councils and combined authorities—and on top of that, you have PCCs. The problem comes when people do not know who is responsible for what, and I think that is increasingly becoming a problem for lots of local voters. They cannot see how this quite works.

I am sympathetic to some of the arguments that Will and others are putting forward around trying to get more powers lined up, but I think the thing that is

pushing back increasingly is that it is harder for me as a voter, getting on with my daily life, to know exactly who is responsible for what if something is broken. Is it my parish, my district or the Mayor? Then there are unaccountable bits such as LEAs. I spoke to a businessman who said, “I was thinking of investing in the north-east, and my people gave me a whole long list of people I should meet—elected officials—but they couldn’t quite tell me who did what, because it wasn’t very clear. For me, as someone who is thinking about making an investment in the north-east, I would rather have one or two people who have very clearly defined responsibilities for those purposes.”

Part of this is the depressing politics of, “It’s always easier to add an extra layer of politicians than it is to remove another one.” There is sometimes an argument to get rid of some powers and move them up, but it is often the case that what happens is that some powers get shifted up and that layer has to be left in place. Then you end up with a very confused accountability line for voters, businesses, the Highways Agency—the list goes on and on. Everyone who has to interact with them is not sure who they should be talking to, on what and why.

The Chair: I am going to call Greg Smith, but I will put the witnesses on notice that, at the end, I will give you the opportunity to change the course of history by telling the Committee what it should be doing.

Q177 Greg Smith: I am going to throw something of a curveball, because it is the sort of question that I am hopeful the think-tank world might have a view on. Throughout a lot of the evidence that we have heard during previous sessions on this Bill Committee—Alex, you talked about the south-east housing crisis in one of your answers—we have this presumption that building is the only answer to the question. From my constituency casework and from prodding around the issue, I have a theory that we do not really have a very good grasp on the gap between supply and demand, particularly in London and the south-east, where house prices are so much higher.

As we are looking at a Bill that essentially enables greater house building in our neighbourhood planning, can you offer a view on whether factors such as stamp duty, particularly at the punitively high rate that George Osborne imposed as Chancellor on the top end of the market, have had a disproportionate effect on movement within the housing stock we already have in this country? If people are not moving up to the very top tier of housing—the very large family homes and so on—there is a domino effect all the way down to the bottom of the market for people who are trying to get into starter homes and one or two-bedroom flats. Do you know of any assessment, either by your own think-tanks or across the think-tank world, that could answer that question? Just how big, in reality, is the gap between supply and demand? What other factors within the state’s control could we look at to take those barriers away?

Alex Morton: We are doing a paper called “The case for house building”, which may not be to your taste; it will argue that, unfortunately, supply is an unavoidable part of any solution. It is frustrating that many other factors, such as interest rates, immigration and stamp duty, are contributing to the housing crisis, but the

unavoidable reality is that supply affects price—there is no market in which supply does not have an impact on price. Throughout most of human history, the average cost of a house has been close to the build cost. If you really want to be technical, it is the capitalised future stream of rental income—house prices sometimes get out of line because there are asset price bubbles—but if you work out the rental stream of the average property over 30 years, it should be close to the build cost. Anything above that is fundamentally caused by an imbalance between supply and demand.

Ian Mulheirn has very eloquently made the case that we should not focus only on supply. I totally agree, but I think there is sometimes a desire to wish away the problem. Having said that, I empathise quite a lot with politicians, because it is annoying that other issues are contributing. I would argue that immigration is probably the quickest and shortest lever you could pull; I am thinking of the Chesham and Amersham by-election, for example, in which a party that strongly supports more immigration and more refugees was somehow arguing that there could be no building in any kind of southern constituency.

However, that does not get us away from the fact that for a long time we have not built enough houses for the people who are already here. We can see that in levels of homelessness and overcrowding, particularly for people at the bottom of the market who are really suffering and cannot have families. It is just unconscionable not to do something about that. So yes, cut stamp duty; yes, reduce immigration; but unfortunately there is just a big backlog. We will have a report out soon on this.

Q178 Greg Smith: Just to clarify the question that I am trying to get to the bottom of, my point is not that there will not ultimately be a gap between supply and demand; it is about the effect of factors such as stamp duty on supply. How much are the barriers to movement in the housing market dampening supply?

Alex Morton: We have done a couple of papers on this. There is a clear link between the number of transactions and the speed at which house builders can build out, as I think you have been hearing from other witnesses. The number of people who are prepared to buy new build is relatively constant; Help to Buy has shifted that, but absent Help to Buy, it is a relatively constant number. If transactions increase, so will the number of houses built. I can send you our paper “Stamping Down”, in which we talked about how reducing stamp duty would boost transaction levels. For me, part of the problem is that even if we get housing up to 300,000 for some years, we should be doing that along with other measures—we might then be able to start taking our foot off the pedal in about 10 years’ time. The backlog is so large that we should do all these things. Worrying too much about the exact mix is almost dancing on the head of a pin. We need to reduce demand and increase supply now, and then in five or 10 years, having done those things, we can review where we have got to.

Will Tanner: I agree with quite a lot of what Alex has just said; I think it is about both supply and demand. I take a lot of Ian Mulheirn’s arguments, particularly about the role of interest rates, but I agree with Alex that we have not built enough homes for a very, very long time. We did a report called “Stamping out a bad tax”—another variation on the word “stamp”—that

looked at abolishing stamp duty because, as a transaction tax, it has distorted effects within the market, in exactly the way you describe. There are ways of paying for that through second-home taxes and taxes on enveloped dwellings and the like. It is possible to do that in a fiscally neutral way, but it would be wrong for me to suggest that that will solve the housing crisis in one fell swoop. Ultimately, we need to do a number of different things. Over the last 10 years or so it has been easier for politicians to do demand-side changes to the housing market than to do supply-side changes, and that has led to some of the backlog that Alex talks of.

I would argue that some of the things in this Bill, particularly around compulsory purchase, land assembly, spatial planning and the role of development corporations, potentially unlock considerable amounts of supply. That is why this Bill is an important addition to the housing and planning system—it potentially fixes some of the roadblocks to supply over a number of years.

Q179 The Chair: I am going to go to the final question. Alex, what is the one thing that this Committee could do to improve things?

Alex Morton: I think we have covered most things that I had down. The one element that we have not touched on is the goal of streamlining planning and local plans. Perhaps more should be being pushed down than up. By that I mean I would that rather local plans were a series of site allocation policies and strategic policies around transport, and then local people should have a greater say on what happens on those sites, whether through neighbourhood plans or the neighbourhood priority statements that the Government are already trying to do. There is an argument that if development is happening in your community, and you can shape how it looks and what infrastructure and other benefits come with it, you are more likely to be in favour of it, or at least not hostile.

Therefore, rather than trying to have a system that says, “Let’s strip out all the local plan policies”—which I think is absolutely necessary, and the Government are absolutely right to proceed, because local plans take far too long and are out of touch by the time they are finished—you could create processes around how we get on sites, particularly larger sites, where they have been allocated, and how we engage with the community as part of that local planning process, so that, at the end of it, you have a local plan with a list of sites and some overlapping strategic policies, and then local people get to choose things like design or what benefits come with it. That would be a good way to square the circle

around streamlining, without running to this argument that you are centralising and taking powers away. I don’t think the Government is trying to do that; I think they are genuinely trying to fix the housing crisis, but I understand why MPs are saying that, and I think that could be an alternative way, as the Bill develops, to get there.

Will Tanner: The area where I think the Committee could make a real difference is around the levelling-up missions and the overarching framework around the Bill. I am not sure the Minister will necessarily thank me for saying this, but I think the reporting requirements and the architecture around the levelling-up missions could be strengthened considerably in two primary ways.

First, we have seen through the Office for Budget Responsibility and the Climate Change Committee the importance and strength of an independent body to hold the Government to account for delivering against its own targets, and I think the levelling-up missions would benefit from that level of scrutiny and accountability. At the moment there is a bit of a risk of the Government setting out its own interpretation of progress rather than us having an independent view. Bluntly, the Government should welcome that as a way of ensuring that the whole of Government is driving towards the same end. There is a bit of a risk at the moment that the Department for Levelling Up becomes the sole vehicle for driving levelling-up policy.

In a second but similar way, I think there is a missed opportunity in terms of not aligning that reporting framework against a Treasury set of fiscal events. Ultimately, levelling up is so interdependent with tax and spend policy that if the Treasury is reporting at different times, particularly around changing tax measures or making large public spending decisions through the spending review, there is the risk that levelling up falls through the cracks of the way the Government makes major decisions, rather than being completely aligned as a whole of Government mission, as I understand both the Prime Minister and the entirety of Government believe it to be. That would be my systemic change.

The Chair: Thank you for your excellent evidence today.

Ordered, That further consideration be now adjourned.
—(*Miss Dines.*)

5.9 pm

Adjourned till Tuesday 28 June at twenty-five minutes past Nine o’clock.

Written Evidence Reported to the House

LRB01 Community Rights Action

LRB02 West Midlands Police and Crime Commissioner

LRB03 Historic Houses