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EXPLANATORY NOTES—ENGLISH DEVOLUTION AND COMMUNITY EMPOWERMENT ACT 2026



EXPLANATORY NOTES

English Devolution and Community Empowerment Act 2026

Chapter 23

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ENGLISH DEVOLUTION AND COMMUNITY EMPOWERMENT ACT 2026

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the English Devolution and Community Empowerment Act 2026 which received Royal Assent on 29 April 2026 (c. 23).

- These Explanatory Notes have been prepared by the Ministry of Housing, Communities and Local Government in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by Parliament.
- These Explanatory Notes explain what each part of the Act will mean in practice; provide background information on the development of policy; and provide additional information on how the Act will affect existing legislation in this area.
- These Explanatory Notes might best be read alongside the Act. They are not, and are not intended to be, a comprehensive description of the Act.

Table of Contents

Overview of the Act 8

Policy background 11

The case for change 11

Policies in the Act 14

Devolution Structures 16

- Designation as Strategic Authorities 16
- Powers via the devolution framework 17
- Expanding the devolution framework 17
- Streamlining the establishment of Strategic Authorities 18
- Mandating the expansion of Strategic Authorities 18

London 18

- The GLA as a Strategic Authority 18
- Licensing functions for the Mayor of London 19
- Transport for London operational land disposal 19
- Power to pay grant to joint committees of London councils 19

Duties and Powers 19

- Mayoral Powers of Competence 19
- Devolution Framework 20
- Duty to produce a local growth plan 20
- Duty to establish a key route network, and the power of direction 20
- Micromobility schemes 21
- Lane rental schemes 21
- Bespoke health improvement and health inequalities duty 22
- Mayoral community infrastructure levy 22
- Mayoral development management powers 22
- Development on brownfield land 23
- Duty to cooperate with the local government pension scheme 23
- Altering police and crime commissioner (PCC) and fire and rescue authority (FRA) boundaries on transfer to mayors, and allowing one mayor to be PCC for multiple police areas 24

Strategic Authority Reforms 25

- Commissioners 25
- Remuneration 25
- Local Scrutiny Committees 25
- Preventing mayors from simultaneously holding elected office in a UK legislature 26
- Mayoral precept 26
- Power to borrow 26

Local Government 26

- Local government reorganisation 26
- Governance models for local authorities 27
- Effective neighbourhood governance 28
- Publication of councillors' addresses in authority registers 28
- Licensing of taxis and private hire vehicles 28
- Local audit reform 29

Local Election 30

- Supplementary vote 30
- Limit on delay of election in connection with local government reorganisation 30

Communities 30

- Community right to buy 30

Sports stadiums 31
Removal of upwards-only rent reviews 32
Statutory Trust Discharge Orders for land disposed of by local councils 32
Gambling Impact Assessment 33

Legal background 33

Territorial extent and application 38

Commentary on provisions of Act 39

Part 1: Strategic authorities 39
The strategic authorities 39
Section 1: Strategic authorities 39
The areas of competence 39
Section 2: Areas of competence 39
Single foundation strategic authorities 39
Section 3: Single foundation strategic authorities 39
Combined authorities and CCAs 40
Section 4: Combined authorities and CCAs: establishment, expansion and functions 40
Section 5: Combined authorities and CCAs: functions generally 40
Section 6: Combined authorities and CCAs: decision-making and validity of proceedings 40
Section 7: Combined authorities and CCAs: powers not limited by other provision or powers 42
Section 8: Combined authorities and CCAs: designation as established mayoral strategic authorities 42
Section 9: Appointment of commissioners by mayors 43
Section 10: Combined authorities and CCAs: allowances for members with special responsibilities 44
Section 11: Mayoral combined & CCAs: overview and scrutiny committees 45
Section 12: Mayoral combined authorities and CCAs: precepts 45
Section 13: Power to borrow 45
Section 14: Levies 46
Section 15: Combined authorities and CCAs: minor amendments 46
The Greater London Authority 47
Section 16: Additional functions of the GLA 47
Mayors 47
Section 17: Members of legislatures disqualified for being a mayor of a strategic authority 47
Section 18: Functions of mayors of combined authorities or CCAs 48
Section 19: The "general functions" of mayors 48
Annual report on devolution 49
Section 20: Report under section 1 of the Cities and Local Government Devolution Act 2016 49
Part 2: Functions of strategic authorities and mayors 49
Mayoral powers of competence 49
Section 21: Extension of general power of competence to strategic authorities 49
Section 22: Power of mayors to convene meetings with local partners 50
Section 23: Duty of mayors to collaborate 50
Transport and local infrastructure 51
Section 24: Regulation of provision of micromobility vehicles 51
Section 25: Arrangements to carry out works on highways 51
Section 26: Charges payable by undertakers executing works in maintainable highways 52
Section 27: Civil enforcement of traffic contraventions 52
Section 28: Restrictions on disposal of land by Transport for London 53
Section 29: Key route network roads 53
Section 30: Constituent councils to act in accordance with local transport plans etc 54

Section 31: Local transport authorities and other transport functions 54
Skills and employment support 55
Section 32: Education 55
Housing and strategic planning 56
Section 33: Planning applications of potential strategic importance 56
Section 34: Development orders 57
Section 35: Power to charge community infrastructure levy 57
Section 36: Acquisition and development of land 58
Section 37: Housing accommodation 58
Section 38: Mayoral development corporations 58
Section 39: Prioritisation of development of brownfield land 59
Economic development and regeneration 59
Section 40: Assessment of economic conditions 59
Section 41: Local growth plans 60
Section 42: Local Government Act 2003: expenditure grant 60
Section 43: Co-operation with local government pension schemes 61
Section 44: Miscellaneous local authority functions 61
Health, well-being and public service reform 62
Section 45: Health improvement and health inequalities duty 62
Public safety 62
Section 46: Functions of police and crime commissioners 62
Section 47: PCCs and police areas 63
Section 48: Functions of fire and rescue authorities 64
Section 49: Mayor with PCC and fire and rescue functions 65
Section 50: Sharing of information 65
Section 51: Licensing functions of the GLA and the Mayor of London 66
Culture 66
Section 52: Encouragement of visitors and promotion of visitors 66
Requests by mayors for established mayoral strategic authorities 67
Section 53: Requests by mayors of EMSAs for changes 67
Regulations relating to functions of strategic authorities and mayors 67
Section 54: Powers to make regulations in relation to functions of strategic authorities and mayors 67
Section 55: Health service functions: application of existing limitations on devolution 68
Supplementary provision relating to extension of functions 68
Section 56: Incidental etc provision 68
Section 57: Transfer of property, rights and liabilities 69
Protection of functions 69
Section 58: Prohibition of secondary legislation removing functions 69
Part 3: Other measures about local authorities and PCCs 70
Chapter 1: Reorganisation, governance, elections and councillors 70
Reorganisation 70
Section 59: Single tiers of local government 70
Section 60: Certain functions of shadow authorities for single tiers of local government 70
Governance 71
Section 61 Local authority governance and executives 71
Section 62: Local authorities: effective neighbourhood governance 71
Elections 72
Section 63: Mayors and Police and Crime Commissioners: supplementary vote system 72
Section 64: Limit on delay of election in connection with local government reorganisation 72
Councillors 73
Section 65: Publication of addresses of members etc in authority registers 73

These Explanatory Notes refer to the English Devolution and Community Empowerment Act 2026 which received Royal Assent on 29 April 2026 (c. 23)

Chapter 2: Grants to joint committees of London councils 73
Section 66: Power to pay grant to joint committees of London Councils 73
Chapter 3: Assets of community value 74
Section 67: Community right to buy assets of community value and protection of sporting assets 74
Chapter 4: Parking on Footways and Verges 74
Section 68: Prohibition of parking on Footways and Verges 74
Chapter 5: Land disposed of by local councils 75
Discharge of statutory trust 75
Section 69: Secretary of State to have power to discharge statutory trust 75
Chapter 6: Licensing of taxis and private hire vehicles 76
National standards 76
Section 70: "National standard" and "regulated licence" 76
Section 71: Standards relating to the grant of a regulated licence 76
Section 72: Standards relating to the suspension or revocation of a regulated licence 76
Section 73: Standards relating to the renewal of a regulated licenced 77
Section 74: Further provision about standards 77
Section 75: Duty to report concerns about drivers licensed in other areas 77
Temporary suspension of licences 78
Section 76: Power to suspend a licence temporarily 78
Section 77: Suspension under section 76 78
Section 78: Suspension notice given to person who is not licence holder 79
Section 79: Responsible licensing authority to be notified of suspension 79
Section 80: Responsible licensing authority's response to suspension of licence 79
Section 81: Appeals and compensation 80
Section 82: Enforcement officers 80
General provision 80
Section 83: Guidance 80
Section 84: Relationship with existing licensing legislation 80
Section 85: Regulations 81
Section 86: Interpretation 81
Chapter 7: Licensing of gambling premises 81
Section 87: Licensing of gambling premises: impact assessments 81
Chapter 8: English National Park Authorities and the Broads Authority 82
The general power of competence 82
Section 88: Extension of general power of competence to English National Park Authorities and the Broads Authority 82
Part 4: Local audit 82
Section 89: Establishment of Local Audit Office 82
Section 90: Local audit providers: registration and public provision 82
Section 91: New appointment arrangements for non-NHS audits 83
Section 92: Audit providers to nominate lead partner 84
Section 93: Code of audit practice 84
Section 94: Audit committees 85
Section 95: Review of audit and reporting arrangements at Secretary of State's request 85
Section 96: Smaller authorities: change of terminology 86
Section 97: Power to provide for smaller authority treatment in previous years where audit outstanding 86
Section 98: Amendment paving way for separation of LGPS accounts 87
Section 99: Minor and consequential amendments 88
Part 5: Business tenancies: rent reviews and arrangements for new tenancies 88
Section 100 : Rent reviews and arrangements for new tenancies 88
Part 6: Final Provisions 88

These Explanatory Notes refer to the English Devolution and Community Empowerment Act 2026 which received Royal Assent on 29 April 2026 (c. 23)

Section 101: Interpretation 88
Section 102: Saving of orders and regulations relating to combined authorities and CCAs 89
Section 103: Power to make consequential provision 89
Section 104: Certain orders and regulations provided for by Parts 1 and 2 89
Section 105: Regulations 89
Section 106: Financial provision 90
Section 107: Extent 90
Section 108: Commencement 90
Section 109: Short title 90
Schedules 91
Schedule 1: Establishment, expansion and functions of combined authorities and CCAs 91
Part 1: Combined authorities 91
Part 2: CCAs 96
Schedule 2: Decision-making and exercise of functions 101
Schedule 3: Commissioners 102
Schedule 4: Mayoral CCAs: Overview and Scrutiny Committees 104
Part 1: New scrutiny regime for CCAs that are established mayoral strategic authorities 104
Part 2: Amendments consequential on Part 1 of this Schedule 109
Part 3: Extension of new scrutiny regime to all mayoral CCAs 109
Schedule 5: Mayoral CAs: Overview and Scrutiny Committees 109
Part 1: New scrutiny regime for CAs that are established mayoral strategic authorities 109
Part 2: Amendments consequential on Part 1 of this Schedule 114
Part 3: Extension of new scrutiny regime to all mayoral CAs 114
Schedule 6: Extension of the general power of competence 114
Schedule 7: Providers of micromobility vehicles 115
Schedule 8: Arrangements to carry out works on highways 118
Schedule 9: Charges payable by undertakers executing works in maintainable highways 119
Schedule 10: Civil enforcement of traffic contraventions 121
Schedule 11: Key route network roads 121
Part 1: Designation and directions 121
Part 2: Transfer of duty of principal councils to make reports on key route network roads 124
Schedule 12: Local transport authorities and other transport functions 124
Schedule 13: Education 126
Part 1: Adult education 126
Part 2: Education for 16-19 year olds etc 128
Schedule 14: Planning applications of potential strategic importance 129
Schedule 15: Development orders 130
Schedule 16: Amendments relating to changes to mayoral development powers 131
Schedule 17: Community infrastructure levy 132
Schedules 18 and 19: Acquisition and development of land, and Housing accommodation 133
Part 1: Functions of the Homes and Communities Agency (known as Homes England) 133
Part 2: Functions of local authorities 134
Part 3: The Greater London Authority 136
Schedule 20: Mayoral development corporations 136
Schedule 21: Assessment of economic conditions 137
Schedule 22: Local growth plans 138
Schedule 23: Miscellaneous local authority functions 139
Schedule 24: Functions of Police and Crime Commissioners 140

Schedule 25: Fire and rescue services 141
Part 1: Amendment of FRSA 2004 141
Part 2: Amendments of other legislation 142
Schedule 26: Licensing functions of the GLA and the Mayor of London 142
Schedule 27: Powers to make regulations in relation to functions of strategic authorities and mayors 144
Part 1: Conferral and modification of functions 144
Part 2: Movement of functions between mayors and strategic authorities 145
Part 3: Exercise of functions 146
Part 4: Voting on decisions 146
Part 5: Particular provision that may or may not be made by regulations 147
Part 6: Pilot schemes 147
Part 7: Making of regulations 148
Schedule 28: Arrangement relating to single tiers of local government 148
Schedule 29: Local authority governance and executives 150
Schedule 30: Mayors and PCCs: supplementary vote system 151
Schedule 31: Assets of community value 152
Part 1: Community right to buy and sporting assets of community value (England) 152
Part 2: Minor and consequential amendments relating to Part 1 163
Schedule 32: Prohibition of parking on footways and verges 164
Schedule 33: Extension of general power of competence to English National Park Authorities and the Broads Authority 166
Schedule 34: The Local Audit Office 166
Part 1: Constitution, proceedings etc 167
Part 2: Transitional provision 169
Part 3: Application of other legislation 170
Schedule 35: Local audit: registration bodies, registered providers and qualifications 170
Schedule 36: Local audit: minor and consequential amendments 171
Schedule 37: Business tenancies: rent reviews and arrangements for new tenancies 172
Schedule 7A: Part 1 – Key terms 173
Schedule 7A: Part 2 – Triggering and operation of rent reviews 173
Schedule 7A: Part 3 – Rent review terms that are of no effect 174
Schedule 7A: Part 4 – Sub-tenancy required to include rent review terms that would be of no effect 175
Schedule 7A: Part 5 – General Provision 176
Schedule 7B: Arrangements for renewal of tenancies: prohibited terms 176
Commencement 178
Related documents 179
Annex A - Territorial extent and application in the United Kingdom 180
Annex B - Hansard References 181
Annex C - Progress of Bill Table 183

Overview of the Act

1 The purpose of the English Devolution and Community Empowerment Act is to transfer power out of Whitehall, by giving local leaders the tools to deliver growth, fixing the foundations of local government, and empowering communities.

2 On 16 December 2024, the Government published the English Devolution White Paper. The White Paper outlines how England is one of the most centralised countries in the world, and over-centralisation is holding back the prosperity of the regions, causing trust in politics to fall, and leading to poor public service outcomes.

3 To address the over-centralisation of power in England, the White Paper outlined that the Government is committed to widening and deepening devolution across England. The Act establishes a more consistent and simpler model of devolution which can be delivered more quickly than previous legislation allowed; establishing a standardised framework of devolved powers, duties, and functions; reforming the local government sector; and empowering communities.

4 Part 1 of this Act introduces the new devolution architecture for England, centred around the new category of "strategic authorities" (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas. This role is filled by:

- (mayoral) combined authorities, e.g. Greater Manchester Combined Authority;
- (mayoral) combined county authorities, e.g. East Midlands Combined County Authority;
- the Greater London Authority (GLA); and
- in some cases, single local authorities.

5 There are three levels of SA which determine which set of powers are conferred on an SA by Government which are (i) foundation strategic authorities, (ii) mayoral strategic authorities, and (iii) established mayoral strategic authorities. To ensure everywhere in England is covered by an SA and can benefit from devolution, this part introduces measures to streamline the establishment and expansion of SAs, and introduces a ministerial power to expand an SA where local leaders have been unable to agree how to access devolved powers for their area. The other measures in this part largely provide the new architecture to allow SAs to deliver on their newly defined areas of competence – for example, by standardising decision-making arrangements and allowing mayors to raise revenue. This part also disqualifies a person from being a mayor and a Member of Parliament simultaneously, and updates the requirements on the Government when publishing their annual devolution report. In addition, this part introduces new schedules relating to the Overview and Scrutiny Committees of mayoral SAs, including the establishment of Local Scrutiny Committees as the core mechanism for scrutiny of mayoral decision-making.

6 Part 2 outlines the powers and duties which existing and future SAs will have, and the new process by which new powers and duties can be conferred on SAs by Government in the future. Part 2 sets out the specific functions, and their voting and governance arrangements, that SAs receive at each level of the enhanced devolution framework, including new powers to raise a mayoral community infrastructure levy, and license micromobility schemes; and duties for mayors to produce a local growth plan, and establish and coordinate a key route network. Most functions conferred on SAs in the enhanced devolution framework in Part 2

align with the areas of competence introduced in Part 1. The new mayoral powers of competence empower mayors to deliver on their new suite of powers, by having the power to convene the relevant stakeholders in relation to their areas of competence. The Mayor of London is also empowered to drive growth and support Greater London's hospitality industry and night-time economy, by taking on new licensing functions. The final sections of this part outline the new streamlined processes via which powers can be conferred on SAs in the future, either permanently or as part of a pilot programme, and how established mayoral strategic authorities have the power to request additional functions, and how the Government have a duty to respond to that request.

7 Part 3 is focused on measures designed to strengthen local authorities and communities.

- Chapter 1 concerns local government and local elections. The local government measures in this chapter include the streamlining of local government reorganisation processes, a duty on local authorities to have effective neighbourhood governance in place, and provisions to prevent the publication of councillor addresses to protect the safety of elected members in local government. This chapter also requires all local authorities operating the committee system to adopt a leader and cabinet governance model, except where a council operating the committee system has a moratorium in place following a public referendum or council resolution, who will be required to undertake a governance review at the end of this period. The chapter also prevents the creation of any new local authority mayoralties and councils adopting the committee system. Finally, this chapter reverts all mayoral and Police and Crime Commissioner elections from First Past the Post to the supplementary vote system and limits the length of time the Secretary of State can delay elections in connection with local government reorganisation.

- Chapter 2 introduces a power for the Secretary of State to pay grant funding from central government to eligible joint committees formed by London councils.

- Chapter 3 introduces a new community right to buy, giving community groups first refusal on the sale of assets of community value, including sports stadiums. This measure applies to assets which have been listed by the local authority as assets of community value.

- Chapter 4 concerns the prohibition of parking on footways and verges. This chapter creates new powers to enable the Secretary of State to make regulations which give English local transport authorities the power to prohibit parking on footways and verges in their areas.

- Chapter 5 concerns the discharge of statutory trusts. This chapter introduces a process to remove statutory trust status for land held for public recreation in circumstances where local authorities sold or appropriated the land without complying with the statutory advertisement requirements.

- Chapter 6 concerns the licensing of taxi and private hire vehicles. This chapter provides the Secretary of State with the power to set national standards for the licensing of taxis and private vehicle drivers, vehicles, and operators, to give

confidence to the public that all taxis and private hire vehicles are subject to robust standards. This chapter places a duty on licensing authorities in England to report breaches of national standards by drivers to the authority that issued the relevant licence. This chapter also provides licensing authorities with a power to temporarily suspend, with immediate effect, a driver, vehicle, or operator licence it has issued or issued by another authority in England, if necessary to protect the public.

- Chapter 7 concerns the licensing of gambling premises. This chapter strengthens licensing authorities' ability to issue a Gambling Impact Assessment, enabling them to adopt a presumption to reject an application for a premises licence in a specified area covered by the assessment. This presumption can be displaced if the applicant gambling operator can show – with evidence – that the grant of the prospective licence would be reasonably consistent with the gambling licensing objectives.

- Chapter 8 concerns National Parks in England, and the Broads Authority. This chapter confers the full general power of competence on all National Park Authorities in England, and the Broads Authority, to clarify their legal framework and remove barriers to integrated delivery alongside other local stakeholders.

8 Part 4 strengthens the accountability of the local government sector by reforming the local audit system, including the establishment of the Local Audit Office as the body responsible for overseeing local audit.

9 Part 5 concerns rent review provisions in commercial leases and contain provisions about terms relating to rent in arrangements which require a new tenancy to be taken or granted. This section bans the use of upwards only rent review sections for commercial leases to prevent vacant shops and regenerate high streets in communities across England and Wales.

10 Part 6 contains the technical sections related to this Act, including on regulations, commencement, and extent.

11 There are also various Schedules to this Act, which are introduced by the sections in this Act.

Policy background

The case for change

12 England is one of the most centralised countries in the world and has some of the highest levels of geographic inequality[1] These two things are linked. Whitehall does not have the local knowledge, capacity and flexibility needed to take advantage of every opportunity available in every place. Simultaneously, there is a long-term decline of trust in politics. Too many people feel like they do not have control over the things that matter most to them, from housing to healthcare. In 2024, polling found that over 69% of people in England believed public services had got worse, and there was significantly net negative satisfaction on areas like council housing, support for children and young people, and employment and skills support for adults.[2]

13 The local government sector is also facing acute challenges. The way the sector is funded is outdated, inefficient, and poor value for money, whilst the demand for and costs of statutory services have risen. A reset in the relationship between central and local government is needed. In addition, there is a growing sense of decline within local communities. Only 11% of people believe their area has got better to live in over the last two years, and 29% say that it has got worse. This sits alongside a wider feeling of disempowerment and distrust at a local level. Whilst 50% of people say it is important that they feel able to influence decisions affecting their local area, just 23% feel able to do so.[3]

14 The English Devolution White Paper[4], published on 16 December 2024, makes the case that devolution across England is fundamental to achieving the change the public expect and deserve, and to addressing these challenges by delivering growth, more joined-up delivery of public services, and politics being done with communities, not to them. The case for change is clear:

- Devolution means policy can be tailored to local situations, based on a deep understanding of England's regional economies. Places should not have to constantly re-work competitive bids to deliver the Government of the day's priority. While ministers and civil servants strive to serve, those making national decisions have competing incentives, limited capacity, and less localised information. Devolution enables more decisions to be made by those who know their areas best, leading to better outcomes and a more efficient use of resources.

[1] MHCLG analysis of OECD (2020), Enhancing Productivity in UK Core Cities: Connecting Local and Regional Growth, OECD Urban Policy Reviews, OECD Publishing, Paris, https://doi.org/10.1787/9ef55ff7-en

[2] Ipsos UK (2024) Public Services Face Crisis of Confidence as Election Looms | Ipsos. https://www.ipsos.com/en-uk/public-services-face-crisis-confidence-election-looms

[3] DCMS (2024) Community Life Survey 2023/24 annual release – GOV.UK https://www.gov.uk/government/statistics/community-life-survey-202324-annual-publication/community-life-survey-202324-civic-engagement-and-social-action

[4] MHCLG (2024) English Devolution White Paper - GOV.UK https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper

- Devolution enables coordinated action in a place. Policies across skills, innovation, and infrastructure are much more effective when used to complement each other.[5] The difference that can be made when local leaders and mayors work together in the interests of the local population can already be seen. It creates the right mix of local intelligence and capacity with strategic vision.[6]

- Devolution gives communities a greater say in decisions that affect them. When policy is made at a national level, even the best intentions can fall short and invite public objection if the communities who should benefit are left powerless in the decision-making process.

- Devolution done right drives innovation, enabling different leaders to trial different methods, and learn from what works to ultimately deliver more for citizens.

15 By pushing more power out of Whitehall, this Government is undertaking major structural reform to deliver better democratic and economic outcomes for people and places across England. With more power devolved in England, people will see the following changes:

- Priorities for their area set locally, with policies tailored to needs and circumstances.

- Easier commutes through a single transport system, with pay-as-you-go fares and joined-up services to access more opportunities faster.

- Skills and employment provision which is more relevant to local jobs.

- More homes that are matched with new infrastructure.

- Support from public services that talk to each other and understand what support people need.

- Fewer but more empowered leaders who can be directly held to account. 83% of people in Greater Manchester recognise the mayor – this kind of recognition and direct accountability is needed across the country.

- Local government, as the foundation of devolution, restored to being fit, legal, and decent.

[5] See e.g. the analysis in Freedman, S. (2024) "Public Service Reform and Devolution" — Labour Together https://thinklabour.co.uk/thinking/public-service-reform-and-devolution/

[6] Institute for Government (2023) *How can devolution deliver regional growth in England?* pp.14. https://www.instituteforgovernment.org.uk/sites/default/files/2023-05/devolution-and-regional-growth-england.pdf

16 The English Devolution and Community Empowerment Act transfers power out of Whitehall, by giving local leaders the tools to deliver growth, fixing the foundations of local government, and empowering communities.

- There has already been progress in rolling out devolution in England, with the proportion of the population covered by devolution reaching 61% in 2024, just over 34 million people. However, the previous 'devolution by deal' approach created an inconsistent patchwork of powers, coverage, and accountability. Over 90% of the North of England is covered by a devolution arrangement, yet in the South of England this is at just 46%.[7] As a result of the deal-based approach, the powers mayors hold to effect change also vary between places. The Act introduces a systematic approach – ending one-off deals and creating a standardised devolution framework, so that mayors are given a consistent and coherent set of functions. This both deepens the devolution settlements of existing combined authorities and combined county authorities, and will widen devolution to more areas, encouraging local authorities to come together and take on new powers. By completing the map, the Government will oversee the rebalancing of power from central Government so that local leaders can take back control and all of England can benefit from devolution.

- Local government, as the foundation of devolution, is itself given a firmer foundation, restored to being fit, legal, and decent. This Act helps deliver a functioning local audit system, including by establishing a Local Audit Office. These changes support the wider reset of local authority finances, placing them on a stronger footing, ensuring they are able to best serve their communities and meet their duties. This Act also reforms the structures of local government, by preventing the creation of new local authority mayoralties and new committee system councils to deliver more transparent and accountable governance models for English local authorities. The Act introduces a requirement on all local authorities in England to establish effective neighbourhood governance. This gives communities a strong voice in shaping local priorities and influencing the decisions that matter most to them.

- Communities are also given greater rights to be involved in their local issues, through a strengthened community right to buy, and the introduction of a new type of asset of community value – the sporting asset of community value, aimed at increasing the number of sporting assets under community ownership, thereby protecting them against redevelopment. And upwards only rent review clauses are banned for commercial leases, to drive growth and avoid vacant and unused properties which too often blight town centres and high streets.

[7] Counting the South West, South East, London and East of England NUTS1 regions.

Policies in the Act

17 The English Devolution and Community Empowerment Act incorporates a wide range of measures designed to deepen and widen devolution across England, reform the local government sector and empower communities. These measures can be split into six broad categories:

- **Devolution Structures** – The Act introduces a new devolution architecture for England, establishing a more consistent and simpler model of devolution which can be delivered quicker than the previous legislation allowed. This includes measures to introduce the category of "strategic authorities" (SAs), organisations designated by Government which have responsibility for strategy development and programme delivery over larger functional economic areas. This role is fulfilled by:

a. (mayoral) Combined Authorities (CAs), e.g., Greater Manchester Combined Authority;

b. (mayoral) Combined County Authorities (CCAs), e.g., East Midlands Combined County Authority;

c. the Greater London Authority (GLA); and

d. in some cases, single local authorities.

- The Act also establishes a devolution framework, and grants the Government the power to add to or change the powers in the framework. In addition, the Act facilitates the goal of universal coverage of devolution in England. This includes measures to streamline the process for establishing SAs, and a ministerial power to direct the expansion of an existing SA, in certain circumstances.

- **London** – The Act sets out arrangements for the Greater London Authority (GLA) within the devolution architecture, ensuring that the GLA's devolution arrangements are as closely aligned as possible to arrangements for the rest of England. Alongside this, the Act also provides the Mayor of London with new strategic licensing powers to drive growth and support Greater London's hospitality industry and night-time economy. The Act also empowers the Mayor of London to decide on the sale or long-term lease of Transport for London land, by removing the requirement for the Secretary of State for Transport's consent. Additionally, where local authorities in London collaborate on initiatives outside the remit of the GLA, the Act enables ministers to pay funding directly to an eligible joint committee of London local authorities.

- **Duties and Powers** – The Act sets out the specific functions and their voting and governance arrangements that SAs receive at each level of the enhanced devolution framework, including duties for mayors to produce a local growth plan, establish and coordinate a key route network, and powers to manage development. In addition, all areas in England are given new powers to license shared e-bike schemes in their areas, to maximise their benefits and minimise negative impacts. The Act also introduces measures to facilitate the transfer of police and crime commissioner (PCC) and fire and rescue (FRA) functions to mayors.

- **Strategic Authority Reforms** – The Act allows mayors to appoint commissioners to deliver against one or more specific areas of competence, such as transport, for the SA. It also allows SAs to pay a special responsibility allowance to constituent council members in respect of duties and responsibilities undertaken in service of the authority; prevent mayors from sitting as MPs simultaneously; and standardise the governance arrangements for the setting of budgets and transport levies. In addition, the Act reverts all mayoral and PCC elections back from First Past the Post to the supplementary vote system. The Act introduces Local Scrutiny Committees to strengthen local accountability, with powers to scrutinise mayoral decisions and value for money of expenditure.

- **Local Government** – The Act introduces new measures to strengthen local authorities, including the streamlining of the local government reorganisation process. The Act places a duty on local authorities to have effective neighbourhood governance in place, and provisions to prevent the publication of councillor addresses to protect the safety of elected members in local government. The Act also requires all local authorities operating the committee system to adopt a leader and cabinet governance model, except where a council operating the committee system has a moratorium in place following a public referendum or council resolution, who will be required to undertake a governance review at the end of this period. The Act also prevents the creation of any new local authority mayoralties and councils adopting the committee system. The Act also provides the Secretary of State with the power to set national standards for the licensing of taxi and private hire vehicle drivers, vehicles and operators, as well as enforcement powers for licensing authorities over taxis and private hire vehicles licensed outside of their areas, to provide confidence to the public that all taxis and private hire vehicles are subject to robust standards. In addition, the Act introduces powers for the Secretary of State to make regulations which give English local transport authorities the power to prohibit parking on footways and verges in their areas that are also civil enforcement areas. Finally, the Act also confers the full general power of competence on all National Park Authorities in England, and the Broads Authority, to clarify their legal framework and remove barriers to integrated delivery alongside other local stakeholders.

- **Communities** – The Act introduces a new community right to buy, giving community groups first refusal on the sale of assets of community value. The Act also introduces new protections for sports stadiums and end upwards only rent review clauses in commercial leases to prevent vacant shops and regenerate high streets in communities across the country. Where councils have sold or appropriated land for public recreation without following statutory advertisement procedures, this Act introduces a power for the Secretary of State to discharge this statutory trust if it is in the public interest to do so and where other specified qualifying conditions are met. Finally, this Act strengthens local authorities' ability to influence the location and density of gambling outlets by giving them the power to publish a Gambling Impact Assessment. This enables

them to adopt a presumption that local authorities will reject applications for gambling premises licences in a specific area unless the applicant gambling operator can show that the grant of its licence would be reasonably consistent with the gambling licensing objectives.

Devolution Structures

18 Previous legislation on devolution was not adequate to deliver the scale of ambition set out by Government. The processes set out the Local Democracy, Economic Development and Construction Act 2009, the Levelling Up and Regeneration Act 2023, and the Cities and Local Government Devolution Act 2016 only facilitate piecemeal devolution of functions with a lengthy implementation process. They are also centrally driven in terms of what is on offer while relying heavily on the local appetite of local authorities to engage with that offer. Further legislation was required to embed the principle of each part of England having an authority, such as combined and combined county authorities, with strategic responsibility to drive local economic development, and to streamline the process of establishing new bodies and empowering local areas to gain the powers they need to deliver for their communities. This will drive powers out of Whitehall and into the control of local leaders on behalf of their communities, resetting the relationship between central and local government in England.

19 The Government is keen to speed up, widen and deepen devolution to generate wealth and prosperity across the country by freeing up more powers for exercise at the local level. This is in addition to the aim of creating a more consistent and simpler model of devolution across England.

Designation as Strategic Authorities

20 To deliver this scale of reform, primary legislation was needed to establish the category of "strategic authorities" – organisations positioned between local authorities and national Government, which typically are a CA, CCA, or the GLA – that have responsibility for strategy development and programme delivery across specific areas of policy competence over larger functional economic areas, with corresponding functions set out in the devolution framework enabled by this Act. These functions enable SAs to drive forward economic growth and improve social and environmental outcomes for those who live and work in their area.

21 By operating across strategic economic geographies, SAs are well placed to take strategic decisions and design and deliver policies and investment that span multiple local authority areas. SAs play a role in drawing up specific strategies and plans for their areas, considering factors across a broader area to inform, for example, the development of local growth plans. Specific functions and duties, including strategies and plans SAs are responsible for, are set out in the devolution framework. These functions are distinct from those exercised by local authorities which are focused on service delivery and activity within their boundaries. Existing devolution and local government legislation is inadequate for defining this new type of institution, its role, and relationships within the local government system in England.

22 The Act establishes three levels of SA, to which different functions are assigned: foundation, mayoral, and established mayoral. All non-mayoral CAs and CCAs are foundation SAs, while all mayoral CAs and CCAs are designated as mayoral SAs. The Secretary of State is able to designate an individual local authority as a foundation SA. The Secretary of State also has the power to designate mayoral SAs as established mayoral.

Powers via the devolution framework

23 The new devolution model includes the development of a framework that sets out powers and functions available to SAs depending on whether they have a mayor and on their track record of delivery. The framework is structured around an SA's areas of competence. The framework confers powers to these institutions automatically, moving away from the previous piecemeal and bespoke process of conferral to areas via secondary legislation.

24 Over the course of the decade preceding this Act, CAs and CCAs have been established through individual negotiations and area-specific statutory instruments, which has led to inconsistencies between areas across their functions and the governance arrangements of these functions.

25 The process was slow and cumbersome. The negotiation of devolution deals commonly lasted many months, sometimes more than a year, and not unusually taking more than one attempt to build local consensus, often driven by a lack of clarity about how good a 'deal' an area could secure from the Government. Much of the negotiation of devolution deals was taken up considering questions around governance arrangements and specific functions. The bespoke nature of each devolution deal has generated a confusing and opaque proliferation of legislation, with different provisions applying in different areas. This makes it harder for residents to hold their leaders to account.

26 The time from agreeing a devolution deal to laying legislation implementing it varied considerably, but averaged around twelve months. It typically requires a local proposal, local consultation, consideration of statutory tests, drafting of bespoke legislation, statutory consents and a statutory report for public authority functions, and affirmative procedure in Parliament.

27 Putting the devolution framework on a statutory footing:

- provides maximum clarity to areas on what functions they will receive at each 'level' of devolution, and ensure a more consistent application of the framework across all institutions in contrast with the more patchwork conferral of functions that previously existed – giving clarity to residents on what their local leaders are responsible for delivering;
- supports quicker roll-out of devolution, in tandem with other sections of this Act, supporting the objective to expand devolution; and
- more firmly embed CA and CCAs in the local government system and the wider UK constitutional arrangements.

28 This Act introduces 'devolution by default' and a standardised devolution offer for each new local area that comes forward to seek Government agreement to legislate for a new SA.

29 However, there may still be limited circumstances under which there will need to be the option to delay or bring forward conferral of particular functions in the framework for an individual area. In addition, some areas may require that a specific function has different governance arrangements.

Expanding the devolution framework

30 The Act allows for new powers and duties to be added to the devolution framework over time by providing Government with new powers to amend the devolution framework in future. The Act also enables some mayors to request additions and amendments to the framework, ensuring it remains adaptive and responsive to future need and policy developments.

31 The Act also introduces the ability to pilot specific functions in certain areas ahead of adding them to the framework.

Streamlining the establishment of Strategic Authorities

32 The ambition of the English Devolution and Community Empowerment Act is to implement a more consistent and simpler model of devolution across England that can be delivered more quickly than under existing legislation. The Government wants to ensure universal coverage of devolution in England, which would allow all areas in England to access the benefits of devolution.

33 To achieve this, the Act includes powers that give ministers the tools they need to deliver devolution for all of England, and streamline the processes to facilitate this.

34 Streamlining processes for establishing new devolved institutions, and changing existing ones, can only be implemented via primary legislation. An effort was made previously to streamline the procedure for establishing CAs set out in the Local Democracy, Economic Development and Construction Act 2009, through the Levelling Up and Regeneration Act 2023. This removed the need for local authorities across an area wishing to establish a CA having to undertake a governance review or scheme, instead submitting a proposal based on their devolution agreement. Despite this, it can still take a year – and often longer – after agreement with Government to establish an organisation with devolved functions.

35 Streamlining simplifies processes for both establishing new CAs and CCAs, and making changes to existing CAs and CCAs. Streamlining reduces the consent requirements, simplify the statutory test, ensure a consistent link to the new framework, and allow the consultation requirements to be more flexible around who is consulted. Where appropriate, it also includes changing boundaries where this is needed and dissolving or merging organisations — all of which help to achieve the objective of universal coverage of devolution that was set out in the Government's White Paper. It also includes streamlined provisions for the election of a mayor, helping broaden access to mayoral devolution institutions.

Mandating the expansion of Strategic Authorities

36 The Act creates a ministerial power to enable the Secretary of State to mandate the addition of a council to existing SAs, without the consent of the relevant councils in areas where devolution has not been achieved or agreed locally. The Government's commitment to working in partnership holds firm, and so the Government will limit its use of this power to instances when other routes have been exhausted and local leaders in an area have not been able to agree how to access devolved powers.

London

The GLA as a Strategic Authority

37 The Government's intention is that, as far as possible, the GLA is treated as an established mayoral strategic authority. Previously, there was no power for the Secretary of State to devolve new functions on the GLA via Statutory Instrument, whereas that power does exist for other SAs. There is a risk that this leaves the GLA behind, with further powers being devolved to other SAs via the devolution framework.

38 Given that the governance arrangements and existing devolved functions of the GLA differ from other SAs, separate London provisions are included within the Act, which will confer functions on the GLA in an equivalent way to CAs and CCAs as far as practicably possible, where functions were not already conferred through other means (e.g., the Greater London Authority Act 1999).

39 In addition, the Act introduces a power for the Secretary of State to confer new functions on the GLA. It also provides for the Secretary of State to have a power to amend, repeal, revoke or otherwise modify existing legislation in order to secure the effective operation of new GLA functions. This is to mitigate the risk that other legislation, particularly the Greater London Authority Act 1999, prevents Government from devolving functions to the GLA.

Licensing functions for the Mayor of London

40 Neither the Mayor of London, nor the GLA, previously had any express statutory duties or powers related the licensing of hospitality venues.

41 This Act provides the Mayor of London with new strategic licensing powers to drive growth and support Greater London's hospitality industry and night-time economy. The Mayor of London is given the power to publish a London-wide licensing policy statement that licensing authorities are legally required to have regard to when carrying out their licensing functions, while it also establishes the Mayor as a statutory consultee when licensing authorities update their own policies. The Act also enables the Secretary of State to make regulations to confer on the Mayor of London the ability to determine licensing decisions taken by licensing authorities in certain circumstances.

Transport for London operational land disposal

42 Transport for London (TfL) and its subsidiaries own operational land for facilities including stations, track and sidings used for running its railway and tramway services. TfL previously required Transport Secretary consent to sell or long-term lease land that has been operational during the previous five years. This created an unnecessary administrative obstacle to TfL releasing land for development for housing or other purposes. The Act significantly reduces this obstacle by devolving consenting power for TfL operational land disposals to the Mayor of London. TfL is required to consult with rail bodies before applying to the Mayor for consent. This mitigates the risk of unintended impacts on wider rail operations outside TfL's remit.

43 This legislative change supports growth and housing delivery in the capital by making it quicker and more straightforward for land with potential for development or other beneficial uses to be released and repurposed.

Power to pay grant to joint committees of London councils

44 To help accelerate projects in areas such as rough sleeping and infrastructure for electric vehicles, this Act gives councils more power over spending by enabling Ministers to pay grant funding from central Government to an eligible joint committee formed by the London Boroughs (and the City of London).

Duties and Powers

Mayoral Powers of Competence

45 Previously, mayors of CAs and CCAs did not have the legal ability to effect change beyond the bounds of their authority's functions. The Government want to empower mayors, support their soft convening and leadership power, and provide them with the capacity and mandate to drive growth, collaboration, and improvements in place. This is the underpinning rationale for the implementation of the new mayoral powers of competence, enabling mayors to deliver beyond the strict functional remit of their powers and engage local partners and neighbouring mayors in delivery for their residents.

46 This power is supplemented by a power for established mayoral strategic authorities to request further powers to be devolved, reflecting their ability to identify what more is needed beyond their current powers to better serve their residents.

Devolution Framework

47 The Act includes measures to legislate for the content of the devolution framework, i.e. the functions that SAs are able to exercise at different levels of the framework, and their associated voting and governance arrangements. Background on some of the duties and powers which are included in the devolution framework are included below.

Duty to produce a local growth plan

48 Despite existing strengths and latent potential for growth, opportunity is spread unequally and UK GDP per capita remains lower than pre-pandemic levels. Approaches to foster growth vary in different parts of the country. Some places are held back predominantly by their transport infrastructure, while other places lack the necessary skills base. Similarly, energy or digital infrastructure, housing supply or quality, ill health, commercial space, and innovation support are all known to be key constraints to growth in different parts of the country. Finally, as outlined above, levels of investment by UK local government remain below the OECD average whilst public investment and subsidies – when provided – has historically skewed towards London.

49 To address areas' specific challenges and unlock growth, the Act creates a new duty that applies to all mayoral strategic authorities, except the Greater London Authority. The duty requires them to each produce a local growth plan; a locally led, long-term plan for the purposes of supporting local economic growth. In London, the existing and well-established duty to produce an Economic Development Strategy for London plays a similar role.

50 This new duty applies to the authority itself, rather than the mayor. It includes a power for the Secretary of State to issue guidance on the production, content, alteration and replacement, and interpretation of local growth plans. Once in place, a local growth plan should then provide high-level strategic direction that informs other wider plans the authority produces, and their actions to implement these plans. In this way, the duty helps empower authorities to deliver against long-term growth aims.

51 This measure also helps raise investment where it is most needed by ensuring that places have a plan for how they will invest and support growth and by setting out an investment pipeline to guide public and private investment. Local growth plans provide a link between central Government, the growth Mission, the UK Industrial Strategy, and SAs, cementing mayoral SA's position in the architecture of devolution and economic growth policy. Local growth plans guide other, more detailed strategic plans at the regional and local level (e.g., local transport plans, strategic development strategies).

Duty to establish a key route network, and the power of direction

52 Mayoral CAs and CCAs can designate their most important local roads as a key route network. Establishing a key route network can help facilitate efficient travel, often across multiple local authorities. The roads within the key route network are managed by local highway authorities (e.g., individual local authorities), but which roads are included in the key route network is agreed by a CA or CCA. Some places have taken steps towards harmonising standards or maintenance across their key route network.

53 The Act introduces a requirement for mayors of mayoral strategic authorities to designate a key route network, as well as a duty to publish the key route network, giving the public a greater understanding of the roads which the mayors have oversight of. The Act also provides these mayors with a power of direction over the key route network, enabling them to instruct local highway authorities to use their powers on the key route network. Whilst local authorities retain ownership and asset management over key route networks within their areas, mayors have the power to direct them to implement particular schemes or use their powers as highway authorities. This streamlines decision-making and reduce bureaucracy, improving the efficiency of road management with positive impact users' travelling experience.

54 Introducing a requirement to have a key route network and power of direction helps develop a more consistent approach to key route networks across England, ensuring that mayors have the potential to provide the same high levels of service and infrastructure. These measures have been previously consulted on in 2021, when Government consulted on proposals to give mayors and mayoral CAs and mayoral CCAs more decision-making powers and accountability for the management of their key route network. There was support from the public (76%) for the power of direction.

Micromobility schemes

55 On-street micromobility services, including shared cycles and e-cycles, have grown rapidly, and can offer greener, healthier, and more convenient transport options. However, integrating these vehicles into existing street space presents challenges, such as obstructive parking and antisocial behaviour. Local authorities lack the necessary powers to manage these schemes effectively, leading to negative impacts on public perception and in the use of public spaces.

56 Government intervention is needed to address the imbalance of power between operators and local authorities, ensuring that on-street micromobility services are managed in a way that benefits whole communities, as well as the users of these schemes.

57 Therefore, this Act is bringing forward provisions to ensure that SAs (or local authorities where no SA currently exists) are the new licencing authority for on-street micromobility services. The regulatory framework for licencing will be developed and implemented through secondary legislation and supported by guidance.

58 Licensing schemes locally empowers local leaders to integrate micromobility into wider transport networks and access operator data, enabling better management of schemes and ensuring that operators adhere to agreements. This allows schemes to be shaped to meet local needs, ensuring micromobility is an attractive option for journeys, including wider geographical coverage. It also helps mitigate negative impacts such as poor parking and antisocial behaviour, and facilitate the promotion of equitable geographic coverage of micromobility services.

Lane rental schemes

59 This Act delegates the power to approve lane rental schemes from the Secretary of State to mayoral SAs. Mayors, as strategic transport leaders, will oversee the implementation of such schemes and ensure they align with regional transport priorities.

60 Lane rental schemes charge those carrying out street and road works for occupying the highway, with the aim of reducing congestion on the busiest roads at the busiest times. Charges can be up to £2,500 per day for works on the busiest roads at the busiest times. The current lane rental guidance will become statutory guidance which will help ensure a consistent approach and prevent schemes from being used primarily as revenue-raising tools.

61 The Act also amends Section 74A of the New Roads and Street Works Act so that highway authorities will have to pay lane rental charges when they carry out their own roadworks. This means that everyone whether a utility company or a council will have the same incentive to plan and complete roadworks as efficiently as possible. The goal is to reduce congestion and disruption for road users by making sure all organisations are encouraged to finish works quickly.

Bespoke health improvement and health inequalities duty

62 There is inconsistency across the country in terms of the areas that have previously had a health duty conferred on them. Local authorities are subject to a health improvement duty under the NHS Act 2006. CAs and CCAs (mayoral and non-mayoral) have also had the option of seeking conferral of the local authority health improvement duty, and prior to this Act two have had this conferred on them (Greater Manchester Combined Authority and East Midlands Combined County Authority). The Greater London Authority is also subject to a duty to have regard to health improvement and health inequalities under the Greater London Authority Act 1999.

63 This Act introduces a new health duty on all SAs which are either CAs and CCAs, requiring them to 'have regard' to the need to (i) improve the health of the people living in their areas and (ii) reduce health inequalities between the people living in their areas when considering whether or how to exercise their functions. This brings consistency across SAs with each being subject to a health duty that is complementary and specific to the particular organisation type. Thise Act also amends the Greater London Authority Act 1999 to ensure the list of general health determinants to be considered as part of the health inequalities duty remains consistent across CAs, CCAs and the GLA.

64 The duty is intended to support action on the wider determinants of health through the delivery of their existing functions, to promote a 'health in all policies' approach in line with this Government's mission approach, and to give SAs a statutory locus to be active leaders for health. It makes real the Government's ambition to embed long-term planning to ensure there is health in all policies and make sure this aligns with the responsibilities of local government. It supports delivery of the Government's health mission in England which focuses on addressing the social determinants of health, with the goal of halving the gap in healthy life expectancy between the richest and poorest regions in England.

Mayoral community infrastructure levy

65 Local planning authorities in England can charge a community infrastructure levy in respect of development in their area to fund the infrastructure needed to support development. London was the only place in England where the mayor could charge a mayoral community infrastructure levy in addition to the local planning authorities.

66 The Act extends the ability for mayors to charge MCIL to other SA mayors, providing that they have a spatial development strategy (SDS) in place.

Mayoral development management powers

67 The Mayor of London has a duty to prepare a spatial development strategy (the 'London Plan,' which has been in place since 2004) and also benefits from strategic development management powers, including powers to intervene on applications of potential strategic importance.

68 Part 1A (Strategic plan-making) of the Planning and Compulsory Act 2004 requires strategic planning authorities (including mayoral combined authorities and combined county authorities) in areas outside of London to prepare a spatial development strategy for their area. This Act also extends the Mayor of London's development management powers under the Town and Country Planning Act 1990 to all SA mayors. Together, these reforms enable mayors to shape the strategic direction of development in their area to support housing and economic growth.

69 Specifically, the development management powers that are extended to mayoral SAs by the Act include:

- A duty on local planning authorities to notify the mayor on applications of potential strategic importance – which the mayor can then intervene by either: directing the local planning authority to refuse the application; or take over and determine the application themselves. The circumstances in which the mayor can intervene, the procedure for this, and definition of applications of potential strategic importance will be set out in secondary legislation.

- The power to make a mayoral development order, where the mayor can grant upfront planning permission for a strategic development in their area (similar to the power available to local planning authorities to make local development orders).

70 The experience in London has demonstrated that the Mayor of London has used the powers in relation to applications of potential strategic importance effectively to support the practical implementation of the London Plan – for instance, by securing appropriate levels of affordable housing on strategic residential developments. Without these powers, mayors will not be able to effectively influence development which may have a significant impact on the spatial development strategy or promote growth in their area.

Development on brownfield land

71 The Act makes further provision with regards to the preparation of spatial development strategies. It introduces a requirement for the Secretary of State to use an existing regulation-making power, to ensure that strategic planning authorities have regard to the desirability of prioritizing development on land that has previously been developed.

72 This puts consideration of brownfield land on the same legal footing as other important issues that strategic planning authorities must have regard to when preparing a spatial development strategy, such as promoting sustainable development and the impact on health and health inequalities.

Duty to cooperate with the local government pension scheme

73 The local government pension scheme for England and Wales is the UK's largest pension scheme, which protects the benefits of millions of staff working to provide local services who have devoted careers to supporting local areas. It includes 79 local pension funds in England, which invest through the local government pension scheme asset pools. The pools have the local networks and capability to invest in projects which support local areas, while generating an appropriate return as a pension investment. However, in many places, a local or regional pipeline of investments is lacking, meaning that the significant potential of the local government pension scheme to invest in growth-supporting projects is hampered.

74 The Government introduces requirements on the local government pension scheme and SAs to work with each other to develop such opportunities. This Act includes the requirement placed on SAs, and a reciprocal requirement will be placed on the local government pension scheme funds and pools via the Pension Schemes Act 2026[8].

75 The policy intent of the measure is to ensure that SAs and the local government pension scheme, including its asset pools, are working together to develop investable local opportunities with beneficial impacts. The local government pension scheme pools and funds are the largest regional investors in most regions, with assets in the range £25-65bn. The new duty is vital to ensuring that local government pension scheme investment is mobilised in support of local and regional growth.

Altering police and crime commissioner (PCC) and fire and rescue authority (FRA) boundaries on transfer to mayors, and allowing one mayor to be PCC for multiple police areas

76 Transferring PCC or FRA functions to a mayor previously could only occur where the mayoral area was coterminous with the police force or FRA area. Mayoral geography in some parts of England is prohibitive to transfers as it is not coterminous with the force or FRA area. As a result, in these areas, local residents cannot enjoy the benefits of a mayoral model in which a mayor joins up a range of local public services to improve outcomes holistically.

77 The overarching intent of the measures in the Act is to enable more mayors to take up PCC and FRA responsibilities. Mayors have broader local powers than PCCs, and conferring PCC and FRA functions onto them enables them to join up local services and take a holistic approach to improving local outcomes. These measures enable local residents to reap the benefits of co-terminosity of public services, and support greater alignment of public safety and mayoral boundaries.

78 The English Devolution White Paper outlined that where mayoral geographies align with police force and fire and rescue authority geographies, mayors will be, by default, responsible for exercising PCC and FRA functions. This is with a view to increasing the number of mayors who exercise these functions. To fulfil this aim, the Act allows mayors to exercise PCC functions over more than one police force area, where those forces, when taken together, are coterminous with the mayoral CA or mayoral CCA. This is already legally possible for FRAs. Where a mayor does exercise PCC functions, the Act ensures that they appoint a deputy mayor for policing and crime for each force area in which they exercise those functions.

79 The Act allows the relevant Secretary of State to alter police and fire boundaries incidentally on the transfer of PCC and FRA functions to mayors. Both powers to alter police boundaries and transfer PCC functions already exist separately and can be used sequentially by the Home Secretary, though as part of a two-part process. The measure included in the Act consolidates this process.

[8] https://bills.parliament.uk/bills/3982

Strategic Authority Reforms

Commissioners

80 The Act enables mayors of SAs outside of London to nominate 'commissioners' to lead on delivering against the SAs' new 'areas of competence.' These commissioners would not be CA or CCA members, but instead would be independent appointees, made by and accountable to the mayor. A commissioner would be given one specific area of competence to lead on, such as transport. The commissioners would act as extensions of the mayor, supporting the mayor to deliver for residents on their specific policy area. Commissioners would not replace elected members. Areas have the freedom to use a combination of commissioners and elected members to lead on different areas depending on what works best for them.

81 In the majority of CAs and CCAs, it has become convention that the leaders of the constituent councils, who make up the board, are each given a 'portfolio,' such as adult skills policy. This means that they are effectively the policy lead on that area. Some elected members have a single area, some have multiple. In practice, this often does not work optimally. Constituent council leaders are very busy with work for their own council, which are significant organisations with powers and responsibilities in their own right. In the case of the new powers over development management, experience from London has shown that delegating this function is vital not just to manage a significant workload but because the mayor is sometimes a party to a decision and needs to be recused, making the commissioner role fundamental to executing the new function.

82 Giving mayors the option to appoint commissioners enables them to bring in external expertise and full-time resource to help deliver key priorities where members do not have the capacity to do so.

Remuneration

83 The Act enables SAs, which are CAs or CCAs, to pay a member of a CA or CCA a 'special responsibility allowance' for work done in service of the CA.

84 Being a member of a CA or CCA is a vital strategic role and can involve holding an important portfolio such as adult skills alongside other commitments. The previous position was that members who were portfolio holders could not be remunerated by the CA or CCA – instead, they could only be remunerated by their constituent council; and the question of allowances to CA or CCA members was dealt with in each of the Statutory Instruments establishing individual CAs or CCAs.

Local Scrutiny Committees

85 The Act enables the creation of an enhanced scrutiny regime for CAs and CCAs by establishing Local Scrutiny Committees. These committees will be able to shape early decision-making and undertake value for money assessments across the full scope of a Mayoral Strategic Authority's work, with the power to make recommendations on both the quality of decisions and the use of public funds. This strengthens transparency and local oversight.

86 Establishing Local Scrutiny Committees provides for a stronger scrutiny function of Mayors and their authorities, with statutory requirements to resource this function and a requirement via regulations to consult relevant expertise as part of the committee's work. This helps ensure that scrutiny is credible, objective, and capable of examining complex policy areas. By strengthening scrutiny in this way, the Act supports better governance across mayoral CAs and CCAs and reinforces public confidence in devolved decision-making.

Preventing mayors from simultaneously holding elected office in a UK legislature

87 The Act prevents mayors of SAs from simultaneously holding that office after being elected to the House of Commons, Scottish Parliament, Northern Ireland Assembly, or the Senedd. Previously, they were able to do this, provided that they were not also the PCC.

88 The office of mayor is a vital strategic role that requires the postholder to represent their area and advocate for its best interests. This position is compromised when individuals have another potentially contradictory obligation to represent their constituents (over a different smaller geography) as an MP or a member of another UK legislature. Moreover, being a mayor requires significant commitments in terms of time and effort, which would not be possible for an individual holding dual positions to provide.

Mayoral precept

89 In mayoral CAs and mayoral CCAs, revenue for the mayoral precept could only be used for mayoral functions set out in legislation, which is a limited subset of the full range of mayoral functions. This meant the revenue could not be used on the full range of functions, often including vital growth levers like bus services and adult skills. Legislating to correct this raises the value for money of this existing power.

Power to borrow

90 The Act confers a power to borrow to all mayoral SAs, which are CAs or CCAs, for all purposes relevant to their transport, fire and policing functions upon creation of the institution. The power to borrow is also conferred to mayoral CAs and CCAs for any other functions, with a requirement that they must obtain consent from the Secretary of State before exercising for the first time in respect to those other functions.

91 Existing mayoral CAs and CCAs already have borrowing powers for all their functions in order to invest in economically productive infrastructure and maximise their delivery capabilities for their respective areas, in line with local authorities' existing power to borrow. However, this power was only conferred to CAs upon creation for transport functions and it was not conferred at all for CCAs. This meant that, the Secretary of State was required to confer the power to borrow to each CA or CCA for all their functions via a separate bespoke statutory instrument once the CA or CCA was established. The new provision in this Act streamlines the process.

Local Government

Local government reorganisation

92 The Act facilitates the Government's ambitious plan for local government reorganisation. Reorganisation concerns two-tier areas, and unitary councils where there is evidence of failure, or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality public services. It may therefore include replacing two-tier local government with unitary structures or merging existing unitaries to create more sustainable councils.

93 The Act establishes a new route for merging to align with the process for unitarisation. Previously, a merger of single-tier areas could only be done using Section 15 of the Cities and Local Government Devolution Act 2016, which required the consent of all authorities involved in the merger. The new pathway aligns the process for merging single-tier areas with the process for reorganising two-tier areas into single unitary tiers, to ensure a clearer and more consistent approach. Proposals are submitted by the local areas themselves in response to an

invitation or direction, and do not require consent. The Secretary of State is then able to decide whether to implement the proposal after consulting affected local authorities that have not made the proposal and such other persons considered appropriate.

94 The Act re-introduces a power of direction to allow the Secretary of State to direct a council to develop and submit proposals for local government reorganisation, to ensure better outcomes for residents in areas that have not been able to make progress on reorganisation.

95 To assist with filling the devolution map, the Act makes further amendments to the Local Government and Public Involvement in Health Act 2007 to streamline interactions between devolution and local government reorganisation. A measure being introduced enables the establishment legislation for the legal status of CCAs to be converted to a CA following local government reorganisation to prevent CCAs from needing to dissolve. The Act also makes provision for abolishing CAs or CCAs for the purpose of implementing a proposal in connection with a structural or boundary change, arising from any change to a single tier of local government. This power can only be used where an order makes provision for a single tier of local government for an area that comprises or includes the area of a combined authority or combined county authority.

96 The Act also includes a measure to ensure that, following local government reorganisation in an area, the order which confers functions on a new local authority can also provide that, during the transitional period, those functions are no longer held by the existing (or 'predecessor') local authority. This is for functions in relation to a CA or CCA, such as the function to prepare and submit proposals (including consenting) to the establishment or changing of the boundaries of a CA or CCA.

Governance models for local authorities

97 Principal local authorities in England may operate under one of three governance models: executive arrangements with a leader and cabinet or with a directly elected mayor and cabinet, or the committee system. A local authority can change its governance model by a council resolution; this may be preceded by a referendum, which in turn may be preceded by a petition of local electors triggering a referendum on governance arrangements to be held.

98 The English Devolution White Paper included a commitment to consider which governance models available to local authorities across the sector will best support their decision making. The White Paper also committed to a policy that single local authorities cannot become mayoral strategic authorities; instead, the Secretary of State would be empowered to designate single local authorities as non-mayoral foundation strategic authorities.

99 Directly elected mayors of CAs or CCAs continue to be a prerequisite for significant devolution of powers and funding: it is at this strategic level that the single focal point of leadership for the area and direct electoral accountability works best. In this context, the continued existence of new directly elected local authority mayors risks confusion.

100 Therefore, the Act prevents the creation of any new local authority mayoralties. Existing local authority mayoralties are allowed to remain in place.

101 The committee system is a less effective form of governance for local authorities, particularly the larger, unitary councils. It suffers from more opaque and potentially siloed decision making, a lack of clear leadership and accountability, with decisions taking longer to be arrived at.

102 Therefore, the Act prevents the creation of any new committee system councils, and requires councils operating the committee system to move to the leader and cabinet model within one year of the provision commencing except where a council is protected. A protection period applies where a council is operating the committee system following either a council resolution or public referendum and is within its current moratorium period. At the end of the protected period the council must undertake a review as to its future governance arrangements; if the review recommends retaining the committee system it must also set out the reasons why the committee system is an appropriate form of governance for the local authority. The Act also provides an exemption for councils which are to be dissolved under local government reorganisation legislation made within one year of the provision commencing.

Effective neighbourhood governance

103 The English Devolution White Paper confirmed that "local government plays an essential role in convening local partners around neighbourhoods to ensure that community voices are represented and people have influence over their place and their valued community assets." In the context of local government reorganisation, the White Paper also set out Government's expectation that new councils take a proactive and innovative approach to neighbourhood involvement and community governance so that citizens are empowered.

104 The Act empowers communities to have a voice in local decision making by introducing a requirement on all local authorities in England to establish effective neighbourhood governance. This Act ensures that local authorities will engage with parish councils about their representation on neighbourhood governance arrangements. This duty helps to move decision-making closer to residents, so decisions are made by people who understand the local area. Neighbourhood governance structures bring local partners together with residents to work together on matters that are important to them.

105 Additionally, developing neighbourhood-based approaches provides opportunities to organise public services to better meet local needs.

Publication of councillors' addresses in authority registers

106 The Act clarifies in law that the home addresses of local government members and co-opted members, including Mayors and councillors are, by default, not included in published versions of local authorities' register of interests. The provision seeks to make public office safer for existing and prospective members, so that local government can retain and attract high-quality people.

Licensing of taxis and private hire vehicles

107 The regulation of taxis and private hire vehicles (PHVs) enables licensing authorities to set their own criteria to determine if an applicant or vehicle is suitable to be granted a licence. The high number of licensing authorities in England, currently 263, leads to considerable variation in some of the standards and requirement that are applied.

108 Taxis and PHVs licensed in England and Wales can travel to any part of either country. Whilst taxis can only apply for hire in the area in which they are licensed, all PHV journeys, which must be pre-booked, can be undertaken anywhere, as can pre-booked taxi journeys. The Act enables the Secretary of State for Transport to set national standards for taxi and PHV licensing across England. This means all those granted a licence by an authority in England (taxi and PHV policy is a devolved matter for the Welsh Government), regardless of which authority issued it, would be subject to key set of standards, following consultation, to allow the provision of safe and accessible services. This would provide the public with confidence

that wherever they live and travel, the licensed trade will have met a set of robust standards. Local authorities would retain the ability to set additional requirements. The Act also provides a power to enable licensing authorities to temporarily suspend with immediate effect any taxi or private hire vehicle driver licence, vehicle licence or private hire vehicle operator licence operating in their area, regardless of where the licence was issued, if there is a public safety reason to do so.

Local audit reform

109 The financial accounts of more than 400 'Category 1' local bodies in England – including local government, police, fire, transport, and similar bodies – are subject to external audit. Local audit should be the bedrock of local accountability and transparency, of trust and confidence that taxpayers' money is being used wisely. Local audit also supports MHCLG in its stewardship role and provides assurance to the many users of local bodies' accounts.

110 However, the local audit system is broken, exemplified by an unprecedented audit backlog. By September 2023, there were 918 outstanding audits. Only 1% of audited accounts for financial year 2022/23 were published by the original deadline. This backlog has also been a central factor in the disclaimed audit opinion issued on the Whole of Government Accounts for 2022/23. The Government, working with key system partners, has taken decisive action to clear the backlog, including by setting statutory backstop dates for the publication of audited accounts.

111 The measures implemented by the Government so far to clear the backlog are important, but do not address the deeper systemic shortcomings which produced it. These are particularly evident in the following areas:

- Capacity. There is a severe lack of auditors, with a limited number of audit firms operating in the sector, as well as capacity issues for account preparers.
- Co-ordination. Multiple organisations oversee and regulate audit, across various sectors and countries, and with responsibilities for different frameworks. There is no clear ownership. This limits the ability to align incentives and establish a single vision.
- Complexity. Financial reporting and audit requirements are disproportionately complex and beyond the system's capacity. Standards are largely modelled on corporate audit. This inadvertently incentivises firms to be risk averse, and to allocate resources to areas of less relevance to accounts users.

112 Despite best efforts by existing organisations, local bodies' finance teams and auditors, these weaknesses were inherent to the previous system and could not t be simply rectified. Without significant intervention (which requires legislation), the previous malfunctioning system would have continued to fail, with a clear risk that the backlog would reoccur. This would have continued to undermine transparency and accountability. It would have also heightened the risk that the Whole of Government Accounts would continue to be disclaimed.

113 To meet this challenge, the Act overhauls the local audit system. The new Local Audit Office (LAO) radically simplifies the system and bring crucial functions together under a single organisation with a clear remit. The LAO is responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It also supports and enables wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.

114 The Government's changes, including the creation of a new central body, align with the recommendations of independent reviews, including the Kingman Review (2018) and the Redmond Review (2019). Similar conclusions have also been reached by the previously constituted Housing, Communities and Local Government Committee and the Public Accounts Committee.

115 Local government and most health bodies are governed by the same legislation and share the same Code of Audit Practice; the two audit systems are strongly aligned with the same auditors working across both. Whilst the audit of local NHS bodies functions better than the system for 'Category 1' bodies without the backlog of outstanding audits, there are challenges in respect of capacity and increased regulatory pressures. This has led to some NHS audits missing deadlines contributing to delays in the annual report and accounts of the Department of Health and Social Care (DHSC), NHS England (NHSE), and the Consolidated Provider Accounts (NHS providers such as acute hospitals, mental health trusts, community health trusts, and ambulance trusts). As such, DHSC is committed to working with MHCLG and key stakeholders to deliver the reforms needed to address systemic issues.

116 In addition, there are over 10,000 smaller authorities (such as town and parish councils) which were subject to a limited reporting and assurance regime and are subject to some elements of these reforms. In the longer term, the LAO's appointment and contract management function will expand to include the smaller authorities' appointment and assurance framework to minimise fragmentation in the system and share good practice.

Local Election

Supplementary vote

117 The Act reverts the voting system for electing people to single executive roles to the supplementary vote system from the First Past the Post system. The aim of the change is to give a broader range of support for the person elected through using a system which requires the winner to have a majority of votes.

118 While elections to councils and parliaments using First Past the Post provides an opportunity for the electorate to select a range of candidates to take office and create a body where differing views and policies are represented, the same benefits do not apply when electing to a single-person executive position.

119 This system was in place for all mayoral and police and crime commissioner polls prior to May 2024.

Limit on delay of election in connection with local government reorganisation

120 The Act prevents the Secretary of State from postponing an election to a principal council in England for more than 53 weeks where the rationale for the postponement is connected with local government reorganisation. The limitation applies to statutory instruments made under section 87 of the Loal Government Act 2000 and sections 7 and 10 of the Local Government and Public Involvement in Health Act 2007.

Communities

Community right to buy

121 The Act introduces a community right to buy which replaces the community right to bid policy introduced in the Localism Act 2011.

122 The community right to bid allowed community groups to nominate buildings or land that further their social wellbeing as assets of community value and trigger a six-month moratorium if the asset is put up for sale. However, this has been criticised by community stakeholders and the Housing, Communities and Local Government Select Committee as insufficient at bringing assets into community ownership. In particular:

- It did not provide guarantee of purchase to community groups who were able to raise the necessary funds;
- The six-month moratorium was often an unfeasible timeframe for the community to organise and raise these funds;
- The definition of an asset of community value was too narrow, limiting the scope of assets that can be registered; and
- Community groups did not have access to an appeals process to contest the local authority's decision not to list their nominated asset.

123 The Government committed to introducing a stronger community right to buy in the King's Speech in July 2024. This requires amendments to the Localism Act 2011 as well as new measures through primary legislation. The provisions in the Act:

- Introduce a right of first refusal for communities on the purchase of registered assets;
- Extend the sale period to 12 months from the point of notification of sale to give communities longer to raise the required funding;
- Provide for a negotiation period and independent valuation process to determine the sale price of an asset;
- Allow asset owners to request a review and termination of the right to buy at the six-month point; and
- Expand the number of assets in scope of the policy to include those that further the economic wellbeing of the community and those that were historically important to the community.

124 The policy impacts asset owners by delaying sales due to the extended sale period and placing restrictions on selling on the open market. However, an appropriate compensation scheme is proposed to offset this impact. The policy aims to bring significant benefits to communities by protecting and maintaining valued local assets.

Sports stadiums

125 Sports grounds and their facilities are vital community assets that foster local pride, encourage physical activity, and strengthen social bonds. Despite the introduction of the asset of community value provisions in 2011, less than 100 of over 6000 sports grounds in England have secured protection. This leaves many grounds at an enhanced risk of loss or closure, and makes it harder for communities to take ownership of them.

126 This low uptake likely reflects a lack of community awareness and capacity to enlist grounds as assets of community value, or a lack of suitability with the current assets of community value legislation. Many communities do not have a clear path towards permanent ownership, and this places grounds at risk of redevelopment if the freehold owner decides to sell the asset.

127 To address this, the Act introduces a new type of asset of community value – the sporting asset of community value. The sporting asset of community value status aims to increase the number of sporting assets under community ownership by maximising opportunities for sports clubs and communities to take on the freehold of locally important grounds and facilities, thereby protecting them against redevelopment. To achieve this, the Act aims to:

- Facilitate the automatic registration of all sports grounds in England into the sporting asset of community value category.
- Indefinitely ascribe sporting asset of community value status to listed assets so long as certain conditions are met.
- Expand the eligible footprint so that ancillary facilities important to the proper functioning of a sports ground are also protected within a sporting asset of community value listing e.g. car parks and training facilities.

Removal of upwards-only rent reviews

128 Upwards-only rent review (UORR) clauses are common clauses in commercial leases. At pre-agreed points within a lease (normally every 5 years), the rent is reviewed, and UORR clauses ensure the new rent can only increase or stay the same, even if the market has declined. UORR clauses ensure rent changes always favour landlords, regardless of market conditions.

129 UORR clauses lead to a number of market inefficiencies including higher rents during economic downturns leading to lower profits for tenants; supernormal profits for landlords which do not reflect innovation on their part causing property price and rent inflation; and potentially higher consumer prices.

130 The sector has historically regulated itself via industry-approved Codes of Practices. However multiple research studies have found this self-regulation approach to commercial leasing in England and Wales is not working well as the Codes have been largely ignored and stakeholders generally agree that UORR clauses remain standard in commercial leases that exceed five years. Stakeholders report that UORR clauses are artificially inflating commercial rents and ultimately pricing out small businesses from town centres.

131 The Act bans UORR clauses in new and renewal commercial leases in England and Wales, with the aim of making commercial leases fairer for tenants, the market more efficient, and ultimately contributing to thriving high streets and economic growth.

Statutory Trust Discharge Orders for land disposed of by local councils

132 The judgment of the Supreme Court in R (on the application of Day) v Shropshire Council [2023] UKSC 8 exposed a lacuna in the law affecting land which local authorities hold under statutory trusts for public recreation under the Open Spaces Act 1906 and the Public Health Act 1875. When such land is sold or appropriated, local authorities must comply with statutory advertisement procedures in the Local Government Act 1972 before the sale or appropriation to release the statutory trust. If an authority fails to follow this process, there is no mechanism to release the trust afterwards. The public's rights are protected to the detriment of the purchaser which may in turn hold up important development which may be in the public interest.

133 During the passage of the 2025 Planning and Infrastructure Act, the Government announced its intention to seek to resolve this issue in future legislation.

134 The Act introduces a new route for freeing land from such statutory trusts where a local authority has failed to comply with the statutory advertisement procedures under the Local Government Act 1972 before selling or appropriating such land. Landowners, either the freeholder or a long leaseholder, are able to apply to the Secretary of State for a release of such trusts. The Secretary of State has the power to release such trusts if doing so is in the public interest and other qualifying conditions are met, thereby providing a mechanism to resolve historic procedural errors and close the lacuna in the law.

Gambling Impact Assessment

Effect

135 This section amends the Gambling Act 2005 on the licensing of gambling premises.

136 Subsection (3) inserts section 153A conferring the power on licensing authorities to publish a gambling impact assessment stating that the authority considers that the grant of premises licences is not likely to be consistent with one or more of the licensing objectives. Such an assessment must set out the evidence for the authority's opinion, and before publishing the assessment, the licensing authority must consult with the same parties who would be consulted on the 3-year licensing policy.

137 Subsection (4) inserts section 165A explaining the role of a gambling impact assessment. Where a licensing authority has published an assessment and included a presumption in its three- year licensing policy that the authority will reject an application for a licence within the scope of the assessment, it is lawful for the authority to reject the application solely on the grounds that the prospective licence is in scope of the assessment. However, a licensing authority may not reject an application where the applicant shows that the grant of the prospective licence would be reasonably consistent with the licensing objectives.

138 Subsection (2) amends section 153 (principles to be applied) to provide that that section is subject to new section 165A. That is, the "aim to permit" principle included in section 153 is subject to the ability of a licensing authority to include a presumption in their three-year licensing policy to reject applications for premises licences within the scope of a gambling impact assessment. The presumption in favour of granting premises licences resulting from the "aim to permit" principle would therefore not apply in these circumstances.

Legal background

139 A list of primary legislation referenced or amended by the Act is as follows (alphabetised):

- Acquisition of Land Act 1981
- Apprenticeships, Skills, Children and Learning Act 2009
- Audit Commission Act 1998
- Channel Tunnel Rail Link Act 1996
- Cities and Local Government Devolution Act 2016
- Companies Act 2006

- County Courts Act 1984
- Crime and Disorder Act 1998
- Crossrail Act 2008
- Dartford-Thurrock Crossing Act 1988
- Employment Rights Act 1996
- Equality Act 2010
- Fire and Rescue Services Act 2004
- Fire Services Act 1947
- Freedom of Information Act 2000
- Gambling Act 2005
- Greater London Authority Act 1999
- Highways Act 1980
- House of Commons Disqualification Act 1975
- Housing Act 1985
- Housing Act 1988
- Housing Act 1989
- Housing and Planning Act 2016
- Housing and Regeneration Act 2008
- Human Rights Act 1998
- Infrastructure Act 2015
- Interpretation Act 1978
- Landlord and Tenant Act 1954
- Landlord and Tenant Act 1985
- Landlord and Tenant Act 1987
- Leasehold Reform Act 1967
- Legislative and Regulatory Reform Act 2006
- Levelling-up and Regeneration Act 2023
- Licensing Act 2003

- Local Audit and Accountability Act 2014
- Local Democracy, Economic Development and Construction Act 2009
- Local Government Act 1972
- Local Government Act 1985
- Local Government Act 1986
- Local Government Act 2000
- Local Government Act 2003
- Local Government and Housing Act 1989
- Local Government and Public Involvement in Health Act 2007
- Local Government Finance Act 1988
- Local Government Finance Act 1992
- Local Government (Miscellaneous Provisions) Act 1976
- Local Government (Miscellaneous Provisions) Act 1982
- Local Government, Planning and Land Act 1980
- Local Land Charges Act 1975
- Local Transport Act 2008
- Localism Act 2011
- London Hackney Carriages Act 1843
- Metropolitan Public Carriage Act 1869
- Ministers of the Crown Act 1975
- New Roads and Street Works Act 1991
- Open Spaces Act 1906
- Parliamentary Commissioner Act 1967
- Pedicabs (London) Act 2024
- Pension Schemes Act 2025
- Pensions (Increase) Act 1971
- Planning Act 2008
- Planning and Compulsory Purchase Act 2004

- Planning and Infrastructure Act
- Planning (Hazardous Substances) Act 1990
- Planning (Listed Buildings and Conservation Areas) Act 1990
- Plymouth City Council Act 1975
- Police Act 1996
- Police (Property) Act 1897
- Police Reform Act 2002
- Police Reform and Social Responsibility Act 2011
- Policing and Crime Act 2017
- Private Hire Vehicles (London) Act 1998
- Proceeds of Crime Act 2002
- Public Health Act 1875
- Public Records Act 1958
- Public Service Pensions Act 2013
- Railways Act 1993
- Railways and Transport Safety Act 2003
- Rent Act 1977
- Rent (Agriculture) Act 1976
- Representation of the People Act 1983
- Road Traffic Act 1988
- Road Traffic Offenders Act 1988
- Road Traffic Reduction Act 1997
- Road Traffic Regulation Act 1984
- Self-build and Custom Housebuilding Act 2015
- Safety of Sports Ground Act 1975
- Taxis and Private Hire Vehicles (Safeguarding and Road Safety) Act 2022
- Town and Country Planning Act 1990
- Town Police Clauses Act 1847

- Traffic Management Act 2004
- Transport Act 2000
- Trustee Investments Act 1961
- Value Added Tax Act 1994
- Vehicle Excise and Registration Act 1994

140 Otherwise, the relevant legal background is explained in the sections of these Notes which provide commentary on the provisions in the Act.

Territorial extent and application

141 Section 107 of this Act sets out the territorial extent of the Act, that is the jurisdictions in which the Act forms part of the law. The extent of an Act can be different from its application. Application is about where an Act produces a practical effect rather than where it forms part of the law.

142 The provisions in this Act extend to England and Wales only.

143 The provisions in this Act apply to England only, except for:

- Section 17 (Members of legislatures disqualified for being a mayor of a strategic authority) which applies to England and Wales;
- Section 63 (Mayors and Police and Crime Commissioners: supplementary vote system) which applies to England and Wales. Paragraphs 3 to 5 in the related Schedule 30, which concern the election of police and crime commissioners, also apply to England and Wales;
- Section 100 (Rent reviews and arrangements for new tenancies), and the related Schedule 37, which apply to England and Wales.

144 Amendments and repeals made by the Act have the same extent as the provision being amended or repealed, except section 24 (regulation of provision of micromobility vehicles) and the related Schedule 7 which extend to England and Wales only (and apply in England only).

145 See the table in Annex A for a summary of the position regarding territorial extent and application in the United Kingdom.

Commentary on provisions of Act

Part 1: Strategic authorities

The strategic authorities

Section 1: Strategic authorities

Effect

146 This section provides the definitions for a new category of authority in England, known as the "strategic authority" (SA).

147 Subsections (3) to (6) set out the different categories of SA under which a local authority, combined authority (CA) or combined county authority (CCA) may be designated.

148 Subsection (6) designates the Greater London Authority (GLA) as an established mayoral strategic authority.

The areas of competence

Section 2: Areas of competence

Effect

149 This section lists the nine "areas of competence" which strategic authorities (SAs) have. These provide the broad thematic policy areas under which functions of SAs are categorised in this Act. They also define the areas in which Mayors of Established Mayoral Strategic Authorities may request additional functions from Government, and in which the Government may confer new functions on SAs. They also set the parameters for the matters on which mayors can convene meetings with local partners (see section 22) and collaborate with neighbouring mayors (see section 23).

Single foundation strategic authorities

Section 3: Single foundation strategic authorities

Effect

150 This section introduces the designation of single foundation strategic authorities, and provides a power for the Secretary of State to designate a unitary district council (which excludes lower tier district councils) or a county council (which covers both two tier and single tier county councils), which is not covered by an existing strategic authority as a single foundation strategic authority, subject to the consent of the council involved.

151 Subsection (1) provides the enabling provision for designation via regulations, with subsections (2) and (3) setting out the necessary pre-conditions for the making of these regulations.

152 Subsection (4) provides that the regulations made under subsections (1) and (2) follow the affirmative procedure.

153 Subsection (5) references Schedule 27 of this Act, which outlines the powers to confer functions on single foundation strategic authorities by regulations.

Combined authorities and CCAs

Section 4: Combined authorities and CCAs: establishment, expansion and functions

Effect

154 This section introduces Schedule 1 of this Act. Part 1 of Schedule 1 amends provision in the Local Democracy, Economic Development and Construction Act 2009 concerning the establishment, expansion and conferral of functions on combined authorities (CAs). Part 2 of Schedule 1 amends the Levelling-up and Regeneration Act 2023 concerning the establishment, expansion and conferral of functions on combined county authorities (CCAs).

155 This section streamlines the process for establishing and expanding CAs and CCAs, with the number of consent points and consultation requirements being reduced, and the statutory test simplified. CAs and CCAs can be established, and existing CAs or CCAs changed (including providing for a mayor) through 'locally-led' and 'Secretary of State-led' routes. The Act introduces a new enabling provision for the Secretary of State to expand existing CAs or CCAs without local consents.

Section 5: Combined authorities and CCAs: functions generally

Effect

156 Under this Act, there are various ways that a combined authority (CA) or combined county authority (CCA) could be conferred its functions. This section amends the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) and the Levelling-up and Regeneration Act 2023 (the 2023 Act) to clarify these wider options.

157 Subsection (1) inserts section 17A into the 2023 Act which provides that for CCAs, statutory instruments made through the 2023 Act as well as regulations through section 54 of this Act are understood to confer functions on a CCA.

158 Subsection (2) inserts section 103A into the 2009 Act which provides that for CAs, statutory instruments made through the 2009 Act as well as regulations through section 54 of this Act are understood to confer functions on a CA.

Section 6: Combined authorities and CCAs: decision-making and validity of proceedings

Background

159 Section 104 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) enables the Secretary of State, by order, to make provision for constitutional arrangements for a combined authority (CA). Section 10 of the Levelling-up and Regeneration Act 2023 (the 2023 Act) makes equivalent provision for the Secretary of State to make regulations about the constitutional arrangements for a combined county authority (CCA). These Acts have previously provided that the default decision-making for CA or CCA functions is determined by the bespoke constitutional arrangements for each individual CA or CCA.

Effect

160 This section introduces general decision-making arrangements for CA and CCA functions, whilst still providing the Secretary of the State with the power to provide specific decision-making arrangements for a function in a specific CA or CCA where appropriate.

161 Subsection (2) amends the 2023 Act by inserting new sections 13A and 13B which sets out the default provision for how decisions should be made in a CCA.

162 The new section 13A(2) of the 2023 Act provides that any decision of a non-mayoral CCA is to be decided by a simple majority of the voting members present and voting on that question at a meeting of the CCA, with section 13A(3) providing that any decision of a mayoral CCA is to be made by a simple majority of the voting members present and voting on that question at a meeting of the CCA, which must include the mayor, or the deputy mayor acting in place of the mayor.

163 Section 13A (4) of the 2023 Act provides that if there is no mayor of a mayoral CCA and either no deputy mayor or the deputy mayor cannot vote, then a decision must be made by a simple majority.

164 Section 13A(5) of the 2023 Act sets out that each voting member as defined by section 13A(8) has one vote and that tied votes do not pass.

165 Section 13A(6) makes sections 13A(1) to (5) subject to provision made by any other legislation, with section 13A(7) making particular reference to the provision in Chapter 1 of Part 2 of the 2023 Act and to Schedule 27 of this Act.

166 Section 13B provides that vacancies or defective appointments of members do not invalidate the proceedings of the CCA.

167 Subsection (5) amends the 2009 Act by inserting new sections 104CA and 104CB.

168 The new section 104CA of the 2009 Act provides that any decision of a non-mayoral CA is to be decided by a simple majority of the voting members present and voting on that question at a meeting of the CA, with section 104CA(3) providing that any decision of a mayoral CA is to be made by a simple majority of the voting members present and voting on that question at a meeting of the CA, which must include the mayor, or the deputy mayor acting in place of the mayor.

169 Section 104CA(4) provides that if there is no mayor of a mayoral CA and either no deputy mayor or the deputy mayor cannot vote, then a decision must be made by a simple majority.

170 Section 104CA(5) sets out that the votes of each voting member as defined by section 104CA(8) has one vote and that tied votes do not pass.

171 Section 104CA(6) makes sections 106CA(1) to (5) subject to provision made by any other legislation, with section 104CA(7) making particular reference to the provision in Part 6 of the 2009 Act and to Schedule 27 of this Act.

172 Section 104CB of the 2009 Act provides that vacancies or defective appointments of members do not invalidate the proceedings of the CA.

173 Subsection (7) introduces Schedule 2 of this Act, which:

- amends the Planning and Compulsory Purchase Act 2004 to specify how spatial development strategy functions are exercised in mayoral strategic authorities and the decision-making arrangements when a CA or CCA is adopting a spatial development strategy;
- amends the Local Government and Housing Act 1989 to set the voting rights of members of committees set up by a CA or CCA;

- amends the Local Government Act 1972 to provide for how a mayor can arrange for functions they exercise on behalf of their CA or CCA to be discharged by a committee, a local authority, or an officer of their authority.

Section 7: Combined authorities and CCAs: powers not limited by other provision or powers

Background

174 Section 104 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) enables the Secretary of State, by order, to make provision for constitutional arrangements for a combined authority (CA). Section 10 of the Levelling-up and Regeneration Act 2023 (the 2023 Act) makes equivalent provision for the Secretary of State to make regulations about the constitutional arrangements for a combined county authority (CCA). These have allowed individual statutory instruments to state how a function of a CA or CCA is exercised.

Effect

175 This Act introduces standardised arrangements for the exercise of general functions (i.e., functions conferred on two or more CAs or CCAs such as through primary legislation or Schedule 27 of this Act). This section allows for a general function to be modified under powers in the 2023 and 2009 Act so that it can be exercised by an individual CA or CCA in a way that differs from those standardised arrangements in certain circumstances.

176 This section has the effect that where there is a conflict between standardised provision within this Act or the secondary legislation made under it, in relation to a function or matter of a CA or CCA, and provision made under Part 2 of Chapter 1 of the 2023 Act or Part 6 of the 2009 Act relating to a function or matter concerning a CA or CCA, the secondary legislation made under relevant 2023 Act or 2009 Act powers is not limited and is able to apply instead of standardised provision.

177 Subsection (1) amends the 2023 Act by inserting section 24C which provides that the Secretary of State may by subordinate legislation modify a general CCA function as it is exercisable by a particular CCA.

178 Subsection (2) amends the 2009 Act by inserting section 104CC which provides that the Secretary of State may by subordinate legislation modify a general CA function as it is exercisable by a particular CA.

Section 8: Combined authorities and CCAs: designation as established mayoral strategic authorities

Effect

179 This section inserts new sections into the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) and the Levelling-up and Regeneration Act 2023 (the 2023 Act) to provide the Secretary of State with the power to designate a mayoral strategic authority as an established mayoral strategic authority.

180 Subsection (1) inserts new section 25A into the 2023 Act which allows the Secretary of State to designate a mayoral combined county authority (CCA) as an established mayoral strategic authority.

181 New section 25A(2) provides that the designation may not take place unless the Secretary of State has received a proposal to become an established mayoral strategic authority from the mayoral CCA.

182 Section 25A(3) requires that the proposal should also identify any bespoke provisions that would mean that functions are exercised differently to other established mayoral strategic authorities.

183 If the Secretary of State decides to grant the designation, the Secretary of State must lay regulations subject to the affirmative resolution procedure. Section 25A(4) requires that if the Secretary of State decides not to grant the designation, the Secretary of State must notify the mayoral CCA in writing of the reasons for their decision.

184 Section 25A(6) provides that it is not possible for an area to lose their established mayoral strategic authority status by secondary legislation once it has been granted.

185 Subsection (4) inserts a new section 106B into the 2009 Act which allows the Secretary of State to designate a mayoral combined authority (CA) as an established mayoral strategic authority.

186 Section 106B(2) provides that the designation may not take place unless the Secretary of State has received a proposal from the mayoral CA approved by a majority of its members including the mayor.

187 Section 106B(3) provides that the proposal should also identify any bespoke provisions that would mean that functions are exercised differently to other established mayoral strategic authorities.

188 If the Secretary of State decides to grant the designation, the Secretary of State must lay regulations subject to the affirmative resolution procedure. If the Secretary of State decides not to grant the designation the Secretary of State must notify the mayoral CA in writing of the reasons for their decision.

189 Section 106B(6) provides that it is not possible for an area to lose their established mayoral strategic authority status by secondary legislation once it has been granted.

Section 9: Appointment of commissioners by mayors

Effect

190 This section inserts provisions into the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) and the Levelling-up and Regeneration Act 2023 (the 2023 Act), enabling the mayor of a combined authority (CA) or combined county authority (CCA) to appoint commissioners to assist on one of the "areas of competence" as defined in section 2 of this Act.

191 Subsections (1) and (4) provide that a mayor may appoint up to ten "commissioners" to assist them in delivering functions related to the nine "areas of competence" as listed in section 2 of this Act. The mayor of a CA or CCA may arrange for a commissioner to assist the mayor in the exercise of either the mayor's general functions, or to otherwise assist the mayor in relation to the exercise by the CA or CCA of its functions. A commissioner's work and any delegated functions must relate to an area of competence or any aspects of it.

192 Subsections (2) and (5) insert sections into the 2009 and 2023 Acts that allow the mayor to arrange for commissioners to exercise functions.

193 Subsections (3) and (6) insert paragraphs into the 2009 and 2023 Acts that reference new powers given to overview and scrutiny committees in relation to the appointment of commissioners.

194 Subsection (7) introduces Schedule 3 to this Act, which provides further practical detail on the role of commissioners.

Section 10: Combined authorities and CCAs: allowances for members with special responsibilities

Background

195 The Secretary of State can make legislation for the payment of combined authority (CA) members under section 84(2)(a) of the Local Transport Act 2008 as applied by section 104(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act), and for combined county authority (CCA) members under sections 10(1) and (2)(a) of the Levelling-up and Regeneration Act 2023 (the 2023 Act). However, every statutory instrument made before the passing of this Act established a CA or CCA has contained a paragraph stating that no remuneration is to be payable to members other than for travel and subsistence (subject to various exceptions which allow the payment of allowances to, for example, mayors, deputy mayors and CA or CCA committee members).

Effect

196 This section inserts sections into the 2009 and 2023 Acts to provide CAs and CCAs the ability to pay allowances to members who have special responsibilities, for work done in service of the CA or CCA. The paragraphs in each establishment statutory instrument that prevent CAs and CCAs from paying their members other than for travel and subsistence will be amended in secondary legislation.

197 The process for arranging the payment of allowances, provided for in subsections (1) and (2) of the inserted sections, largely follows the way it is done at the local authority level in England (see regulation 4 of the Local Authorities (Members' Allowances) (England) Regulations 2003). Areas may make a scheme providing for the payment of allowances after considering a report by a relevant remuneration panel. Under subsection (3), CAs and CCAs must publish reports containing the amounts paid. A "relevant renumeration panel" is a panel specified, or of a description specified, by the Secretary of State in secondary legislation, as per sub-section (8) of the inserted sections.

198 The Secretary of State may issue guidance on the use of the ability to remunerate members (subsection (4) of the inserted sections) and on the reporting requirements for relevant remuneration panels (subsection (5) of the inserted sections).

199 Subsection (6) of the inserted provisions provides that where a member is paid an allowance by both the CA or CCA and the constituent council for the same special responsibilities, the amount payable by the CA or CCA is reduced by the amount payable by the constituent council, so that the member is not paid twice.

200 Subsection (7) of the inserted sections provides that the Secretary of State cannot use the regulation making power about constitutional arrangements to prevent or interfere with the ability to pay an allowance established by these new sections.

Section 11: Mayoral combined & CCAs: overview and scrutiny committees

Effect

201 This new section introduces new Schedules, which establish the updated statutory framework for overview and scrutiny committee across mayoral combined county authorities (CCAs) and mayoral combined authorities (CAs).

a. (1) Schedule 4 introduces a new system of overview and scrutiny committees for mayoral combined county authorities.

b. (2) Schedule 5 introduces a new system of overview and scrutiny committees for mayoral combined authorities.

Section 12: Mayoral combined authorities and CCAs: precepts

Background

202 Under subsections (11)(a) and (12)(a) of section 40 of the Local Government Finance Act 1992 (the 1992 Act), the mayoral precept can only be used for mayoral functions as defined by section 107G(7) of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) and section 41(8) of the Levelling-up and Regeneration Act 2023 (the 2023 Act).

Effect

203 This section enables the mayoral precept to be used as a source of revenue which can be spent across all functions of mayoral combined authorities (CAs) and mayoral combined county authorities (CCAs) by revoking subsections (11)(a) and (12)(a) of section 40 of the 1992 Act, and adding wording to 11(b) and 12(b) to signpost relevant secondary legislation.

204 Subsections (2)(a) and (3)(a) remove subsections 107G(1) of the 2009 Act and 41(1) of the 2023 Act, as the purpose of those sections is now met by subsection (1) of this Act.

205 Subsections 2(b) and 3(b) ensure that the function of issuing precepts is a function of the mayor for all the functions of a CA or CCA.

206 Subsections (2)(c), (2)(d), (3)(c) and (3)(d) amend existing powers relating to the issuing of precepts so that they align with the expanded mayoral precepting powers. Subsections 2(c) and 3(c) ensure that, where the mayor of a CA or CCA has Police and Crime Commissioner (PCC) functions, secondary legislation must include provision requiring that, when calculating a mayoral precept, the mayor's PCC functions are ringfenced as a separate component. Subsections 2(d) and 3(d) give the Secretary of State the ability to make an order about the preparation of annual budgets for all of an authority's functions, for CAs and CCAs, respectively.

Section 13: Power to borrow

Background

207 Under section 1 of the Local Government Act 2003 (the 2003 Act), local authorities have the power to borrow money. Section 23 of the 2003 Act applies this power to combined authorities (CAs) and combined county authorities (CCAs). The exercise of borrowing powers has previously been conferred through bespoke statutory instruments.

Effect

208 This section amends Section 23 of the 2003 Act to confer the power to borrow on mayoral CAs and mayoral CCAs. To retain fiscal oversight, a new subsection (9A) introduces a requirement for these authorities to obtain consent from the Secretary of State before they exercise the power to borrow for the first time, unless borrowing for purposes relevant to their transport, fire, and policing functions.

Section 14: Levies

Background

209 The Local Government Finance Act 1988 (the 1988 Act) defines combined authorities (CAs) and combined county authorities (CCAs) as levying bodies for which the Secretary of State can make regulations. The Transport Levying Bodies Regulations 1992 (as amended) defines CAs and CCAs that have the power to issue a transport levy and the parameters for charging levies, including apportionment arrangements.

Effect

210 This section amends the 1988 Act to enable all CAs and CCAs to charge a transport levy to constituent councils, subject to regulations where these are made under section 74(2).

211 The section also sets out that CAs and CCAs, if charging a transport levy, can only levy sufficient funding to pay for costs in exercising transport functions, except those transport functions only exercisable by the mayor and where relevant transport costs are not otherwise met (such as through a precept).

212 The section also amends cross-references to section 74 of the 1988 Act in other sections of that Act and in the Local Democracy, Economic Development and Construction Act 2009.

Section 15: Combined authorities and CCAs: minor amendments

Background

213 Section 1 of this Act introduces the established mayoral strategic authority as a type of strategic authority (SA), and the differentiation of non-mayoral combined authorities (CAs) or non-mayoral combined county authorities (CCAs) from the broader category of CAs or CCAs. This requires further amendments to the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) and the Levelling-up and Regeneration Act 2023 (the 2023 Act) – so that the insertion of new sections 13A and 25A (for the 2023 Act) and 104CA and 106B (for the 2009 Act) have clear meaning.

Effect

214 Subsection (1)(a) inserts the definition of an established mayoral strategic authority into Section 57 of the 2023 Act, with subsection (1)(b) inserting the definition of non-mayoral CCA.

215 Subsection (3)(a) inserts the definition of an established mayoral strategic authority into Section 120 of the 2009 Act, with subsection (3)(b) inserting the definition of non-mayoral CA.

The Greater London Authority

Section 16: Additional functions of the GLA

Background

216 The Greater London Authority Act 1999 (the 1999 Act) sets out the functions of the Greater London Authority (GLA), and has previously been updated by primary legislation.

217 Section 35(1) of the 1999 Act states that a function conferred on the GLA shall be exercisable by either the Mayor, the Assembly, or both jointly acting, on behalf of the GLA.

218 If a function is exercisable by the Mayor on behalf of the GLA, this function shall also be exercisable (on behalf of the GLA) by the bodies set out at section 38(2) of the 1999 Act if the Mayor authorises. These bodies include, amongst others, the Deputy Mayor, a member of staff of the GLA, and Transport for London.

Effect

219 The 1999 Act is amended to reflect that the Secretary of State has powers, introduced in section 54 of this Act, which enable them, amongst other things, to confer additional functions on the GLA, the Mayor of London and the GLA's functional bodies on a permanent or pilot basis.

220 Functions conferred on the GLA by this Act or, in future, by the powers provided to the Secretary of State by section 54 of this Act shall be exercisable in line with sections 35 and 38 of the 1999 Act unless otherwise stated.

Mayors

Section 17: Members of legislatures disqualified for being a mayor of a strategic authority

Effect

221 This section disqualifies a person from being a mayor of a strategic authority if they are an elected member of a legislature in the United Kingdom.

222 The section stops a disqualification applying during an 8 day 'grace period', beginning with the day when it would otherwise apply.

223 Subsections (1) and (3) insert new paragraphs into Schedule 5B of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) and Schedule 2 of the Levelling-up and Regeneration Act 2023 (the 2023 Act) respectively, with subsection (5) inserting a new section into the Greater London Authority Act 1999.

224 These insertions disqualify a person from being a mayor of a combined authority, combined county authority, or the Greater London Authority if they are an elected member of the House of Commons, the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly. Subsections (2)(a) and (4)(a) make amendments to the 2009 and 2023 Acts, removing reference to section 67 of the Police Reform and Social Responsibility Act 2011 at Schedule 5C to the 2009 Act and Schedule 3 to the 2023 Act, which are similar provisions to the provision introduced by subsection (1) and (3) of this section, but relate to police and crime commissioners. Subsections (2)(b) and (4)(b) also make amendments to Schedule 5C and Schedule 3 respectively of the 2009 and 2023 Acts, referencing the new Schedule paragraphs inserted by subsection (1) and (3) of this section.

Section 18: Functions of mayors of combined authorities or CCAs

Background

225 The mayors of combined authorities (CAs) or combined county authorities (CCAs) are not corporate entities and so all functions must be conferred on the CA or CCA rather than directly onto the mayor. However, some functions are 'mayoral functions' in the sense that they are exercisable solely by the mayor.

Effect

226 This section ensures that when functions are conferred on a mayor of a CA or CCA by primary legislation or by regulations made under this Act, the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) or the Levelling-up and Regeneration Act 2023 (the 2023 Act), they are exercisable by the mayor acting on behalf of the CA or CCA.

227 New subsections (1A) and (1B) are added to section 30 of the 2023 Act to ensure that any function conferred on a CCA mayor, or on a CCA but said to be exercisable by the mayor, is a function of the CCA that is exercisable only by the mayor acting on behalf of the CCA.

228 New subsections (1A) and (1B) are added to section 107D of the 2009 Act to make clear that any function conferred on a CA mayor, or on a CA but said to be exercisable by the CA's mayor, is a function of the CA that is exercisable only by the mayor acting on behalf of the CA.

Section 19: The "general functions" of mayors

Background

229 Section 107D of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act), in relation to a combined authority (CA), and section 30 of the Levelling-up and Regeneration Act 2023 (the 2023 Act), in relation to a combined county authority (CCA), enable the Secretary of State to make secondary legislation providing for the functions of the CA or CCA to be exercisable solely by the mayor of the CA or CCA.

230 The mayor may arrange for any general functions (non-police and crime commissioner functions) to be exercised by the deputy mayor, another member (except a non-constituent or associate member) or officer of the CA or CCA or, where authorised by the Secretary of State by secondary legislation, for a person appointed by the deputy mayor for policing and crime or a committee of the CA or CCA to exercise such a function.

231 Section 107D of the 2009 Act and section 30 of the 2023 Act make other provision relating to the "general functions" of mayors and orders made under those sections. Primary legislation has also on occasion specified how a function conferred directly on a CA or CCA is to be exercised (e.g. section 123G in the Bus Services Act 2017 specifies that the function of deciding whether to make a proposed franchising scheme is a function of the CA exercisable only by the mayor acting on behalf of the CA).

Effect

232 This section amends section 30 of the 2023 Act and section 107D of 2009 Act to have the effect that references to "general functions" in Part 6 of the 2009 Act and Chapter 1 of the 2023 Act in relation to a mayor include any non-police and crime commissioner functions which are exercisable by the mayor – whether by virtue of secondary legislation made under section 107D, as appropriate, or other legislation.

233 This section also has the effect that general functions exercisable by the mayor of a CA or CCA are exercisable by the mayor individually or in accordance with arrangements made by virtue of specified provisions of the 2009 Act or 2023 Act, as appropriate – whether they are made exercisable by the mayor by an order under section 107D of the 2009 Act or regulations under section 30 of 2023 Act, or otherwise.

Annual report on devolution

Section 20: Report under section 1 of the Cities and Local Government Devolution Act 2016

Background

234 The Cities and Local Government Devolution Act 2016 (the 2016 Act) requires the publication of the annual report on devolution. The report provides an annual summary of how devolved powers have been used, developed, and evaluated. This allows for public transparency and parliamentary scrutiny of the devolution agenda.

235 The report previously covered provisions within the 2016 Act, Part 6 of the Local Democracy, Economic Development and Construction Act 2009, and Chapter 1 of Part 2 of the Levelling-up and Regeneration Act 2023.

Effect

236 New section 1(1) of the 2016 Act now requires that the annual report covers actions under Parts 1 and 2 of this Act and any other enactments from other relevant legislation, as well as actions covered by previous legislation.

237 Section 1(2) sets out requirements for the content of the annual report on devolution. It updates the previous requirements to reflect the introduction of strategic authorities (SAs), including the ability for an authority to move from one category of SA to another. It retains the previous requirements to publish information on areas that have taken on devolution arrangements and where existing SAs are receiving further functions or funding.

Part 2: Functions of strategic authorities and mayors

Mayoral powers of competence

Section 21: Extension of general power of competence to strategic authorities

Background

238 The general power of competence allows for an authority to do anything that an individual can do (subject to legislative limitations) and was originally conferred on local authorities via the Localism Act 2011.

Effect

239 This section introduces Schedule 6 of this Act, which amends sections 1 to 5 and 8 of the Localism Act 2011 so that: the general power of competence applies in full to all combined authorities (CAs) and combined county authorities (CCAs) and their mayors.

Section 22: Power of mayors to convene meetings with local partners

Effect

240 This section provides the mayors of strategic authorities (SAs) with the power to convene local stakeholders on matters relating to their areas of competence (see section 2 of this Act). The section places a corresponding duty on those stakeholders to respond to a request when a mayor notifies them of their intention to convene such a meeting.

241 Subsections (1) to (3) and (5) make insertions into the Levelling-up and Regeneration Act 2023 (the 2023 Act); the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act); and the Greater London Authority Act 1999 (the 1999 Act) – enabling the mayors of strategic authorities (SAs) to use the mayoral power to convene meetings with local partners.

242 Insertions 17B(1) and (2) of the 2023 Act, 103B(1) and (2) of the 2009 Act, and 40B(1) and (2) of the 1999 Act establish that the relevant mayors can convene "local partners" to a meeting to consider "relevant local matters"; and that when a mayor makes use of the power the local partner needs to respond to the mayor.

243 "Relevant local matter" is defined in insertions 17B(5) of the 2023 Act, 103B(5) of the 2009 Act, and 40B(5) of the 1999 Act as a matter which relates to any aspect of any area of competence.

244 Insertions 17B(5) of the 2023 Act, 103B(5) of the 2009 Act, and 40B(5) of the 1999 Act provide the Secretary of State with the power to specify "local partners" in regulations; and for such regulations to be subject to the negative parliamentary procedure.

245 Insertions 17B(4) of the 2023 Act, 103B(4) of the 2009 Act and 40B(4) of the 1999 Act also set out that the relevant mayors and local partners are required to have regard to any guidance issued by the Secretary of State in relation to the power and, by implication, that the Secretary of State is able to issue guidance to local partners.

Section 23: Duty of mayors to collaborate

Effect

246 This section provides a formal process by which the mayors of neighbouring strategic authorities (SAs) can make and respond to requests for collaboration.

247 Subsections (1) to (3) make insertions into the Levelling-up and Regeneration Act 2023 (the 2023 Act); the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act); and the Greater London Authority Act 1999 (the 1999 Act). This section provides that a request for collaboration must be in respect of a matter that relates to any aspect of any of the areas of competence (see section 2 of this Act), and the request must be made in writing and be published. The request must specify the matter on which the mayor proposes to collaborate, and the way in which the mayor wants to collaborate.

248 A mayor may only use the formal process to request collaboration with a mayor of a neighbouring SA, and may only do so if they think that the collaboration would be likely to improve the economic, social or environmental wellbeing of people who live or work in their area (mayors can also consider the wellbeing of people in the neighbouring area).

249 A mayor who has received a request for collaboration must: consider the request; set out a response in writing; provide a response to the requesting mayor and publish the response in such a manner as the mayor thinks appropriate. When considering their response, the mayor must have regard to the economic, social, and environmental well-being of those who live or work in their area.

250 If a mayor does not agree to the collaboration request, then they must outline their reasons and share these with the mayor who has made the request.

251 The subsections also allow for a single mayor to request collaboration with multiple mayors; multiple mayors to request collaboration with a single mayor; and multiple mayors to request collaboration with multiple mayors, under the same formal process (provided that geographical "neighbour tests" are met in each case).

252 The subsections require mayors to have regard to guidance published by the Secretary of State when exercising the powers and complying with the duties in respect of the duty to collaborate.

Transport and local infrastructure

Section 24: Regulation of provision of micromobility vehicles

Background

253 Previously local authorities did not have effective legal powers to manage on-street micromobility services, such as the use of street space by businesses for the distribution of micromobility vehicles.

Effect

254 This section introduces Schedule 7 of this Act, which inserts new provisions into the Road Traffic Regulation Act 1984 (the 1984 Act) at Part 2A and Schedule 3A. Schedule 7 provides that foundation strategic authorities, mayoral strategic authorities or the highest tier of local authority for an area, are licensing authorities for micromobility vehicles. Licences are made mandatory for anyone providing passenger or non-passenger micromobility vehicles for use on a public road or place (unless expressly exempted in some limited circumstances). In respect to passenger vehicles, such as bikes and e-bikes, these are vehicles which are taken possession of, from the street or other public place. Operating these businesses without a licence would be a criminal offence.

Section 25: Arrangements to carry out works on highways

Background

255 Sections 6 and 8 of the Highways Act 1980 (the 1980 Act) set out the legal basis for strategic highways companies to delegate functions regarding trunk roads to local highway authorities. The sections also provide for the power for local highways authorities and strategic highways companies to enter into agreements with other authorities, and highways companies to undertake certain highways works on any highways for which any party to the agreement are the highways authority, for example where this may generate operational efficiencies.

Effect

256 This section introduces Schedule 8 of this Act, which amends the 1980 Act to provide that CAs and CCAs can have functions regarding trunk roads, and the power to enter into agreements with strategic highways companies delegated to them, subject to the consent of the relevant constituent local highway authorities.

Section 26: Charges payable by undertakers executing works in maintainable highways

Background

257 Section 74A(1) of the New Roads and Street Works Act 1991 (the 1991 Act) empowers the Secretary of State for Transport to, by regulations, require undertakers to pay a charge to highways authorities (that charge to be determined by reference to duration of the street works being done). This establishes the 'lane rental' system.

258 Before the changes brought forward by these amendments, section 74A of the 1991 Act refers to street works only, which are utility works. Street works are defined in section 48 of the 1991 Act as including all works, done under a statutory right or licence, connected with placing or adjusting, maintaining, removing etc. apparatus in a street, except for works carried out by the highway authority itself. 'Street' includes any highway.

259 The Street Works (Charges for Occupation of the Highway) (England) Regulations 2012 (the 2012 Regulations) are the relevant regulations made under section 74A(1) of the 1991 Act. They set out at the date this document was drafted, the (maximum) charge of £2500 per day, or part day, which is subject to prescribed exemptions, different rates of charge and waivers. They also set out how the duration of works is to be determined, how proceeds of lane rental must be applied and keeping of accounts.

260 In accordance with section 74A(2) of the 1991 Act, a highway authority or strategic highways authority, may not require charges to be paid unless the Secretary of State has approved the authority to do so by statutory instrument. This is being expanded by this Act.

261 Lane rental aims to reduce the impact of street works on road users. It encourages works to be carried out at times outside of the busiest periods, in different locations or jointly with other work promoters.

Effect

262 This section introduces Schedule 9 of this Act which transfers from the Secretary of State for Transport to mayors of mayoral Strategic Authorities, the power to approve highway authorities to require charges to be paid for lane rental, where the highway authority falls within their area. Where highways authorities do not fall within a mayoral Strategic Authority area, the Secretary of State for Transport continues to be the responsible person for approving charges for lane rental schemes. The Act also extends the power to impose charges for approved lane rental schemes, to road works.

Section 27: Civil enforcement of traffic contraventions

Background

263 Part 6 of the Traffic Management Act 2004 (the 2004 Act) deals with the civil enforcement of road traffic contraventions. Schedule 8 to the 2004 Act enables local authorities to be designated with powers to enforce contraventions of certain road traffic restrictions, such as banned turns and unlawful entry into bus lanes or box junctions.

Effect

264 This section introduces Schedule 10 of this Act, which allows a combined authority (CA) or combined county authority (CCA) to take on the same civil enforcement powers within the geographic scope of existing designated civil enforcement areas of its constituent councils. In order to be able to take on these enforcement powers, the CA or CCA must have the written consent of the constituent local authority in whose area it is proposed that the enforcement functions are to be exercised. These changes are being introduced to enable a more cohesive enforcement system across the CA or CCA area.

Section 28: Restrictions on disposal of land by Transport for London

Background

265 Section 163 of the Greater London Authority Act 1999 (the 1999 Act) provides the Secretary of State with the power to consent to the disposal of operational land used by Transport for London or its subsidiaries.

Effect

266 This section devolves the power of the Secretary of State to consent to disposals of operational land under section 163 of the 1999 Act to the Mayor of London.

267 The general power of the Mayor of London to consent to those disposals largely follows the existing power of the Secretary of State under section 163 of the 1999 Act, subject to specified requirements. Where the land in question is used, wholly or partly, for the provision of network services by Network Rail, Transport for London, and its subsidiaries, are required to consult with Network Rail before the Mayor of London can consent to a disposal (see subsection (4)). "Network services" has the same meaning as in section 82 of the Railways Act 1993. This mitigates the risk of unintended impacts of disposals on wider rail operations outside Transport for London's remit.

268 The Mayor of London only has the power to consent to operational land disposals where the land is entirely within Greater London and is not Crown land (see subsection (7)). The Secretary of State retains the power to consent to disposals of any other land.

269 The Secretary of State also has the power to make regulations, by affirmative procedure, to amend the list of consultees and the consultation requirements set out in the new subsection 163(4A) of the 1999 Act to enable changes to be made if new relevant rail bodies are created in the future. This power is set out in subsection (4B).

Section 29: Key route network roads

Background

270 Key route networks are a network of some of the most important local roads in an area. Combined authorities (CAs) and combined county authorities (CCAs) have had the power to designate a key route network in their area under section 24 of the Levelling-up and Regeneration Act 2023 (the 2023 Act) and section 107ZA of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) respectively, but are not required to exercise that power.

271 A mayoral power of direction for roads on the key route network is in place for the Greater Lincolnshire Mayoral Combined County Authority and Hull and East Yorkshire Mayoral Combined Authority through their establishing statutory instruments, with underlying

statutory basis in the 2023 Act and Local Transport Act 2008. This provides the mayor with the power to direct constituent highway authorities in the use of their highway and traffic authority powers on key route network roads.

Effect

272 This section introduces Schedule 11 of this Act, which amends the 2009 Act and the 2023 Act to require mayors of CAs and CCAs to prepare a proposed designation of a key route network in their area, and to publish and maintain a record of such a network.

273 Schedule 11 also provides mayors of CAs and CCAs with the power to direct constituent highway authorities in the use of their highway, traffic, street and permit authority powers on key route network roads. There is also a duty on mayoral CAs and mayoral CCAs to be responsible for making reports on levels of road traffic on key route network roads for the Secretary of State.

Section 30: Constituent councils to act in accordance with local transport plans etc

Background

274 Sections 108 and 109 in Part 2 of the Transport Act 2000 (as amended) (the 2000 Act) place a duty on local transport authorities to develop local transport policies and publish them in a local transport plan.

275 A local transport authority in England includes: a combined authority (CA), a combined county authority (CCA), county council, or a non-metropolitan district where there is no county council (a unitary authority). Metropolitan district councils are not the local transport authority and are either members of an integrated transport authority or a constituent council of a CA or CCA which is the local transport authority.

276 Under section 113 of the 2000 Act, metropolitan district councils have a duty to implement the local transport authority's local transport plan when carrying out their transport functions. This duty previously did not apply to other types of local council that are constituent councils of CAs or CCAs, meaning that there was an inconsistency in how the statutory duty applied to constituent councils.

Effect

277 This section replaces section 113 of the 2000 Act with a new provision which places a duty on all constituent councils to implement the CA's or CCA's local transport plan when carrying out their transport functions, as well as restating the existing duty on metropolitan district councils.

278 This section ensures the statutory duties under Part 2 of the 2000 Act on constituent councils of CAs or CCAs are consistent with those on other types of local authority.

Section 31: Local transport authorities and other transport functions

Background

279 Part 2 of the Transport Act 2000 (the 2000 Act) provides local authorities with the appropriate powers as local transport authorities and travel concession authorities for their area. These include powers to prepare and publish a local transport plan, prepare a bus strategy for carrying out their bus functions, enter into partnerships with bus operators, enter into franchising schemes, and manage travel concessions.

280 Parts 4 and 5 of the Transport Act 1985 (the 1985 Act) provide local authorities with powers related to local passenger transport services. These include powers to secure the provision of passenger transport services where not otherwise provided, powers to establish travel concession schemes, and the relevant financial provisions required in exercising these powers.

Effect

281 This section introduces Schedule 12 of this Act, which amends the 2000 Act and 1985 Act to provide that combined authorities (CAs) and combined county authorities (CCAs), where they exist, are the sole local transport authority and sole travel concession authority for their area, with the relevant powers and duties including over local transport planning, securing public passenger transport services, bus partnerships, bus franchising, and concessionary travel.

282 In line with CAs and CCAs being the strategic decision-making authority for the area, some transport functions are held solely by the CA or CCA, and not also by constituent local authorities. This does not extend to highways authority and traffic authority functions which remain with the relevant constituent councils.

Skills and employment support

Section 32: Education

Background

283 The Apprenticeships, Skills, Children and Learning Act 2009 (the 2009 Act) provides the Secretary of State with several duties and provisions related to education and training, including a range of duties and provisions relating to the education and training of adults (who are defined by the 2009 Act as persons aged 19 years or older). These functions were held by the Secretary of State by virtue of the 2009 Act, except where powers have been transferred to the Mayor of London for the Greater London Authority (GLA), existing combined authorities (CAs) and combined county authorities (CCAs), and single local authorities with existing devolution agreements.

284 Sections 15ZA to 15ZC of the Education Act 1996 (the 1996 Act) place duties on local authorities to ensure enough suitable education and training is provided in their area to meet the reasonable needs of 16–18 year olds, and adults aged 19 or over for whom an education, health and care plan is maintained. Local authorities must also encourage participation in education and training by those aged 16-18.

Effect

285 This section introduces Schedule 13 of this Act. Part 1 of Schedule 13 amends the 2009 Act to confer a range of duties and provisions relating to the education and training of adults on strategic authorities (SAs). This includes the conferral of powers on the Mayor of London, who exercises these functions on behalf of the GLA.

286 Some duties that are conferred in Part 1 of Schedule 13 are solely exercisable by the SA in relation to its area. These include: a duty to secure the provision of appropriate facilities for the education and training for persons aged 19 or over (other than those aged under 25 who are subject to an education, health and care plan); a duty to secure the provision of appropriate facilities for education and training to enable adults who lack particular skills to obtain relevant qualifications; and a duty to ensure certain eligible individuals are not required to pay tuition fees for statutory entitlements to specified qualifications.

287 Other duties and funding powers conferred in Part 1 of Schedule 13 are exercisable concurrently by the SA and the Secretary of State in relation to the SA area. These include: a duty to encourage participation in education and training by persons aged 19 or over (other than those aged under 25 who have a maintained education, health and care plan); powers to fund other persons for the purpose of fulfilling the duties and exercising the powers under these provisions; and the power to place conditions on such funding and carry out means testing.

288 Part 2 of Schedule 13 amends the 1996 Act. These amendments confer on Strategic Authorities the duties to secure enough suitable provision of education and training for those aged over 16 and under 19, and those 19 or over with a maintained education, health, and care plan. The duties are to be exercised in conjunction with their constituent local authorities. Strategic Authorities must cooperate with each other and their constituent authorities in performing these duties and must encourage participation in education and training by persons over 16 and under 19, and 19 or over with an education, health, and care plan, as well as encouraging employers to participate in providing education and training for them. As Strategic Authorities and local authorities exercise these powers concurrently, they are defined as 'relevant authorities.'

Housing and strategic planning

Section 33: Planning applications of potential strategic importance

Background

289 Section 2A of the Town and Country Planning Act 1990 (the 1990 Act) permits the Mayor of London to direct that they are to be the local planning authority for the purposes of determining an application for planning permission, permission in principle, or for planning permission without complying with conditions subject to which a previous planning permission was granted (see section 73 of the 1990 Act) where the application is of potential strategic importance.

Effect

290 This section introduces Schedule 14 of this Act, which provides that the powers which are afforded to the Mayor of London in relation to applications of potential strategic importance may also be exercised by mayors of combined authorities (CAs) and combined county authorities (CCAs), where the mayors exercise the power on behalf of their CA or CCA. This is subject to other requirements outlined in section 2A and the Secretary of State, by an order, defining the scope of applications of potential strategic importance and any other relevant criteria set out in a development order. This Schedule also omits section 2A(1A) of the 1990 Act, allowing mayors to use these powers if the local planning authority is a mayoral development corporation.

291 Schedule 14 also amends section 2F of the 1990 Act, enabling a mayor to give applicants and the local planning authority to whom the application was made the opportunity to make written representations before determining certain applications of potential strategic importance (and any connected applications). The applications to which this discretion applies are applications made under section 73 or 73B of the 1990 Act, and applications of a description to be specified in regulations. For all other applications, the mayor must give the parties an opportunity to make representations by way of oral hearing. The mayor is required to publish a document setting out who may make written representations, the procedure for making representations, and their form.

Section 34: Development orders

Background

292 Sections 61DA to 61DE of the Town and Country Planning Act 1990 (the 1990 Act) provide that the Mayor of London has the power to make mayoral development orders, granting planning permission for development specified in the order.

Effect

293 Subsection (1) introduces Schedule 15 of this Act, which extends the mayoral development order powers provided to the Mayor of London by permitting mayors of combined authorities (CAs) and combined county authorities (CCAs) to make mayoral development orders, where mayors would exercise these powers on behalf of their CA or CCA. This Schedule omits sections 61DC(3) and (4) of the 1990 Act, removing the requirement for local planning authority consent before preparing and consulting on a mayoral development order (see paragraph 1 (4)(a) and (b)). Schedule 15 also omits the requirement for local planning authority approval before a mayoral development order can be made in section 61DC(5) of the 1990 Act, and amends section 61DD(1) and (2) of the 1990 Act removing the requirement for local planning authority approval when making, revising, or revoking a mayoral development order.

294 Subsection (2) introduces Schedule 16 of this Act, which makes consequential amendments to the Planning (Hazardous Substances) Act 1990, the Town and Country Planning Act 1990, the Self-build and Custom Housebuilding Act 2015, the Housing and Planning Act 2016, and the Levelling-up and Regeneration Act 2023 to reflect the provisions inserted into the Town and Country Planning Act 1990 by Schedules 14 and 15 of this Act.

Section 35: Power to charge community infrastructure levy

Background

295 Part 11 of the Planning Act 2008 (the 2008 Act) introduced the community infrastructure levy, which is a discretionary charge which can be levied by charging authorities on new development in their area. It is used to fund the provision, improvement, replacement, operation, or maintenance of infrastructure which is needed to support and mitigate the cumulative effects of development in an area, subject to the overall test of economic viability. The community infrastructure levy is charged in areas where a local authority has approved a charging schedule which has undergone statutory consultation and examination in public. The charging schedule sets out its levy rates that will apply to different kinds of development, and that schedule must be published on its website.

296 In England, the following authorities can be charging authorities for the community infrastructure levy: the local planning authority for the area (e.g. district councils, London borough councils, unitary authorities which have district functions), national park authorities, and mayoral development corporations (where they have plan-making functions). In Greater London, the community infrastructure levy is also charged by the Mayor of London.

Effect

297 This section introduces Schedule 17 of this Act, which amends sections 206, 213 and 214 of the 2008 Act to enable mayors of combined authorities (CAs) and combined county authorities (CCAs) to be community infrastructure levy "charging authorities" in addition to local planning authorities. The provisions in this Schedule allow mayors to charge a community infrastructure levy in their area, on behalf of their CA or CCA, subject both to the approval of

a community infrastructure levy charging schedule by a simple majority of the members of that authority who vote on it, and to the relevant conditions or requirements set out in the community infrastructure levy regulations.

Section 36: Acquisition and development of land

Background

298 The Housing and Regeneration Act 2008 (the 2008 Act) established the Homes and Communities Agency (now known as Homes England) and provides it with its powers and functions relating to housing, land and infrastructure.

299 The Town and Country Planning Act 1990 (the 1990 Act) provides various spatial planning, development and land acquisition powers to local authorities.

300 The Greater London Authority Act 1999 (the 1999 Act), amongst other legislation, establishes and confers various powers on the Greater London Authority (GLA).

Effect

301 This section introduces Schedule 18 of this Act, which amends the 2008 Act and the 1990 Act. The effect is to confer housing and land functions of both Homes England and local authorities onto strategic authorities outside London.

302 Schedule 18 also amends the 1999 Act to confer a power on the GLA to acquire land in Greater London by agreement for the purposes of housing or regeneration.

Section 37: Housing accommodation

Background

303 The Housing Act 1985 (the 1985 Act) provides various housing powers and duties onto local authorities, including the ability to provide housing and acquire land to do so.

Effect

304 This section introduces Schedule 19 of this Act, which amends the 1985 Act. The effect is to confer housing and land functions of local authorities onto strategic authorities outside London.

Section 38: Mayoral development corporations

Background

305 The Localism Act 2011 (the 2011 Act) is the principal legislation for mayoral development corporations and describes the powers, functions, and duties of a mayoral development corporation. Previously the remit of a mayoral development corporation was to secure the regeneration of its area, until measures in the Planning and Infrastructure Act 2025[9] expanded this to include development, so mayoral development corporations can deliver new settlements, including on greenfield sites, in addition to urban regeneration.

306 The 2011 Act originally introduced provisions allowing the Mayor of London to designate mayoral development areas – i.e. to establish the boundary of a mayoral development corporation. Upon designating a mayoral development area, the mayor must notify the Secretary of State, who is obliged to establish a mayoral development corporation for the mayoral development area.

[9] https://www.legislation.gov.uk/ukpga/2025/34

307 Subsequently, the Cities and Local Government Devolution Act 2016 allowed for the Secretary of State to confer equivalent powers on elected mayors of combined authorities (CAs) and combined county authorities (CCAs), with mayoral development corporation powers conferred through individual Statutory Instruments. Previously, some mayoral CAs and mayoral CCAs did not have mayoral development corporation powers.

Effect

308 This section introduces Schedule 20 of this Act, which primarily amends the 2011 Act to confer mayoral development corporation functions on all mayoral strategic authorities. It ensures that provisions originally designed for application to the Mayor of London and Greater London Authority are suitably modified for mayors of strategic authorities, and the mayoral development corporations they establish. The powers are to be exercised solely by the relevant mayor.

Section 39: Prioritisation of development of brownfield land

Background

309 Part 1A of the Planning and Compulsory Purchase Act 2004 (the 2004 Act) requires strategic planning authorities to prepare a document called a spatial development strategy. A spatial development strategy forms part of the development plan which local planning authorities must determine planning applications in accordance with, unless material considerations indicate otherwise. Local plans produced by local planning authorities (most of which are lower-tier and unitary authorities) must be in "general conformity" with a spatial development strategy.

310 Combined authorities, combined county authorities, upper-tier county councils, and unitary authorities are all strategic planning authorities.

311 Section 12G of the 2004 Act requires a strategic planning authority to prepare a draft of its spatial development strategy and sets out the matters that a strategic planning authority must have regard to when preparing its draft spatial development strategy. It also provides for the Secretary of State to prescribe in regulations other matters that an authority must have regard to.

Effect

312 This section inserts new subsection (2A) to section 12G. New subsection (2A) requires the Secretary of State to make regulations which prescribe the desirability of prioritising development on land that has been previously developed as a matter to which a strategic planning authority must have regard when preparing its draft spatial development strategy.

313 Once those regulations are made, strategic planning authorities will have to consider the desirability of prioritising development on previously developed land when preparing a draft of their spatial development strategy.

Economic development and regeneration

Section 40: Assessment of economic conditions

Background

314 Section 69 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) requires that upper-tier local authorities prepare an assessment of the economic conditions of its area.

Effect

315 This section introduces Schedule 21 of this Act, which amends section 69 of the 2009 Act to extend the duty already on upper-tier local authorities to all combined authorities (CAs) and combined county authorities (CCAs), to require them to prepare an economic assessment of the economic conditions in their areas. The function is exercised concurrently by the CAs and CCAs and their constituent councils.

Section 41: Local growth plans

Effect

316 This section introduces Schedule 22 of this Act which inserts new sections into the Local Democracy, Economic Development and Construction Act 2009 and the Levelling-up and Regeneration Act 2023 to require mayoral strategic authorities except the GLA (mayoral combined authorities and mayoral combined county authorities) to produce and publish a local growth plan. This section also inserts new sections into those acts and the Greater London Authority Act 1999 to require relevant public authorities to have regard to shared local growth priorities agreed between mayoral strategic authorities and the Government.

Section 42: Local Government Act 2003: expenditure grant

Background

317 Section 31 of the Local Government Act 2003 (the 2003 Act) provides a power for a minister to pay grants to local authorities, and outlines the conditions and consent of HM Treasury required to exercise this power.

Effect

318 This section amends the 2003 Act to make provision for mayors of combined authorities (CAs) and combined county authorities (CCAs) to pay grants to their constituent councils, for example where constituent councils deliver transport functions on behalf of the CA or CCA. CAs and CCAs will not require HM Treasury's consent to use these powers.

319 Subsection (2) amends the section heading for section 31 of the 2003 Act for clarity.

320 Subsection (3) inserts a new section to the 2003 Act, setting out the power for CAs and CCAs to pay grants to their constituent councils for their expenditure. It sets out potential conditions that may be placed on the grant, such as how it is used and in what situations it must be repaid. It also sets out the relevant duties on CAs and CCAs when exercising this power, where the grant is to be paid for costs relating to the exercise of highway functions. These duties are to consider whether the constituent council has enough funding to deliver its highways functions when deciding the amount of grant funding to provide; and to take into account any other funding the constituent council has for this. In mayoral CAs and CCAs, this power is exercised by the mayor, on behalf of the authority.

Section 43: Co-operation with local government pension schemes

Background

321 The Pension Schemes Act 2026[10] seeks to include provisions to require the Secretary of State to make regulations requiring local government pension scheme administering authorities to co-operate with strategic authorities (SAs) to identify and develop appropriate investment opportunities.

Effect

322 This section provides for duties on SAs which are reciprocal to those requirements on administering authorities under the Pension Schemes Act. This section places a duty on all SAs to collaborate with the relevant administering authority of the local government pension scheme to develop investment opportunities appropriate to the scheme.

323 Subsection (1) inserts new section 107ZC into the Local Democracy, Economic Development and Construction Act 2009, which requires each combined authority (CA) to collaborate with the pension funds of the relevant local government pension scheme, which are defined by new section 107ZC(2), to develop investable opportunities for the scheme. If a local pension fund has members who are employees of a CA, the administering authority of the fund in which the pension fund participates is deemed relevant for this purpose. Section 107ZC(3) sets out that a pool company is relevant for the purpose of this Act if the fund "participates" in the pool, as defined in section 107ZC(4).

324 Subsection (2) inserts new section 24B into the Levelling-up and Regeneration Act 2023, and subsection (3) inserts new section 403ZA into the Greater London Authority Act 1999, which has the same effect for combined county authorities and the Greater London Authority as subsection (1) has for CAs.

Section 44: Miscellaneous local authority functions

Background

325 Section 113 of the Local Government Act 1972 (the 1972 Act) enables local authorities to place their staff at the disposal of other local authorities and a specified list of bodies, and vice versa.

326 Section 142 of the 1972 Act enables local authorities to provide information about services available in the local area and in relation to their own functions.

327 Section 222 of the 1972 Act gives local authorities the power to take legal action, defend against it, or appear in legal proceedings, to protect the interests of their community.

328 Section 88(1)(a) and 88(1)(b) of the Local Government Act 1985 (the 1985 Act) enables local authorities to make a scheme to conduct research and share their findings.

Effect

329 This section introduces Schedule 23 of this Act, which amends the 1972 Act and the 1985 Act (excluding the power at Section 113 of the 1972 Act) to confer the powers listed above onto combined authorities (CAs) and combined county authorities (CCAs). These functions are exercised concurrently with their constituent councils. Schedule 23 also confers the power at section 113 of the 1972 Act on the Greater London Authority.

[10] https://bills.parliament.uk/bills/3982

Health, well-being and public service reform

Section 45: Health improvement and health inequalities duty

Background

330 Upper-tier local authorities are subject to a health improvement duty under section 2B(1) of the NHS Act 2006. The Greater Manchester Combined Authority and the East Midlands Combined County Authority are the only two SAs which have opted to also have the section 2B local authority health duty conferred on them by way of secondary legislation. Additionally, the Greater London Authority (GLA) is subject to a duty to have regard to health improvement and health inequalities under the Greater London Authority Act 1999 (the 1999 Act).

Effect

331 This section inserts new sections into the Local Democracy, Economic Development and Construction Act 2009 and the Levelling-up and Regeneration Act 2023 to confer a new duty on all combined authorities (CAs) and combined county authorities (CCAs) to have regard to the need to improve the health of persons in their area and reduce health inequalities between persons in their areas, when deciding whether or how to exercise their functions. The section also makes corresponding provision in relation to the mayor of a mayoral CA or mayoral CCA.

332 This section amends section 309F of the 1999 Act to ensure the list of "general health determinants" to be considered as part of the health inequalities duty by the GLA remains consistent with the list of "general health determinants" to be considered by CAs and CCAs.

Public safety

Section 46: Functions of police and crime commissioners

Background

333 Under section 1 of the Police Reform and Social Responsibility Act 2011 (the 2011 Act), each police area in England and Wales outside London has a directly elected police and crime commissioner (PCC). PCCs are responsible for holding their chief constables to account, and have a range of responsibilities and powers, including setting the police precept, issuing the police and crime plan, and appointing and dismissing the chief constable.

334 Section 18 of the 2011 Act allows PCCs to appoint a person as the deputy PCC for that PCC, and for that person to exercise any function of the PCC except certain core functions laid out in Section 18(3). This function also applies to mayors who exercise PCC functions, who can appoint a deputy mayor for policing and crime to exercise the functions of PCC. Neither PCCs, nor mayors with PCC functions, were previously obliged to appoint a deputy.

335 Section 107F(1) of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) allows for the Secretary of State to transfer the functions exercised by a PCC to a mayor for the area of a combined authority (CA), where the boundaries of the police force and the mayoralty are exactly the same. Under this transfer mechanism there are 4 mayors who exercise PCC functions, namely the mayors of Greater Manchester, West Yorkshire, York and North Yorkshire, and South Yorkshire. Section 33(1) of the Levelling-up and Regeneration Act 2023 (the 2023 Act) makes equivalent provision in respect of combined county authorities (CCAs).

336 Legislation previously didn't allow for transfers of PCC functions to a mayor in respect of two or more police areas, which prevented the Secretary of State from transferring PCC functions in regions where a CA or CCA is coterminous with more than one police force.

Effect

337 This section amends section 107F of the 2009 Act and section 33 of the 2023 Act so that the mayor for the area of a mayoral CA or mayoral CCA is to exercise PCC functions in respect of that area if the CA or CCA meets the eligibility condition and the transfer condition.

338 Under new section 107FA of the 2009 Act and section 33A of the 2023 Act, a CA or CCA meets the eligibility condition if the authority's area is the same as a single English police area or the authority's area is the same as two or more English police areas (when those areas are taken together).

339 A CA or CCA meets the transfer condition if the Secretary of State has specified the time at which the mayor for that area is to begin exercising PCC functions and the transfer time has passed.

340 It is still possible for the Secretary of State to transfer PCC functions by order under section 107F(1) of the 2009 Act and section 33(1) of the 2023 Act.

341 Subsections (3) and (6) amend (respectively) section 107G of the 2009 Act and section 41 of the 2023 Act to ensure that, where a mayor exercises PCC functions in relation to more than one police area, the council tax requirement calculated under section 42A of the Local Government Finance Act 1992 may include separate PCC components in respect of the different police areas.

342 Subsections (7) and (8) amend the four orders transferring PCC functions to the mayors of Greater Manchester, West Yorkshire, York and North Yorkshire, and South Yorkshire to provide that each mayor must appoint a person as the deputy mayor for policing and crime for the area. These mayors retain the responsibility for the core functions set out in section 18(7) of the 2011 Act.

Section 47: PCCs and police areas

Background

343 Section 32 of the Police Act 1996 (the 1996 Act) allows the Secretary of State to alter police areas by order where the Secretary of State has received a request to make the alterations from the local policing body for each of the areas affected by them, or it appears to the Secretary of State to be expedient to make the alterations in the interests of efficiency or effectiveness.

344 Sections 64-69 of the Police Reform and Social Responsibility Act 2011 (the 2011 Act) set out the disqualification criteria for exercising police and crime commissioner (PCC) functions. Section 18 of the 2011 Act sets out the PCC functions which can be delegated by a police and crime commissioner (and, by extension, a mayor exercising PCC functions).

Effect

345 Subsection (1) amends section 1 of the 2011 Act to clarify that a police area is not required to have a PCC if PCC functions have been transferred under new section 107F(1A) of the Local Democracy, Economic Development and Construction Act 2009 or new section 33(1A) of the Levelling-up and Regeneration Act 2023.

346 Subsection (2) inserts section 76A into the 2011 Act, which introduces Schedule 10A, which makes provision about cases where a mayor is to exercise PCC functions in accordance with either section 107F(1A) or section 33(1A).

347 Subsection (3) introduces Schedule 24 to this Act, which inserts Schedule 10A into the 2011 Act, which makes provision about cases where a mayor is to exercise PCC functions in accordance with section 107F(1A) of the 2009 Act or section 33(1A) of the 2023 Act.

348 Schedule 10A includes a modification to the 2011 Act so that a mayor need only be on the electoral register in respect of any of the police force areas (rather than all of the police force areas) for which they will exercise PCC functions in order to be able to exercise those functions.

349 Separately, Schedule 10A clarifies that, where a mayor exercises PCC functions over more than one police force area, they exercise those functions in respect of each police force area separately.

350 Finally, Schedule 10A has the effect of preventing a person from being appointed as a Deputy Mayor for Policing and Crime for more than one police force area.

351 Subsection (4) amends sections 32 and 34 of the 1996 Act. The amendments allow the Secretary of State to alter police areas by order in connection with the transfer of PCC functions to the mayor of a strategic authority (SA), if the Secretary of State's purpose in making the order is to cause a SA to meet the eligibility condition and enable the Secretary of State to specify the transfer time in relation to that SA.

Section 48: Functions of fire and rescue authorities

Background

352 The Fire and Rescue Services Act 2004 (the 2004 Act) sets out a number of different models of fire governance. These include county council and unitary authority fire and rescue authorities (FRAs), mayoral FRAs, combined FRAs and police and crime commissioner FRAs.

Effect

353 This section amends the 2004 Act, to provide that mayoral strategic authorities outside Greater London are the FRA for their area if the Secretary of State designates it as the FRA in accordance with the new section 1A(1) of the 2004 Act.

354 New section 1A(2) provides that the Secretary of State can designate that a mayoral combined authority (CA) or mayoral combined county authority (CCA) is the FRA for a specified part of the area of a mayoral CA or mayoral CCA.

355 In exercising the power at section 1A(2), new section 1A(3) ensures the Secretary of State must ensure that those powers are exercised so as to secure that two or more of those specified parts when combined are coterminous with the whole of the relevant area of the mayoral CA or mayoral CCA. The Secretary of State must also ensure that the relevant mayoral CA or mayoral CCA is designated as the FRA for each specified part, and that all the designations come into force at the same time.

356 New section 1A(5) also allows the Secretary of State to, by order, provide the name that each specified part is to be known and may make relevant consequential amendments to any other FRA areas set up under section1A(2), section 2 or section 4 of the 2004 Act.

357 New section 1A(8) provides that at the same time as designating the mayoral CA or mayoral CCA as the FRA for the relevant area, the Secretary of State order may provide for the corresponding abolition of a metropolitan county FRA or combined FRA.

358 New section 1A(9) allows the Secretary of State to make regulations under section 56 of this Act for the purposes of, or in consequence of an order, under section 1A(1) or (2)(a) or (2)(b) of the 2004 Act. This includes providing for a shadow period during which the functions of a FRA are exercisable in relation to the area by the mayoral CA or mayoral CCA, and not by any FRA by which those functions would otherwise be exercisable. The shadow period ends when the designation of the mayoral CA or mayoral CCA as the FRA for the area takes effect and cannot be longer than one year.

359 Subsection (6) introduces Schedule 25 of this Act which contains further provision about fire and rescue services.

Section 49: Mayor with PCC and fire and rescue functions

Background

360 Section 107EA of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) applies to a mayor of a combined authority (CA) where orders are made under sections 107D(1) and 107F(1) of the 2009 Act to exercise both fire and rescue functions and police and crime commissioner (PCC) functions. Section 34 of the Levelling-up and Regeneration Act 2023 (the 2023 Act) applies to a mayor of a combined county authority (CCA) where regulations are made under section 30(1) and 33(1) of the 2023 Act to exercise both fire and rescue functions and PCC functions.

Effect

361 This section updates section 107EA(1) of the 2009 Act to reflect the new ways by which a mayor of a CA may exercise fire and rescue and PCC functions. It also updates section 34 of the 2023 Act to reflect the new ways by which a mayor of a CCA may exercise fire and rescue and PCC functions.

Section 50: Sharing of information

Background

362 Section 17A of the Crime and Disorder Act 1998 (the 1998 Act) sets out the duty for a relevant authority to disclose any information, which is of a prescribed description, held by the authority to all other relevant authorities, at such intervals and in such form as may be prescribed in regulations made by the Secretary of State.

363 The Secretary of State may only prescribe descriptions of information which appears to be of potential relevance in relation to the reduction of crime and disorder in any area of England and Wales (including anti-social or other behaviour adversely affecting the local environment in that area) and does not require a relevant authority to disclose any personal data.

Effect

364 This section updates section 115 of the 1998 Act so that combined authorities (CAs) and combined county authorities (CCAs) are included in the definition of a "relevant authority". This means that the duty to share relevant information (in relation to crime and disorder) with other relevant authorities applies to CAs and CCAs. It also means that other relevant authorities have a duty to share relevant information with CAs and CCAs.

Section 51: Licensing functions of the GLA and the Mayor of London

Background

365 The Licensing Act 2003 (the 2003 Act) provides the statutory framework for regulating licensable activities including the sale by retail of alcohol, the provision of regulated entertainment and the provision of late-night refreshment. Neither the Mayor of London nor the Greater London Authority (GLA) previously had any express statutory duties or powers under the 2003 Act.

Effect

366 This section introduces Schedule 26 of this Act which amends the 2003 Act in order to confer new strategic licensing functions on the Mayor of London and the GLA. The purpose of these new functions is to enable a more strategic approach to licensing to help boost London's night-time economy and hospitality industry.

Culture

Section 52: Encouragement of visitors and promotion of visitors

Background

367 Section 144 of the Local Government Act 1972 (the 1972 Act) provides local authorities with the power to:

- encourage people to visit their area for recreation or health purposes;
- encourage people to hold conferences, trade fairs and exhibitions in their area;
- provide or improve, or encourage others to provide or improve, facilities for conferences, trade fairs and exhibitions.

368 Section 145 of the 1972 Act provides local authorities with the power to facilitate:

- provision of entertainment;
- facilities for dancing;
- provision of a theatre, concert hall, dance hall or other premises suitable for entertainment;
- maintenance of a band or orchestra;
- promotion of the arts.

Effect

369 This section amends sections 144 and 145 of the 1972 Act, by extending all the powers of local authorities under those sections to combined authorities (CAs) and combined county authorities (CCAs). These powers are exercised concurrently by the CAs and CCAs and their constituent councils.

Requests by mayors for established mayoral strategic authorities

Section 53: Requests by mayors of EMSAs for changes

Effect

370 This section makes provision requiring the Secretary of State to respond to proposals from mayors of established mayoral strategic authorities for further powers that would help them deliver against any aspect of any area of competence (section 2 of this Act).

371 Subsection (1) states that the request can cover changes to the law but also changes to funding or other changes in relation to strategic authorities.

372 Subsection (2) provides that the Secretary of State can publish guidance on the formal request process, which mayors will need to follow when making a request.

373 Subsection (3) sets out the process by which the Secretary of State must respond to a request.

Regulations relating to functions of strategic authorities and mayors

Section 54: Powers to make regulations in relation to functions of strategic authorities and mayors

Background

374 The Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) sets out powers and processes for conferring, by secondary legislation, local authority and public authority functions on a combined authority (CA), making the function exercisable by the mayor, setting out other conditions on how it is exercised and specifying both the default voting arrangements and the arrangements for the exercise of individual functions. The Levelling-up and Regeneration Act 2023 (the 2023 Act) does the same for combined county authorities (CCAs).

375 The Cities and Local Government Devolution Act 2016 (the 2016 Act) sets out powers and processes for conferring public authority functions on a local authority and making related provision by secondary legislation. There was however no previous legislation that provided for conferring functions on the Greater London Authority (GLA), Mayor of London or one of the GLA functional bodies by secondary legislation.

Effect

376 This section introduces Schedule 27 of this Act, which gives powers to the Secretary of State to make regulations relating to the functions of categories of strategic authorities (SAs).

377 The provisions in this Schedule allow additional public authority and local authority functions to be conferred on categories of SAs on a permanent basis, existing functions conferred on SAs to be moved between different categories of SAs on a permanent basis, and governance arrangements of existing functions conferred on SAs to be changed on a permanent basis.

378 The provisions in this Schedule also allow for additional public authority and local authority functions to be conferred on specific SAs as part of a pilot programme on a time-limited basis, and also allows for the governance arrangements of existing functions conferred on a specific SA to be changed as part of a pilot programme on a time-limited basis. The Schedule outlines the conditions of the pilot programmes.

Section 55: Health service functions: application of existing limitations on devolution

Background

379 Section 16 of the Cities and Local Government Devolution Act 2016 (the 2016 Act) provides ministers with the ability to confer public authority functions on local authorities. Section 105A of the Local Democracy, Economic Development and Construction Act 2009 (as amended by the 2016 Act) enables public authority functions to be conferred on combined authorities (CAs) and section 19 of the Levelling-up and Regeneration Act 2023 enables public authority functions to be conferred on combined county authorities (CCAs). Section 18 of the 2016 Act ensures that secondary legislation under those provisions cannot confer specified core duties in relation to the health service or health service regulatory functions vested in national bodies. It also requires that any regulations conferring health service functions on local authorities, CAs or CCAs must make provision as to the standards and duties they are required to meet. This includes having regard to national service standards and information, and accountability obligations, which are attached to those functions under existing legislation.

Effect

380 This section makes consequential amendments to section 18 of the 2016 Act, to reflect changes introduced in this Act. Section 18 of the 2016 Act have the same effect as previously, but the wording reflects the new structures in place, and the new mechanisms for devolving functions, established by this Act.

Supplementary provision relating to extension of functions

Section 56: Incidental etc provision

Background

381 When relevant legislation is made relating to the functions of a strategic authority (SA) or how those functions are exercised, it will sometimes be necessary to make additional provision to ensure the law has the intended effect.

382 Sections 15 to 17 of, and Schedule 1 to, the Local Government and Housing Act 1989 (the 1989 Act) relate to political balance on local government committees and sub-committees.

Effect

383 Where relevant legislation is made conferring a function on one or more categories of SA, modifying such a function or making provision in relation to how such a function is to be exercised – this section enables the Secretary of State to also make consequential, supplementary, incidental, transitional or transitory provision, to help ensure that the regulations and other relevant legislation work as intended.

384 The Secretary of State can make such additional provision where any legislation makes the kind of changes outlined above, except where the changes are made in secondary legislation under Chapter 1 of Part 6 of the Local Democracy, Economic Development and Construction Act 2009 or Chapter 1 of Part 2 of the Levelling-up and Regeneration Act 2023.

385 Regulations made under this section may amend any Act of Parliament. However, subsection (2) provides that these provisions cannot alter the provision made in relation to political balance on local government committees and sub-committees set out in sections 15 to 17 of and Schedule 1 to the 1989 Act.

386 Regulations made via this section which contain provision amending an Act of Parliament are subject to affirmative resolution procedure, and any other regulations are subject to negative resolution procedure.

Section 57: Transfer of property, rights and liabilities

Background

387 Where relevant legislation is made that either confers a function on a strategic authority (SA), modifies such a function or changes how the function is exercised in some way, it will sometimes be necessary to ensure that there is the effective transfer of property, rights and liabilities from the public authority that was exercising the function to the SA that will now be exercising the functions.

388 The Transfer of Undertakings (Protection of Employment) Regulations 2006 relate to the safeguarding of employees' rights in the event of transfers of undertakings or businesses.

Effect

389 This section enables the Secretary of State to make regulations facilitating the transfer of property, rights, and liabilities (including criminal liabilities) when relevant legislation confers a function upon an SA, when such a function is modified or when provision is made which changes how the function is exercised by an SA. Any legislation is relevant legislation, except for secondary legislation under Chapter 1 of Part 6 of the Local Democracy, Economic Development and Construction Act 2009 or Chapter 1 of Part 2 of the Levelling-up and Regeneration Act 2023.

390 The transfer can be provided for in the regulations or can be done under a scheme made by the Secretary of State under the regulations. Additionally, the regulations can require another person to make a transfer scheme. The Transfer of Undertakings (Protection of Employment) Regulations 2006 apply in relation to relevant transfers under this section.

Protection of functions

Section 58: Prohibition of secondary legislation removing functions

Background

391 Functions may be conferred on strategic authorities (SAs) by this Act, other legislation and by regulations introduced under section 54 of this Act.

Effect

392 This section, via subsection (1), prevents ministers from making secondary legislation to remove functions from categories of SA or all SAs.

393 Subsection (2) provides that the provisions in this section do not apply to functions conferred on SAs under Part 6 of Schedule 27 of this Act as part of a pilot scheme.

394 Subsections (3) and (4) provide that the provisions in this section do not limit the Government from making certain kinds of permitted provision, or related provision, for example, removing a function from categories of SA or all SAs if the function is abolished for all public authorities or where the function has been superseded by other legislation.

Part 3: Other measures about local authorities and PCCs

Chapter 1: Reorganisation, governance, elections and councillors Reorganisation

Section 59: Single tiers of local government

Background

395 Section 2 of the Local Government and Public Involvement in Health Act 2007 (the 2007 Act) allows the Secretary of State to direct principal authorities, namely a county council or a district council in England, to submit a proposal for local government reorganisation to establish a single tier of local government.

396 Section 3 of the 2007 Act introduced a provision preventing new directions under section 2 from being given after 25 January 2008 by the Secretary of State for principal authorities to submit a proposal.

397 Section 15 of the Cities and Local Government Devolution Act 2016 allows proposals to be brought forward by local authorities on the merger of existing unitary authorities, and includes a consent requirement from all councils involved in the proposal.

Effect

398 This section introduces Schedule 28, which amends the 2007 Act to allow the Secretary of State to invite or direct principal authorities where there is a single tier of local government, to merge by submitting a proposal for the establishment of new unitary councils in their area. The Secretary of State will then be able to decide whether to implement the proposal after consulting affected local authorities that have not made the proposal and such other persons considered appropriate.

399 Schedule 28 also reverses the provision that prevented the Secretary of State from directing principal authorities in two-tier local government areas to submit a proposal under section 2 of the 2007 Act. The effect of this provision is to create a process for mergers that is the same as the process of unitarisation.

400 Schedule 28 also allows for the Secretary of State to either abolish a combined authority (CA) and combined county authority (CCA), or convert a CCA to a CA, for the purpose of implementing a proposal for the establishment of new unitary councils.

Section 60: Certain functions of shadow authorities for single tiers of local government

Background

401 Section 11 of the Local Government and Public Involvement in Heath Act 2007 (the 2007 Act) provides for the matters that may be included in an order when the Secretary of State implements a proposal or a recommendation under sections 7 or 10 of the 2007 Act (i.e. a proposal or recommendation for structural or boundary change), including making provision in relation to electoral matters as defined in section 12 of the 2007 Act (i.e. provision relating to membership of authorities). This includes the functions of a new local authority, and the discharge of those functions, during a transitional period, prior to members of the new authority coming into office following an election.

Effect

402 This section amends section 12 of the 2007 Act to provide that where an order is made under sections 11 and 12(1)(k) to confer functions on a new local authority in relation to a combined authority (CA) or combined county authority (CCA), the order may also provide that the predecessor local authority to the new local authority will no longer hold those functions. This may apply to areas undergoing local government reorganisation simultaneously to establishing a new CA or CCA which include these areas. In these instances, the exercise of this enabling power would provide that consent will no longer need to be sought from the predecessor councils to the establishment of a new CA or CCA once the shadow authorities have been established and given the necessary functions of consent.

Governance

Section 61 Local authority governance and executives

Background

403 Part 1A of the Local Government Act 2000 (the 2000 Act) sets out the permissible governance arrangements for local authorities in England. Local authorities may operate with an executive: either executive arrangements with a directly elected mayor (mayor and cabinet) or with a leader and cabinet, or they can operate the committee system. The 2000 Act enables local authorities in England to change their governance model via council resolution; this may be preceded by a referendum, which in turn may be preceded by a petition from the electorate. A subsequent change cannot take place within moratorium periods: five years in the case of a simple resolution, ten years where there has been a referendum apart from in certain limited circumstances.

Effect

404 This section introduces Schedule 29 of this Act, which changes the available governance arrangements for councils in England, requiring those currently operating the committee system to move to the leader and cabinet model except where an exemption applies, and preventing the creation of new local authority mayoralties and the adoption of the committee system by councils.

Section 62: Local authorities: effective neighbourhood governance

Effect

405 This section introduces a duty on local authorities to make appropriate arrangements for effective governance of any neighbourhood area. It provides the Secretary of State with the power, by way of regulations, to define a neighbourhood area and to specify the parameters of what arrangements will be appropriate to meet this duty.

406 Additionally, this section provides that when a local authority is making arrangements for neighbourhood governance for a neighbourhood area that has one or more parish councils, it must engage with those parish councils about their representation in those arrangements.

Elections

Section 63: Mayors and Police and Crime Commissioners: supplementary vote system

Background

407 Under legislation prior to this Act, elections for Police and Crime Commissioners and Police, Fire and Crime Commissioners ('P(F)CCs' to cover all) in England and Wales, and the Mayor of London, mayors of combined authorities (CAs), mayors of combined county authorities (CCAs) and local authority mayors in England were held using the simple majority voting system, also known as the First Past the Post voting system. The Elections Act 2022 amended previous legislation, which provided that all P(F)CC and mayoral elections were held using the supplementary vote system. The supplementary vote system was previously the voting system implemented on the introduction of both P(F)CC and mayoral elections.

Effect

408 This section introduces Schedule 30 of this Act, which sets out provisions that change the voting system used for electing P(F)CCs in England and Wales, and the Mayor of London, CA mayors, CCA mayors and local authority mayors in England from the First Past the Post voting system to the supplementary vote system.

Section 64: Limit on delay of election in connection with local government reorganisation

Background

409 Section 87 of the Local Government Act 2000 (the 2000 Act) enables the Secretary of State to change the year of an English local authority's election. The power has been used to postpone elections to councils that are undergoing local government reorganisation under Part 1 of the Local Government and Public involvement in Health Act 2007 (the 2007 Act) as well as for other purposes. The Secretary of State also has powers under the 2007 Act to cancel elections to councils that are to be dissolved under local government reorganisation.

Effect

410 This section prevents elections of English principal councils from being delayed by statutory instrument for more than 53 weeks for reasons which relate to a process of local government reorganisation under the Local Government and Public Involvement in Health Act 2007.

411 Sub-section (2) defines key terms. A process of local government reorganisation includes an invitation or direction to a council to prepare a proposal for reorganisation or a recommendation for boundary change from the Local Government Boundary Commission for England. Any period following notification by the Secretary of State that he or she might issue an invitation or direction is included. Where postponement is made for multiple reasons including reorganisation, the 53-week limit is to be applied. The limit applies regardless of whether the postponement would be achieved by a single statutory instrument or by more than one instrument, and it includes any period when an election does not take place because it is being cancelled due to reorganisation.

412 Sub-section (3) provides further definitions. It specifies the types of statutory instrument to which the limit applies as those made under section 87 of the 2000 Act and under section 7 or 10 of the 2007 Act. It specifies that an English principal council is a county council in England, a district council, or a London borough council. The "original election date" is the date on which the election would have taken place but for the effect of any statutory instrument or instruments postponing the election for reasons related to reorganisation.

Councillors

Section 65: Publication of addresses of members etc in authority registers

Background

413 Under section 29 of the Localism Act 2011 (the 2011 Act), the monitoring officer of a relevant local authority is required to maintain a register of interests of members and co-opted members of the authority. Members and co-opted members are required to notify the authority's monitoring officer of any disclosable pecuniary interests, which may include their home address if it is within the area of the relevant authority. Interests entered into the register are included in public versions of the register unless the sensitive interests provisions at section 32 of the 2011 Act applies.

Effect

414 This section prevents a member's or co-opted member's home address from being included in public registers by default.

415 This section inserts section 32A into the 2011 Act which provides that details of a member's usual residential address must not be included in the local authority's public register of interests. A member or co-opted member may, by writing to the monitoring officer, request that this address is included in the public register of interests and they may vary this choice at any time. Where details of a home address are not to be included in the public register under these provisions, the public register will state that the member does have an interest, the details of which are withheld under this section.

416 This section also provides that the public register required to be maintained under section 100G of the 1972 Act (which is separate to the register of interests) must not include a member's address.

Chapter 2: Grants to joint committees of London councils

Section 66: Power to pay grant to joint committees of London Councils

417 In circumstances where there are initiatives which span the boundaries of London Borough Councils and/or the City of London, but are outside the remit of the Greater London Authority (GLA), it may be beneficial for the Government to pay grant funding directly to a joint committee of these authorities.

418 This section creates a power for Ministers of the Crown to pay grant funding to a joint committee made up of all London Borough Councils and the City of London, established under Section 101(5) of the Local Government Act 1972 or to an eligible sub-committee of such a joint committee. It inserts a new Section 32A to the Local Government Act 2003, which mirrors the power to pay in Section 31 of that Act.

419 The section only allows for a grant to be paid to an 'eligible' London joint committee. Eligibility criteria are to be set out in regulations made by the Secretary of State and can, address: the way the committee is established; its functions or purpose; its membership; and its constitution, administration, or oversight.

420 In addition to determining eligibility, regulations may make provision about the constitution, procedures, administration and oversight of the joint committees or sub-committees.

Chapter 3: Assets of community value

Section 67: Community right to buy assets of community value and protection of sporting assets

Background

421 In Part 5 of the Localism Act 2011 (the 2011 Act), Chapter 3 provides for an asset of community value scheme in England and Wales. It allows communities to nominate any building or piece of land that furthers their social wellbeing or interests to their local authority, who will then decide whether it meets the definition of an asset of community value. If so, the local authority will include it in their local list of assets of community value for a period of five years. If the asset owner wishes to sell a listed asset, there is a six-month moratorium on the sale to enable communities to raise funding to bid for the asset. The scheme has been commenced in England but not in Wales.

Effect

422 This section introduces Schedule 31 of this Act, which inserts new Chapter 2A into the 2011 Act. This Schedule amends the provisions in the 2011 Act as they apply to England to create a new community right to buy. This provides new powers for community groups in England who wish to purchase local assets that are important to them. The provisions for Wales remains the same.

423 Schedule 31 also introduces a new sporting asset of community value category, which builds on the asset of community value provisions in the 2011 Act. This new designation provides enhanced protections for sports grounds and their supporting facilities. The amendments in this section provide for the automatic and indefinite listing of sporting assets of community value. This section also broadens the scope of what can be included within a listing, allowing assets that support the functioning of a sports ground, such as car parks, to be indefinitely listed as assets of community value.

Chapter 4: Parking on Footways and Verges

Section 68: Prohibition of parking on Footways and Verges

Background

424 Previously, local transport authorities did not have effective legal powers to manage parking of motor vehicles on footways and verges in their areas.

425 Part I of the Road Traffic Regulation Act 1984 gives local authorities the power to set parking restrictions on specific roads using Traffic Regulation Orders ("TROs"). TROs could be used to prohibit parking on footways and verges in certain areas, and they are civilly enforceable in civil enforcement areas under Part 6 of the Traffic Management Act 2004. However, in practice, TROs are costly and time consuming and are not used widely by local authorities to tackle the problem of parking on footways and verges.

426 Other than TROs, it is an offence to obstruct free passage along a highway (section 137 of the Highways Act 1980), and to drive on a footpath (section 72 of the Highway Act 1835). It is also an offence to unnecessarily obstruct a road (Regulation 103 of the Road Vehicles (Construction and Use) Regulations 1986, made under the Road Traffic Act 1988). However, these offences are not civilly enforceable, and they do not provide a targeted prohibition on parking on the footway or verge.

427 Section 19 of the Road Traffic 1988 makes it an offence for HGVs to park on the verge, central reservation or footway. This offence is enforced by local authorities in areas where they have civil enforcement powers and elsewhere it is enforced by the police.

428 The vast majority of parking enforcement is carried out civilly by local authorities. Part 6 of the Traffic Management Act 2004 gives local authorities civil enforcement powers in relation to certain parking contraventions where an area has been designated as a civil enforcement area. Civil enforcement areas now apply in 98% of England.

429 Where civil enforcement areas apply, the parking contraventions listed in Schedule 7 to the 2004 Act are decriminalised and cannot be enforced by the police except at safety-critical pedestrian crossing locations where any police enforcement takes precedent. This is by virtue of regulation 8 of the Civil Enforcement of Road Traffic Contraventions (Approved Devices, Charging Guidelines and General Provisions) (England) Regulations 2022.

Effect

430 This section introduces Schedule 32 of this Act, which creates new powers to enable the Secretary of State to make regulations which give English local transport authorities the power to prohibit parking on footways and verges in their areas that are also civil enforcement areas. A contravention of a parking prohibition introduced by regulations is made civilly enforceable.

Chapter 5: Land disposed of by local councils Discharge of statutory trust

Section 69: Secretary of State to have power to discharge statutory trust

Background

431 Local authorities may hold public open space under statutory trusts created by section 10 of the Open Spaces Act 1906 and section 164 of the Public Health Act 1875, which require the land to be held for public enjoyment. When disposing of such land (or appropriating it for a different purpose) the Local Government Act 1972 requires a local authority to advertise its intention for two consecutive weeks and consider objections in order that the statutory trust can be released. The Supreme Court's decision in R (Day) v Shropshire Council UKSC 8 exposed a lacuna in the law that, if these procedures are not followed, there is no mechanism, whether under the Local Government Act 1972 or otherwise, by which the statutory trust can be released.

Effect

432 The section introduces a new statutory mechanism to address situations where open space land remains subject to such a statutory trust because a local authority failed to comply with the relevant advertisement requirements under the Local Government Act 1972. The new section empowers the Secretary of State on application by the freeholder or long leaseholder of such land to discharge the trust where to do so is in the public interest and where other qualifying conditions are satisfied.

433 The section creates a new application process allowing the freeholder or long leaseholder of affected land to seek release of the statutory trust, subject to mandatory publicity requirements and a decision from the Secretary of State. Communities will be able to make representations on any application to release a statutory trust through the required public notices, which must be locally advertised, displayed on the land, and published by the Secretary of State before a decision is made.

434 When deciding whether or not to release the statutory trust, the Secretary of State must apply a public-interest test, considering factors such as nature and landscape conservation, public access, archaeological or historic interests, planning considerations and economic benefits and may also take into account any other relevant matter.

Chapter 6: Licensing of taxis and private hire vehicles
National standards

Section 70: "National standard" and "regulated licence"

Effect

435 This section defines the terms "national standards" in relation to Chapter 6 of Part 3 of this Act.

436 This section explains that "national standards" are standards prescribed by the Secretary of State for Transport under sections 71 to 73 of this Act.

Section 71: Standards relating to the grant of a regulated licence

Effect

437 Subsection (1) enables the Secretary of State for Transport to make regulations to set "national standards" which are relevant to whether it is appropriate for a "regulated licence" to be granted by any licensing authority in England.

438 Under subsection (2) for each standard, the Secretary of State may set out whether an authority is required to, or has a power to (must or may), refuse to grant a licence if it is not satisfied that the standard is met. For example, this enables the Secretary of State to prohibit a regulated licence being issued if an applicant has a conviction for a specified offence.

439 Subsection (3) provides regulations may prescribe that if a licence is refused the Secretary of State may specify whether the authority must or may give an applicant, the ability to remedy the failure (if is possible to do so) to meet the standard so that a licence may be issued.

440 Subsections (4) and (5) prescribe that regulations may enable existing powers of refusal to be extended so that the existing power is used, or treated as being used, to refuse the grant of a licence where a licensing authority is not satisfied that a national standard is met. This would mean that existing appeal routes could be used for those applicants refused a licence under the regulations.

Section 72: Standards relating to the suspension or revocation of a regulated licence

Effect

441 Subsection (1) enables the Secretary of State for Transport to make regulations to set "national standards" which must be maintained for a "regulated licence" to continue in force until the expiry of the licence period. The regulations may stipulate what action a licensing authority must or may take if it is not satisfied that a standard has been adhered to.

442 Under subsection (2) for each standard the Secretary of State may, by regulations, set out the circumstances where a licensing authority must or may revoke or suspend a licence. Subsection (3) sets out that regulations may set out that, where a licensing authority has a power to revoke or suspend a licence under subsection (2), the regulations may provide for a licensing authority to be required to, or have the power to, give an opportunity for the licensee to remedy the failure to meet a "national standard".

443 Subsections (4) and (5) enable existing powers of suspension and revocation to be extended to cover instances where a licensing authority is not satisfied that a national standard is met, including the use of existing appeal routes by licensees.

Section 73: Standards relating to the renewal of a regulated licenced

Effect

444 Subsection (1) enables the Secretary of State for Transport to make regulations to set "national standards" which must be maintained for a "regulated licence" to continue in force until the expiry of the licence period. The regulations may stipulate what action a licensing authority must or may take if it is not satisfied that a standard has been adhered to.

445 Under subsection (2) for each standard the Secretary of State may, by regulations, set out the circumstances where a licensing authority must or may revoke or suspend a licence. Subsection (3) sets out that regulations may set out that, where a licensing authority has a power to revoke or suspend a licence under subsection (2), the regulations may provide for a licensing authority to be required to, or have the power to, give an opportunity for the licensee to remedy the failure to meet a "national standard".

446 Subsections (4) and (5) enable existing powers of suspension and revocation to be extended to cover instances where a licensing authority is not satisfied that a national standard is met, including the use of existing appeal routes by licensees.

Section 74: Further provision about standards

Effect

447 This section makes further provision about the nature of "national standards" that can be prescribed in regulations.

448 Subsections (1), (2) and (4) set out what the standards may relate to and actions that they might require, without limiting the kinds of standards that can be set. For example, national standards could relate to applicants, licence holders, types of vehicles, training requirements or vehicle equipment.

449 Subsection (3) gives the Secretary of State power to prescribe that national standards be applied retrospectively to existing as well as new licences.

Section 75: Duty to report concerns about drivers licensed in other areas

Effect

450 This section amends the Taxis and Private Hire Vehicles (Safeguarding and Road Safety) Act 2022 (the 2022 Act). The 2022 Act requires licensing authorities to share with the licensing authority that issued the driver's licence "relevant information" on issues such as safeguarding, road safety, and equality concerns about drivers working in their area but not licensed by them.

451 Subsections (1) to (4) amend the duty on English licensing authorities under section 5 of the 2022 Act to report concerns about drivers licensed in other areas. The effect of subsection (3) and (4) is to place requirements on licensing authorities to report any breaches of national standards to the licensing authority that issued the licence.

452 Subsection (5) inserts a new section 6A into the 2022 Act which provides the Secretary of State with the power to make regulations requiring English licensing authorities to collate information on the use of the reporting mechanism under sections 5 and 6 of the 2022 Act and to produce and publish the collated information.

Temporary suspension of licences

Section 76: Power to suspend a licence temporarily

Effect

453 This section gives licensing enforcement officers the power to suspend taxi and private hire vehicle licences where a vehicle is being driven in the licensing enforcement officer's enforcement area and they consider it necessary for public safety reasons to suspend the licence with immediate effect.

454 Subsection (1) provides this power in respect of regulated driver licences, subsection (2) in respect of regulated vehicle licences and subsection (3) in respect of regulated private hire vehicle operator licences. Subsection 4 provides that this power can be used in respect of any licence granted by any licensing authority in England even if that enforcement officer does not work for the English licensing authority that issued the licence.

Section 77: Suspension under section 76

Effect

455 This section sets out details on how the power to suspend a license temporarily is to be used. Subsection (1) states that this section applies when temporarily suspending a licence using the powers under section 76.

456 Subsection (2) requires the licensing enforcement officer to give the notice of suspension to the person they believed was driving the vehicle at the time the officer decided to suspend the licence. Subsection (3) provides that the suspension takes immediate effect once the notice has been given. Subsection (4) provides that the licence holder may not exercise any rights granted by the licence, so effectively they can no longer provide taxi or private hire vehicle services to the public.

457 Subsection (5) provides that the suspension will cease to take effect 48 hours after the notice of suspension was given, but subsection (6) makes any such suspension subject to further actions that the issuing authority may take (see section 80(3)).

458 Subsection (7) provides the Secretary of State with the power to make regulations to amend the duration of such suspensions and make consequential amendments to the time periods for the notification requirements between licensing authorities set out in section 79(2).

459 Subsection (8) provides the Secretary of State with the power to make regulations detailing the form or contents of suspension notices and the manner in which suspension notices must be given.

Section 78: Suspension notice given to person who is not licence holder

Effect

460 This section requires an enforcement officer who has issued a suspension notice to a holder of a regulated driver, vehicle, or operator license, and later becomes aware that a different person is the licence holder, to notify the licence holder that a suspension notice has been given. This may apply, for example, where a suspension is issued against a private hire vehicle licence because of a defective tyre and the driver of the vehicle is not the vehicle licence holder. Subsection (3) provides the Secretary of State with the power to make regulations about the form and contents of such notifications, the period within which notifications are to be given, and the manner in which such notifications are to be given.

Section 79: Responsible licensing authority to be notified of suspension

Effect

461 This section sets out that if the suspension notice is issued by an officer of a licensing authority ("the suspending authority") that did not grant the licence being suspended, the authority that did grant the licence ("the responsible authority") must be notified within 24 hours of the notice being given. Subsection (3) provides the Secretary of State with the power to make regulations about the form and contents of notifications and the manner in which such notifications must be given.

Section 80: Responsible licensing authority's response to suspension of licence

Effect

462 If a suspension notice has been issued, this section requires the responsible authority to either terminate the suspension, extend the duration of the suspension or allow the suspension to cease to have effect once the temporary suspension period is over.

463 Subsections (1) to (13) provide for the actions that should be taken by a licensing authority upon receiving notification that a regulated driver, vehicle, or private hire vehicle operator that they licence has been issued with a temporary suspension by a different licensing authority. This includes the decisions that the licensing authority must take to either terminate the suspension, extend the period of suspension, or to allow the suspension to cease to have effect at the end of the suspension period.

464 These subsections also provide for the notifications that the home licensing authority must give to their licensee in relation to their decision and for the home licensing authority to consider whether to exercise their other functions as a licensing authority in relation to the suspended licence, for example by referring the licensee to the licensing committee. These subsections also provide provisions for the Secretary of State to make regulations about the decisions that licensing authorities make, the period within which those decisions must be made and the extension periods of any such suspension and regulations may also cover the form or contents of suspension notices, the period within which notices must be given and the manner in which notices are given.

Section 81: Appeals and compensation

Effect

465 This section sets out the requirements in respect of appeals and compensation in relation to the suspension powers provided under section 76 or any decision under section 80(3). This includes a provision that the Secretary of State must make regulations that would enable the holder of a suspended licence to appeal to the magistrates' court against the suspension or any subsequent decision made by their licensing authority in its response to the suspension.

Section 82: Enforcement officers

Effect

466 This section sets out requirements for enforcement officers who may suspend licences. Subsection (1) defines an "enforcement officer" as a person appointed or authorised by an English licensing authority to exercise these functions on its behalf (including, for example, a constable). Subsection (2) provides that the functions are exercised as functions of the licensing authority. Subsection (3) allows any enforcement officer appointed or authorised by the relevant authority to carry out the functions, not only the officer who issued the suspension notice. Subsection (4) enables the Secretary of State to make regulations specifying the issue or use of documents, clothing, badges or other identifiers for enforcement officers.

General provision

Section 83: Guidance

Effect

467 This section enables the Secretary of State for Transport to issue statutory guidance to licensing authorities in connection with the exercise of their taxi and private hire vehicle licensing functions contained under the powers conferred by this chapter. Licensing authorities and enforcement officers (see section 82(2)(b)) are required to have regard to this guidance and any revisions to it. The Secretary of State has the power to revise or revoke the guidance.

Section 84: Relationship with existing licensing legislation

Effect

468 This section explains the relationship between the Act provisions on taxi and private hire vehicle licensing and existing taxi and private hire vehicle legislation.

469 Subsection (1) clarifies that regulations made under this Act do not prevent licensing authorities from exercising their existing powers as they do before the changes in this Chapter come into effect, so long as they are compatible with the new powers.

470 Subsections (2) to (7) amend existing taxi and private hire vehicle legislation to clarify that it is subject to the new powers set out in this Chapter on national standards and temporary suspension of regulated licences.

Section 85: Regulations

Effect

471 Subsection (1) requires the Secretary of State to consult appropriate persons before making regulations under section 71 to 73 that set out the national standards.

472 Under subsection (3) and subsection (4) the regulations under section 71 to 73 and section 77(7) or section 80(11) are subject to the affirmative parliamentary procedure. All other regulations made under this Chapter are subject to the negative resolution procedure under subsection (6).

473 Subsections (2) and (5) enable the regulations under this Chapter to amend or repeal existing Acts of Parliament or those passed in the same session as this Act, if they do those regulations are also subject to the affirmative parliamentary procedure.

Section 86: Interpretation

Effect

474 This section defines certain expressions and terms used in Chapter 6 of Part 3 of the Act, related to the setting of "national standards" in taxi and private hire vehicle licensing and the temporary suspension of regulated licences.

Chapter 7: Licensing of gambling premises

Section 87: Licensing of gambling premises: impact assessments

Effect

475 This section amends the Gambling Act 2005 on the licensing of gambling premises.

476 Subsection (3) inserts section 153A conferring the power on licensing authorities to publish a gambling impact assessment stating that the authority considers that the grant of premises licences is not likely to be consistent with one or more of the licensing objectives. Such an assessment must set out the evidence for the authority's opinion, and before publishing the assessment, the licensing authority must consult the same persons who would be consulted on the authority's three-year licensing policy.

477 Subsection (4) inserts section 165A explaining the role of a gambling impact assessment. Where a licensing authority has published an assessment and included a presumption in its three-year licensing policy that the authority will reject an application for a licence within the scope of the assessment, it is lawful for the authority to reject the application solely on the grounds that the prospective licence is in scope of the assessment. However, a licensing authority may not reject an application where the applicant shows that the grant of the prospective licence would be reasonably consistent with the licensing objectives.

478 Subsection (2) amends section 153 (principles to be applied) to provide that that section is subject to new section 165A. That is, the "aim to permit" principle included in section 153 is subject to the ability of a licensing authority to include a presumption in their three-year licensing policy to reject applications for premises licences within the scope of a gambling impact assessment. The presumption in favour of granting premises licences resulting from the "aim to permit" principle would therefore not apply in these circumstances.

Chapter 8: English National Park Authorities and the Broads Authority
The general power of competence

Section 88: Extension of general power of competence to English National Park Authorities and the Broads Authority

Background

479 The general power of competence allows for an authority to do anything that an individual can do (subject to legislative limitations) and was originally conferred on local authorities via the Localism Act 2011.

Effect

480 This section introduces Schedule 33 of this Act, which amends the Localism Act 2011 so that the general power of competence applies in full to all National Park Authorities in England, and the Broads Authority.

Part 4: Local audit

Section 89: Establishment of Local Audit Office

Background

481 The Local Audit and Accountability Act 2014 (the 2014 Act) sets the key legislative framework for the local audit system. Within the previous framework established by the 2014 Act, responsibility for oversight and regulation was spread across several organisations.

Effect

482 This section inserts new Part 1A into the 2014 Act, and introduces Schedule 34 of this Act which inserts new Schedule 1A into the 2014 Act. These provisions enable the establishment of a new public body, the Local Audit Office (LAO), to oversee the local audit system. These provisions set statutory objectives for the LAO and prescribe key elements of its governance processes and structures.

483 The LAO will conduct its functions as set out in sections 89-93, which include setting fees, appointment of auditors to eligible bodies, setting the code of audit practice and overseeing a regulatory framework.

484 Subsection (1) inserts new Part 1A into the 2014 Act. New section 1B sets out that the main objective of the LAO is to secure the effective operation of the audit system. Section 1C provides for financial matters and how the LAO will be funded, and section 1D provides for oversight and intervention by Secretary of State, whereby the LAO is required to exercise its functions in accordance with any direction or guidance issued to it by the Secretary of State.

Section 90: Local audit providers: registration and public provision

Background

485 Schedule 5 to the Local Audit and Accountability Act 2014 (the 2014 Act) previously set out the arrangements for the eligibility and regulation of auditors in the local audit framework. Schedule 5 to the 2014 Act applies Part 42 of and Schedule 10 to the Companies Act 2006 (the 2006 Act), seeking largely to align the regulatory framework for local auditors with auditors

of companies. Under the 2006 Act, eligibility for appointment as an auditor depends on membership of, and compliance with, the rules of a professional accountancy body that has been authorised (or "recognised") by the Secretary of State. In practice, the power to recognise supervisory bodies under the 2006 Act is delegated to the Financial Reporting Council.

Effect

486 This section inserts Part 2A into the 2014 Act, and introduces Schedule 35 to this Act which inserts Schedules 1B, 1C, and 1D into the 2014 Act. Together, these provisions establish a new framework for the eligibility and regulation of local auditors.

487 New section 6A gives the Local Audit Office (LAO) the power to keep a register of audit providers who are eligible to carry out audits itself, or otherwise to designate an external registration body to hold such a register. Section 6B sets out further details of how external registration body status may be granted or revoked.

488 Section 6C requires the registration body to comply with the requirements of inserted Schedule 1C, which makes further provisions for the eligibility and regulation of local auditors.

489 Section 6E provides for the LAO to be able to establish or support a firm which could act as a public provider of audit. Section 6F sets out that if the LAO itself decides to carry out audits its audit practice is also independently monitored, inspected and reported on.

Section 91: New appointment arrangements for non-NHS audits

Background

490 Previously Part 3 of the Local Audit and Accountability Act 2014 (the 2014 Act), along with Schedules 3 and 4 to that Act, prescribed the framework in which relevant authorities (i.e. those listed or later added to Schedule 2 to that Act) may appoint their own auditor or have an auditor appointed on their behalf by an appointing person.

491 Schedule 36 of this Act disapplies much of Part 3 of the 2014 Act in relation to relevant authorities that are not NHS bodies.

Effect

492 This section inserts new Part 2B into the 2014 Act and sets new requirements regarding the appointment of auditors to relevant authorities that are not NHS bodies. New Section 6G specifies that the Local Audit Office (LAO) must appoint auditors to these authorities and that the appointed auditor may be either the LAO itself or a registered local audit provider.

493 The further provisions in new Section 6H include requirements regarding the timeframe in which auditor appointments must be made. The provisions in new Section 6I set procedural requirements, including in relation to when and how information is published once an auditor has been appointed. New Section 6J establishes requirements in relation to the resignation or removal of an auditor, including that the LAO must make a new appointment as soon as practicable should this occur.

494 Section 6K sets out new arrangements for auditor fees. It gives the LAO the power to charge local authorities a fee for the audit, and sets a requirement for the LAO to publish indicative fees, but not by any set date. It also gives the LAO the power to approve any additional work proposed and charge local authorities accordingly. As such, the LAO will be able to revise fees if more or less work is required, so that fees can more directly reflect the work involved.

Section 92: Audit providers to nominate lead partner

Background

495 Previously audit firms eligible to deliver local audits were required to have a key audit partner who was responsible for local audits on behalf of the firm under paragraph 7A of Schedule 10 to the Companies Act 2006 – as modified by paragraph 28(5) of Schedule 5 to the Local Audit and Accountability Act 2014 (the 2014 Act). Key audit partners were required to be approved by a recognised supervisory body in accordance with statutory guidance issued by the Financial Reporting Council (as the delegate of the Secretary of State).

496 Schedule 36 of this Act removes section 18 of and Schedule 5 to the 2014 Act.

Effect

497 The removal of section 18 and Schedule 5 of the 2014 Act means the key audit partner requirements no longer apply. Inserted section 19A ensures that, whether the LAO or a firm is appointed auditor, a lead partner must be nominated by the provider. Paragraph 19A(3), 19A(6) and 19A(7) provide that lead partners are required to be approved as eligible by a registration body, but the requirement for these decisions to be compliant with statutory guidance is removed.

Section 93: Code of audit practice

Background

498 Previously the Comptroller and Auditor General had responsibility for producing a code or codes of audit practice in accordance with section 19 of and Schedule 6 to the Local Audit and Accountability Act 2014 (the 2014 Act). The code sets out what auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the 2014 Act. Relevant authorities are set out in schedule 2 of the Act and include local councils, fire authorities, and police and NHS bodies.

499 Schedule 6 to the 2014 Act also includes various procedural safeguards, including consultation requirements, and stipulates that codes of audit practice must be laid in draft before Parliament. If either House, within a 40-day period, resolves not to adopt the code, it cannot be published. A similar procedure applies to any alteration or replacement code. A code cannot be in force for longer than five years.

Effect

500 This section amends Schedule 6 to the 2014 Act so that responsibility for codes of audit practice passes from the Comptroller and Auditor General to the Local Audit Office (LAO).

501 Paragraphs 65(2) and (4) refine existing language as to the purpose of the code of audit practice, and its ability to refer to documents outside the code itself (which is current practice but is formalised by this section).

502 Paragraph 65(5) amends the list of bodies who must be consulted on a new code.

503 Paragraphs 65(6) and 65(7) establish that codes of audit practice and statutory guidance already in place will continue to have effect until the LAO decides they should be replaced (or, specifically for guidance notes, revoked).

Section 94: Audit committees

Background

504 The Local Audit and Accountability Act 2014 (the 2014 Act) sets the key legislative framework for the local audit system. The Act previously did require public bodies to establish audit committees. However, best practice guidance, such as that from CIPFA (Chartered Institute of Public Finance and Accountancy), strongly recommends local authorities have an independent and effective audit committee to support good financial management and governance.

Effect

505 This section inserts new Part 33A into the 2014 Act. This states that a relevant authority other than a health service body must have an audit committee and arrange for the committee to exercise specific functions.

506 Subsection (2) enables relevant authorities that have the legal power to set up committees to choose one of its existing committees to act as its audit committee. If the body does not have that legal power, it can exercise its responsibilities by appointing a group of individuals to serve as its audit committee instead.

507 Subsection (3) outlines the audit committee functions. The functions involve the committee examining the authority's financial matters, looking at how it manages risks and ensures good governance, checking how efficiently and effectively it uses its resources, and making reports and recommendations to the authority based on those reviews.

508 Subsection (4) allows the Secretary of State to make rules so that a law which usually applies to a relevant authority or one of its committees can also apply to a group of people who have been appointed to carry out similar duties on the authority's behalf.

509 Subsection (5) allows the Secretary of State to issue regulations concerning the membership of an audit committee and the appointment and remuneration of its members.

510 Subsection (6) directs that at least one member of an audit committee is an independent person.

511 Subsection (7) asserts that the Secretary of State may issue regulations about the payment of allowances, expenses, gratuities and pensions to audit committee members.

512 Subsection (10) requires that an authority must have regard to any guidance issued by the Secretary of State in relation to audit committees.

513 Subsection (11) specifies that references to a "committee" apply to any sub-committee of an audit committee.

Section 95: Review of audit and reporting arrangements at Secretary of State's request

Background

514 The Local Audit and Accountability Act 2014 (the 2014 Act) and the Accounts and Audit Regulations 2015 (made under the 2014 Act) establish a number of duties for relevant authorities under the 2014 Act. These include responsibilities to ensure that an authority has an effective system of internal control; to undertake effective internal audits and annual governance reviews to prepare statements of accounts; to sign and approve these as true and fair; to hold public inspection periods; and to publish audited accounts. For NHS bodies, the 2015 regulations cover auditing requirements, but not financial reporting requirements.

515 Under Section 20 of the 2014 Act, a local auditor must, by examination of an authority's accounts, be satisfied that the accounts comply with the requirements of the enactments that apply to them; that proper practices have been observed in the preparation of the accounts; that the statement is a true and fair view; and that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Effect

516 This section provides the Secretary of State with the power to require the Local Audit Office (LAO) to conduct a review of a relevant authority's audit and reporting arrangements, to report its findings to the Secretary of State and report to the authority itself. These arrangements are defined as the arrangements a body has (or recently had) for enabling it to discharge its functions under the 2014 Act, and for enabling a local auditor to discharge their functions in relation to the authority. A review of this kind could therefore encompass a wide range of issues that could potentially affect the timeliness and/or effectiveness of the audit process.

517 Subsection (3) enables the Secretary of State to set conditions on the scope and timing of each review requested. Where the LAO's rights of access to documents and information has been obstructed, it may apply to the High Court for an order to remedy the non-compliance.

518 Subsection (7) requires the Secretary of State to publish a summary of any findings of a review reported to them by the LAO.

Section 96: Smaller authorities: change of terminology

Background

519 Smaller authorities are subject to less extensive requirements in relation to their financial accounts than other relevant authorities subject to the principal audit regime. They are subject to a limited assurance review, rather than a full audit, in accordance with the code of audit practice, due to their size and level of risk.

520 This Act repeals Schedule 5 to the 2014 Act, which sets out regulations through which financial thresholds for larger and smaller authorities' audit regimes are set.

Effect

521 Subsection (1) directs that in sections 5 and 6 of the 2014 Act, the word "smaller" is to be replaced with "category 2". Together with repealing Schedule 5 of the 2014 Act, this allows the Local Audit Office flexibility to set assurance and audit regimes for authorities which are proportionate and risk-based, rather than focussed solely on binary financial-based thresholds. The term "smaller" would otherwise suggest regimes will continue to be size-based.

Section 97: Power to provide for smaller authority treatment in previous years where audit outstanding

Background

522 Smaller authorities are subject to less extensive requirements in relation to their financial accounts than other relevant authorities subject to the principal audit regime. They are subject to a limited assurance review, rather than a full audit, in accordance with the code of audit practice, due to their size and level of risk.

Effect

523 This section provides the Secretary of State with the power to lay regulations to retrospectively treat a public body as a smaller authority for a particular financial year, even if it does not normally meet the criteria to be a smaller authority under the existing rules. This ensures that certain relevant authorities can undergo a limited assurance review where otherwise no audit or assurance review had been possible for financial years 2022/23, 2023/24 and 2024/25.

524 Subsection (1) enables the Secretary of State to make regulations that apply to the situation described in subsection (2) and have the effect explained in subsection (3).

525 Subsection (2) refers to a situation where a relevant authority, other than a smaller authority, has not yet had its accounts audited for one or all of the following financial years: the year ending on 31 March 2023, the year ending on 31 March 2024 and the year ending on 31 March 2025.

526 Subsection (3) enables the authority to be treated like a smaller authority for the purpose of the audit. This means the audit, or anything related to it, can be done using the simpler limited assurance review, that applies to smaller authorities, making it easier to carry out the audit.

527 Subsection (4) dictates that subsections (2) and (3) should be interpreted as if they were part of the 2014 Act. This interpretation applies specifically to the financial years in question, regardless of any changes or amendments to the Act over time.

528 Subsection (5) dictates that regulations made under this section can change any deadlines, even if the original deadline has already passed.

529 Subsection (6) states that the regulations under this section are subject to the negative resolution procedure. It means that they will automatically become law without debate unless either House of Parliament objects within a specified period, usually 40 days.

Section 98: Amendment paving way for separation of LGPS accounts

Background

530 Section 20(3) of the Local Audit and Accountability 2014 (the 2014 Act) previously mandated that when a relevant local authority's statement of accounts includes both pension fund accounts and other accounts, the local auditor must give a separate opinion on the pension fund accounts. In England, administering authorities are required to keep their local government pension scheme fund in a separate, ring-fenced account, but for audit purposes this pension fund account forms part of the administering authority's statement of accounts.

Effect

531 This section substitutes section 20(3) of the 2014 Act to allow for future flexibility to enable the mandatory decoupling of pension fund accounts from administering authorities' accounts by removing the implied requirement in the former subsection to keep the pension fund accounts with the relevant administering authority's other accounts.

532 The amended section continues to align with requirements under the Public Service Pensions Act 2013, ensuring that local government pension schemes are audited distinctly from other accounts.

Section 99: Minor and consequential amendments

Effect

533 This section introduces Schedule 36 of this Act, which makes consequential amendments to the Local Audit and Accountability Act 2014 in connection with Part 4 of this Act.

Part 5: Business tenancies: rent reviews and arrangements for new tenancies

Section 100 : Rent reviews and arrangements for new tenancies

Background

534 Business tenancies in England and Wales are governed by several key pieces of legislation:

- Landlord and Tenant Act 1954 (the 1954 Act). This provides security of tenure for business tenants and establishes procedures for renewing or terminating commercial leases.
- Landlord and Tenant (Covenants) Act 1995. This governs the enforceability of lease covenants between landlords and tenants. It applies to all new leases granted on or after 1 January 1996.
- Landlord and Tenant Act 1987. This applies where there is an intermediate landlord between the tenant and the superior landlord. It provides tenants with rights to acquire the landlord's interest in certain circumstances, particularly where the premises is being sold.

535 None of these Acts provides substantial legislation to define the parameters for rent review provisions in commercial leases in England and Wales.

Effect

536 This section inserts new section 54A into the 1954 Act, to allow the 1954 Act to now define the parameters for rent review provisions in commercial leases in England and Wales. New section 54A refers to new Schedules 7A and 7B, which are inserted into the 1954 Act by Schedule 37 to this Act.

Part 6: Final Provisions

Section 101: Interpretation

Effect

537 This section clarifies the meaning of several terms used frequently throughout this Act.

Section 102: Saving of orders and regulations relating to combined authorities and CCAs

Effect

538 This section sets out that provision made by Part 1 or 2 of this Act does not affect the relevant subordinate legislation made under Part 6 of the Local Democracy, Economic Development and Construction Act 2009 or Chapter 1 of Part 2 of the Levelling-up and Regeneration Act 2023 before the 29th April 2026 relating to combined authorities (CAs) and combined county authorities (CCAs). Specifically, the provision made by Part 1 or 2 of this Act does not impliedly amend, modify or revoke the relevant subordinate legislation, and so Parts 1 and 2 of the Act do not affect any contrary subordinate legislation as defined by subsection (4), and has effect subject to that contrary subordinate legislation.

Section 103: Power to make consequential provision

Effect

539 This section confers a regulation-making power for the Secretary of State to make consequential amendments which arise from this Act.

540 The regulation-making power is conferred by subsection (1). Subsection (2) provides that any regulations that make consequential provision may amend or repeal provision within primary legislation passed before or in the same parliamentary session as this Act.

541 Regulations must be under the affirmative parliamentary procedure if amending primary legislation (subsection (3)), otherwise subsection (4) provides that regulations are to be subject to the negative parliamentary procedure.

Section 104: Certain orders and regulations provided for by Parts 1 and 2

Effect

542 This section provides that certain orders and regulations provided for by Parts 1 and 2 of this Act, where inserted into Part 6 of the Local Democracy, Economic Development and Construction Act 2009 and Chapter 1 of Part 2 of the Levelling-up and Regeneration Act 2023, are subject to the intended level of parliamentary scrutiny and are excluded from the ability to amend any enactment whenever passed or made where that is appropriate.

Section 105: Regulations

Effect

543 This section provides that all regulations made under this Act are to be made by statutory instrument; and clarifies that such regulations can include incidental, supplementary, consequential, transitional or saving provisions. It allows regulations to make different provision for different purposes.

544 Subsections (3) to (5) clarify the parliamentary procedures that regulations made under this Act must follow.

545 Subsection (6) provides that any statutory instruments laid under this Act will not be treated as hybrid instruments; and subsection (7) provides that this section does not apply to commencement, transitional and saving regulations made under section 108 of this Act.

Section 106: Financial provision

Effect

546 This section authorises expenditure arising from the Act which is either new or increases expenditure under other Acts.

Section 107: Extent

Effect

547 This section details the territorial extent of provisions in this Act. See the Territorial extent and application section in Annex A of these explanatory notes for further detail.

Section 108: Commencement

Effect

548 This section provides for the commencement of provisions in this Act. See the commencement section of these explanatory notes for further detail.

Section 109: Short title

Effect

549 This section is self-explanatory.

Schedules
Schedule 1: Establishment, expansion and functions of combined authorities and CCAs

Part 1: Combined authorities

Background

550 This Part amends the Local Democracy, Economic Development and Construction Act 2009 (2009 Act), specifically the provisions relating to the establishment, expansion and conferral of functions on combined authorities (CAs).

551 The amended sections of the 2009 Act are:

- Section 104 which enables the Secretary of State, by order, to make provision for constitutional arrangements for a CA. This includes provision for a CA to make arrangements locally for constitutional matters.
- Section 104A which enables provision to be made by order for the appointment of non-constituent members to a CA.
- Section 105 which enables provision to be made by order for a CA to exercise the functions of a local authority (a county council or a district council in England – in either case, being a unitary or non-unitary).
- Section 105B which sets out the procedural requirements for a public authority function to be conferred onto a CA by an made under section 105A of that Act.
- Section 106 which enables the area of a CA to be changed, by order, through the addition or removal of a whole local government area (a county council or a district council in England – in either case, being a unitary or non-unitary).
- Section 107 which provides for the Secretary of State to, by order, dissolve a CA's area, and abolish the CA for that area.
- Section 107ZA which enables a CA to designate or remove roads as key route network roads with the consent of the council in whose area the road is and, in the case of a mayoral CA, the mayor, with a further provision for the Secretary of State to designate or remove roads as key route network roads if requested to do so by the CA, mayor or council within whose area the road is.
- Section 107B which sets out the requirements in connection with orders under section 107A to provide for there to be a mayor for the area of a CA.
- Section 107D which provides for the mayor of a CA to have the sole exercise of specified functions of that CA.
- Section 107DA which sets out the procedure where the Secretary of State is making a single order to confer a public authority function on a CA, to be exercisable by the mayor, under sections 105A and 107D.

- Section 107EB which provides the procedure for a mayor to exercise fire and rescue functions under section 107EA.
- Section 109A which provides that one or more authorities may prepare and submit a proposal to the Secretary of State for a CA to be established over a proposed area and sets out the requirements for that proposal.
- Section 110 which sets out requirements in connection with making an order to establish a CA.
- Section 112A which enables specified authorities to prepare and submit a proposal to the Secretary of State to make changes to an existing CA, which includes, but is not limited to, adding a council to, or removing a council, providing the necessary consultation is carried out and the relevant consent is received.
- Section 113 of the 2009 Act which enables the Secretary of State to make an order in relation to an existing CA under sections 104, 105, 105A, 106, 107A and 107D if the relevant consents, consultation and statutory tests are met.
- Section 113D of the 2009 Act which enables the Secretary of State, via orders, to enable a CA to make use of the general power of competence.

Effect

552 Paragraph 2 amends the consent requirement in section 104 (constitution and functions: transport) of the 2009 Act so that, where orders under this section are made for existing CAs, they must have the consent of the constituent councils and CA unless a proposal to make the order has been submitted to the Secretary of State under section 112A of the 2009 Act. This section sets out the definition of "constituent council" in subsection (11) which now applies to the entirety of Part 6 of the 2009 Act.

553 Paragraph 3 amends section 104A (non-constituent members of a CA) to remove the definition of constituent councils as the definition at section 104(11) of the 2009 Act as amended by paragraph 2(c) of Schedule 1 will apply to the entirety of Part 6 of the 2009 Act.

554 Paragraph 4 amends the consent requirement in section 105 (constitution and functions: local authority functions generally) of the 2009 Act so that, where orders under this section are made for existing CAs, they must have the consent of the constituent councils and CA unless a proposal to make the order has been submitted to the Secretary of State under section 112A of the 2009 Act.

555 Paragraph 5 amends the consent requirement in section 105B (section 105A orders: procedure) of the 2009 Act so that, where orders under section 105A of the 2009 Act are made to confer public authority functions on existing CAs, they must have the consent of the constituent councils and CA unless a proposal to make the order has been submitted to the Secretary of State under section 112A of the 2009 Act. The definition of constituent councils is removed for the same effect as in Paragraph 3.

556 Paragraph 6 inserts new section 105C into the 2009 Act, requiring that non-mayoral CAs must have the consent of all their constituent councils before adopting or amending the authority's budget or, where not part of the budget, approving the total sum of the transport levy.

557 Paragraph 7 inserts new section 105D into the 2009 Act, requiring non-mayoral CAs to obtain the consent of each relevant constituent council to exercise a function which may result in financial liability being incurred by one or more constituent councils.

558 Paragraph 8 amends section 106 (changes to boundaries of a CA's area) of the 2009 Act, removing the relevant consent requirements which are now set out in sections 113ZA and 113ZB of the 2009 Act.

559 Paragraph 9 amends section 107 (dissolution of a CA's area) of the 2009 Act removing the relevant consent requirements which are now set out in sections 113ZA and 113ZC of the 2009 Act.

560 Paragraph 10 amends 107ZA (designation of key route network roads) so that a power of direction in relation to key route network roads may only be conferred on a mayoral CA with the consent of the mayor and the constituent councils. The definition of constituent councils is removed for the same effect as set out in Paragraph 3.

561 Paragraph 11 substitutes section 107B (requirements in connection with orders under section 107A) of the 2009 Act, limiting orders making provision for a mayor to existing CAs where:

- a locally-led proposal has been submitted under section 112A;
- the constituent councils and the CA have consented to the making of an order and, the order does not confer any additional functions; or
- a Secretary of State-led proposal has been consented to by the constituent councils and the CA.

562 Paragraph 12 amends section 107D (functions of mayors: general) of the 2009 Act so that an order under this section made for an existing CA requires the consent of the "appropriate authorities" (which for this section are the constituent councils, and the mayor, for mayoral CAs or the CA, for non-mayoral CAs) unless a proposal to make the order has been submitted to the Secretary of State under section 112A of the 2009 Act.

563 Paragraphs 13 and 14 amend section 107DA (procedure for direct conferral of general functions on mayor) and section 107EB (section 107EA orders: procedure), removing the definition of constituent councils for the same effect as set out in Paragraph 3.

564 Paragraph 15 amends the requirements for section 109A (proposal for new CA) of the 2009 Act for 'locally led proposals' to establish a new CA:

- the former requirement to carry out a public consultation is replaced with a requirement to consult the proposed constituent councils and such other persons the authority(s) preparing the proposal consider appropriate, prior to submitting the proposal to Secretary of State;
- the former requirement to specify the purposes to be achieved by the establishment of a CA in the proposal is removed.

565 Paragraph 16 amends the requirements for an order establishing a new CA in section 110 (requirements in connection with establishment of CA) of the 2009 Act:

- a new statutory test defined in section 110(7) as having to regard to "securing effective and convenient local government for the area of the CA in relation to the areas of competence", with "areas of competence" defined in section 2 of this Act;

- the order to establish a new CA must implement a proposal submitted under section 109A of the 2009 Act for which Secretary of State must consult such persons as they consider it necessary; a proposal of which notice has been given under section 109B of the 2009 Act and that Secretary of State considers any representations received during the relevant period; or, a proposal which Secretary of State is satisfied that the constituent councils have consented to in principle for which Secretary of State has consulted the constituent councils and such persons they consider appropriate;

- section 110(8) and (9) require the Secretary of State to consider the exercise of functions by the relevant CA area if there is any lack of geographical contiguity;

- the requirements in this section do not apply to an order which includes provisions made under section 107F of the 2009 Act (functions of mayors: policing).

566 Subsection 110(5) referred to in new section 110(3) was removed during the passage of this Act through Parliament (at the Commons Consideration of Lords Amendments stage). Subsection (5) is accordingly considered to have no continuing effect.

567 Paragraph 17 amends the requirements in section 112A (proposal for changes to existing combined arrangements) of the 2009 Act for the preparation of 'locally led proposals' for changes to existing CAs:

- section 107F (Functions of mayors: policing) is removed from the list of relevant sections to which section 112A applies;

- the existing requirement for a public consultation is replaced with a requirement for the authority(s) preparing the proposals to consult such persons they consider appropriate to consult;

- before a proposal is submitted for the making of orders under section 104, 105, 105A, 107A or 107D of the 2009 Act, consent must be given by the persons who would have to consent to the making of the order;

- before a proposal is submitted for the making of orders under section 106 or 107 of the 2009 Act, the consent of the relevant consenting authorities as set out in sections 113ZB and 113ZC of the 2009 Act is required.

568 Paragraph 18 inserts new section 112B (Proposal to add an area to an existing area of a CA (Secretary of State directed)) into the 2009 Act to provides a new route for Secretary of State to direct the addition of a local government area (a county council or a district council in England – in either case, being a unitary or non-unitary) to an existing CA, without the consent of the local government area being added or the mayor or CA (as applicable) if the following conditions are met:

- the local government area to be added must not already be part of a CA or CCA;

- no relevant proposals, as defined in section 112B(4), have been submitted to the Secretary of State in relation to the local government area to be added; or, where a relevant proposal has been submitted, the Secretary of State does not consider it to be a viable proposal;

- the Secretary of State must have regard to whether the statutory test, as set out in section 110(7) of the 2009 Act, would be met;
- the Secretary of State must notify the council to be added, the mayor (if it is a mayoral CA), constituent councils of the CA and such other persons Secretary of State considers appropriate and specify a period of time to enable those notified of the proposal to make representations of the proposal.

569 Paragraph 19 amends the requirements in section 113 (requirements in connection with changes to existing combined arrangements) of the 2009 Act:

- section 107F (functions of mayors: policing) is removed from the list of relevant sections to which section 113 applies;
- orders made under this section must meet the statutory test, in section 110(6) of the 2009 Act;
- for orders implementing a proposal submitted under section 112A of the 2009 Act, Secretary of State must consult such persons as they consider necessary. For other orders made under this section, the Secretary of State must consult the constituent councils and either the mayor, for mayoral CAs, or the CA, for non-mayoral CAs. This consultation requirement is disapplied where the order is made in accordance with section 107B(3).

570 Paragraph 20 inserts new section 113ZA (Requirements in connection with boundary changes or dissolution of CA)) of the 2009 Act which sets out the following requirements for the Secretary of State to make an order under section 106 (boundary changes) or 107 (dissolution) of the 2009 Act in relation to an existing CA:

- the statutory test in section 110(7) of the 2009 Act is met;
- the order implements:

a. a proposal submitted under section 112A for which the Secretary of State must consult such persons they consider it necessary to consult; or,

b. a proposal where notice has been given under section 112B for which Secretary of State to consider any representations made within the time period specified in the notice; or,

c. a proposal to which the relevant consenting authorities set out in sections 113ZB and 113ZC of the 2009 Act have consented to in principle, for which Secretary of State must consult the relevant consultees as set out in 113ZA;

- section 113ZA(8) requires the Secretary of State to consider the likely effect of the change to the CA's area on the exercise of functions equivalent to those of the CA's functions in each local government area that is next to any part of the area to be created by the order if there is any lack of geographical contiguity.

571 Paragraph 20 also inserts new section 113ZB (Relevant consenting authorities in relation to orders under section 106 etc) of the 2009 Act which sets out that the consenting authorities for orders under section 106 are the council being added to or removed from the CA, and the mayor, for mayoral CAs or the CA, for non-mayoral CAs, and new section 113ZC (Relevant

consenting authorities in relation to orders under section 107) of the 2009 to provide that the consenting authorities for orders under section 107 are a majority of the constituent councils, and the mayor, for mayoral CAs.

572 Paragraph 21 amends section 113D of the 2009 Act, removing the reference to section 107B(5) and removing subsection (3), replacing it with the definition of "appropriate authorities" which are the "constituent councils" and "the combined authority".

Part 2: CCAs

Background

573 This Part amends the Levelling-up and Regeneration Act 2023 (2023 Act), specifically the provision relating to the establishment, expansion and conferral of functions on combined county authorities (CCAs).

574 The amended sections of the 2023 Act are:

- Section 10 enables the Secretary of State to make regulations about the constitutional arrangements of an individual CCA, such as governance and voting arrangements.
- Section 16 of the 2023 Act allows the Secretary of State to make regulations that set out how a CCA will be funded.
- Section 18 of the 2023 Act allows the Secretary of State to make regulations to confer on a CCA local authority functions to enable the CCA to exercise those functions in their area.
- Section 19 of the 2023 Act allows the Secretary of State to make regulations that confer on a CCA other public authority functions - such as functions held by the mayor of the Greater London Assembly or a minister – to enable the CCA to exercise those functions in their area.
- Section 20 specifies the procedure for the Secretary of State making regulations under section 19.
- Section 21 of the 2023 Act allows the Secretary of State to make regulations to transfer functions of an Integrated Transport Authority to and confer functions of a Passenger Transport Executive on a CCA to enable the CCA to run transport services in their area.
- Section 22 of the 2023 Act enables the Secretary of State to make regulations which confer on a CCA a power to direct relating to highways and traffic function.
- Section 24 of the 2023 Act establishes the concept of key route network roads in CCAs and changes the consent requirements for conferring a power of direction in relation to the performance of highways and traffic functions in respect of such road.
- Section 25 of the 2023 Act enables the Secretary of State to make regulations which change the boundary of the area of an existing CCA.

- Section 26 of the 2023 Act enables the Secretary of State to make regulations to dissolve a CCA and abolish a CCA for that area.
- Section 27 of the 2023 Act enables the Secretary of State to make regulations to provide for there to be an elected mayor of a CCA's area, with section 28 setting out requirements for regulations made under section 27(1).
- Section 30 of the 2023 Act enables the Secretary of State to make regulations to provide for any function of a CCA to be a function only exercisable by the mayor of that CCA area.
- Section 45 of the 2023 Act enables one or more relevant authorities to prepare and submit a proposal to the Secretary of State for a CCA to be established.
- Section 46 of the 2023 Act sets out requirements in relation to the establishment of a CCA.
- Section 47 of the 2023 Act enables a council or councils to prepare and submit a proposal to the Secretary of State to add a council to, or remove a council from, an existing CCA, providing the necessary consultation is carried out and the relevant consent is received.
- Section 48 of the 2023 Act sets out requirements in relation to regulations for changes to the arrangements of an existing CCA.
- Section 52 of the 2023 Act which enables the Secretary of State, via regulations, to enable a combined county authority to make use of the general power of competence.

Effect

575 Paragraph 23 amends section 10 (constitutional arrangements) of the 2023 Act to require that regulations under this section made for existing CCAs must have the consent of the constituent councils and the CCA unless a proposal to make the order has been submitted to the Secretary of State under section 47 of the 2023 Act.

576 Paragraph 24 amends section 16 (funding) of the 2023 Act to require that regulations under this section made for existing CCAs must have the consent of the constituent councils and CCA unless a proposal to make the order has been submitted to the Secretary of State under section 47 of the 2023 Act.

577 Paragraph 25 amends subsection (18) (local authority functions) of the 2023 Act to require that regulations under this section are made for existing CCAs must have the consent of the constituent councils and CCA unless a proposal to make the order has been submitted to the Secretary of State under section 47 of the 2023 Act.

578 Paragraph 26 amends section 20 (section 19 regulations: procedure) of the 2023 Act to limit regulations made under section 19 (Other public authority functions) to instances in which a proposal has been submitted under section 47 (locally-led) or where the appropriate authorities consent.

579 Paragraph 27 amends section 21 (Integrated Transport Authority and Passenger Transport Executive) of the 2023 Act to require that regulations under this section that are made for existing CCAs must have the consent of the constituent councils and CCA unless a proposal to make the order has been submitted to the Secretary of State under section 47 of the 2023 Act.

580 Paragraph 28 amends section 22 (directions relating to highways and traffic functions) of the 2023 Act to require that regulations under this section that are made for existing CCAs must have the consent of the constituent councils and CCA unless a proposal to make the order has been submitted to the Secretary of State under section 47 of the 2023 Act.

581 Paragraph 29 amends sections 24 (designation of key route network roads) so that a power of direction in relation to key network routes may only be conferred on a mayoral CCA with the consent of the mayor and the constituent councils.

582 Paragraph 30 inserts new section 24D into the 2023 Act, requiring that non-mayoral CCAs must have the consent of all their constituent councils before adopting or amending the authority's budget or, where not part of the budget, approving the total sum of the transport levy.

583 Paragraph 31 inserts new section 24E into the 2023 Act, requiring non-mayoral CCAs to obtain the consent of each relevant constituent council to exercise a function which may result in financial liability being incurred by one or more constituent councils.

584 Paragraph 32 removes the consent requirements in section 25 (changes to boundaries of a CCA's area), which are now set out in section 48A of the 2023 Act.

585 Paragraph 33 removes the relevant consent requirements in section 26 (dissolution of a CCA's area) of the 2023 Act which are now set out in section 48A of the 2023 Act.

586 Paragraph 34 amends section 28 (requirements in connection with regulations under section 27), limiting orders making provision for a mayor to existing CCAs where:

- a locally-led proposal has been submitted under section 47;
- the constituent councils and the CCA have consented to the making of an order and the order does not confer any additional functions; or
- a Secretary of State-led proposal has been consented to by the constituent councils and the CCA.

587 Paragraph 35 amends the consent requirements in section 30 (functions of mayors: general) of the 2023 Act so that, where regulations under this section are made for existing CCAs, they must have the consent of the "appropriate authorities" (which for this section are the constituent councils, and the mayor, for mayoral CAs or the CA, for non-mayoral CAs) unless a proposal to make the regulations has been submitted to the Secretary of State under section 47 of the 2023 Act.

588 Paragraph 36 amends the requirements in section 45 (proposal for a new CCA) of the 2023 Act for the preparation of 'locally led proposals' to establish a new CCA:

- the former requirement to carry out a public consultation is replaced with a requirement to consult the constituent councils and other persons the authority(s) preparing the proposal consider appropriate, prior to submitting the proposal to Secretary of State;
- the former requirement to specify the purposes to be achieved by the establishment of a CCA in the proposal is removed.

589 Paragraph 37 amends the requirements for establishing a new CCA in section 46 (requirements in connection with establishment of CCA) of the 2023 Act:

- a new statutory test defined in 46(6) that it is appropriate to make the regulations having regard to "the need to secure effective and convenient local government for the area of the CCA in relation to the areas of competence", with "areas of competence" defined in section 2 of this Act;
- the regulations must implement a proposal submitted under section 45 of the 2023 Act for which Secretary of State must consult such persons as they consider it necessary; or
- the regulations must implement a proposal which Secretary of State is satisfied that the constituent councils have consented to in principle for which Secretary of State has consulted the constituent councils and such persons they consider appropriate;
- the Secretary of State must have regard to the likely effect of the change to the CCA's area on the exercise of functions equivalent to those of the CCA's functions in each local government area that is next to any part of the area to be created by the regulations if there is any lack of geographical contiguity;
- the requirements in this section do not apply to regulations which include provisions made under section 33 of the 2023 Act (functions of mayors: policing).

590 Paragraph 38 amends the requirements in section 47 (proposal for changes to existing arrangements relating to CCA) of the 2023 Act for the preparation of 'locally led proposals' to make changes to an existing CCA:

- section 33 (functions of mayors: policing) is removed from the list of relevant sections to which section 47 applies;
- the former requirement for a public consultation is replaced with a requirement for the authority(s) preparing the proposals to consult such persons they consider it appropriate to consult;
- before a proposal is submitted for the making of regulations under sections 10, 16, 18, 19, 21, 22, 27, 30, 33 of the 2023 Act, consent must be always given by the persons who would have to consent to the making of the regulations;
- before a proposal is submitted for the making of regulations under sections 25 or 26 of the 2023 Act, the relevant consenting authorities as set out in sections 48B and 48C of the 2023 Act must consent.

591 Paragraph 39 inserts new section 47A (Proposal to add an area to an existing area of a CCA (Secretary of State directed)) of the 2023 Act to provide the following requirements for proposals to add a local government area (the area of a two-tier county council, a unitary county council, or a unitary district council) to a CCA:

- the local government area to be added must not already be within the area of a CA or CCA;

- no relevant proposals, as defined by section 47A(5), have been submitted to the Secretary of State in relation to the local government area to be added; or, where a relevant proposal has been submitted, the Secretary of State does not consider it to be a viable proposal;
- the Secretary of State must have regard to whether the statutory test, as set out in section 46(6) of the 2023 Act, would be met;
- the Secretary of State must give notice to the council to be added, the mayor (if it is a mayoral CA), constituent councils of the CCA and such other persons Secretary of State considers appropriate and specify a period of time to enable those notified of the proposal to make representations about the proposal.

592 Paragraph 40 amends section 48 (requirements for changes to existing arrangements relating to CCA):

- section 33 (functions of mayors: policing) is removed from the list of relevant sections to which section 48 applies;
- regulations made under this section must comply with the statutory test in section 46(6);
- for regulations implementing a proposal submitted under section 47 of the 2023 Act, the Secretary of State must consult such persons as they consider it necessary. For other regulations made under this section, the Secretary of State must consult the constituent councils and the mayor, for mayoral CCAs, or the CCA, for non-mayoral CCAs, unless where the order is made in accordance with section 28(3).

593 Paragraph 41 inserts new section 48A (Requirements in connection with boundary changes or dissolution of CCA) of the 2023 which set out requirements for Secretary of State to make regulations under sections 25 (boundary changes) or 26 (dissolution) of the 2023 Act in relation to an existing CCA, including:

- that the statutory test in section 46(6) of the 2023 Act is met;
- the regulations implement a proposal submitted under section 47 for which the Secretary of State must consult such persons they consider it necessary to consult; or the regulations implement a proposal where notice has been given under section 47A and Secretary of State has considered any representations made within the time period specified in the notice; or the regulations implement a proposal to which the relevant consenting authorities set out in sections 48B and 48C of the 2023 Act have consented to in principle, for which Secretary of State must consult the relevant consultees as set out in 48A;
- the Secretary of State must have regard to the likely effect of the change to the CCA's area on the exercise of functions equivalent to those of the CCA's functions in each local government area that is next to any part of the area to be created by the regulations if there is any lack of geographical contiguity.

594 Paragraph 41 also inserts a new section 48B (Relevant consenting authorities in relation to regulations under section 25 etc) of the 2023 Act, to provide that the relevant consenting authorities for regulations made under section 25 of the 2023 Act, are the relevant council to be added to or removed from the CCA, and the mayor, for mayoral CCAs or the CCA, for non-mayoral CAs.

595 Paragraph 41 also inserts a new section 48C (Relevant consenting authorities in relation to regulations under section 26) of the 2023 Act to provide that the relevant consenting authorities for regulations made under section 26 of the 2023 Act are a majority of the constituent councils, and the mayor for mayoral CAs.

596 Paragraph 42 amends section 52 of the 2023 Act, removing the reference to section 28(4) and removing subsection (3), replacing it with the definition of "appropriate authorities" which are the "constituent councils" and "the CCA".

Schedule 2: Decision-making and exercise of functions

Background

597 Part 1A (Strategic plan-making) of the Planning and Compulsory Purchase Act 2004 (the 2004 Act). provides for a system of strategic planning across England, with strategic authorities (SAs) holding a duty to create a spatial development strategy and upper-tier local authorities holding the duty in areas without a SA.

598 Section 13 of the Local Government and Housing Act 1989 (the 1989 Act) makes provision for voting rights for persons co-opted to serve on specified committees and sub-committees of a relevant authority within the meaning of section 21(1) of that Act, which includes combined authorities (CAs) and combined county authorities (CCAs).

599 Section 101 of the Local Government Act 1972 (the 1972 Act) enables local authorities, which includes CAs, and CCAs, to arrange for any of their functions to be discharged by a committee; sub-committee; a local authority officer; or another local authority. Sections 101(1D) and 110(1F) prevents functions exercisable only by mayors from being discharged through these committees.

Effect

Planning and Compulsory Purchase Act 2004

600 Paragraph 2 amends section 12A of the 2004 Act to require that the functions relating to spatial development strategies are exercised by the mayor of a CA or CCA, on behalf of that CA or CCA.

601 Paragraphs 3 and 4 amend sections 12L and 12X of the 2004 Act to set out how spatial development strategies will be adopted by CAs and CCAs.

602 For CAs and CCAs without a mayor, the voting arrangements will be:

- A simple majority of constituent members to adopt the strategy.

603 For CAs and CCAs with a mayor, the voting arrangements will be:

- a simple majority of constituent members and the mayor;
- the mayor must be in the majority for it to pass;
- if the vote is tied, the mayor gets an additional casting vote.

604 Voting to adopt spatial development strategies will be restricted to constituent members and the mayor. For most other decisions, CAs and CCAs can resolve to give non-constituent members a vote as well. This will not be possible for votes to adopt spatial development strategies.

Local Government and Housing Act 1989

605 Paragraph 5 amends section 13 of the 1989 Act to establish the voting rights of people appointed to specified committees set up by CAs or CCAs who are not already members of the authority. This ensures the following persons will have a vote if appointed to such a committee:

- members of constituent councils of the authority;
- non-constituent members of the authority, if the authority has passed a resolution to the effect that they should have voting rights.

Local Government Act 1972

606 Paragraph 6 substitutes sections 101(1D) and 101(1F) of the 1972 Act to make general provision for functions exercisable only by the mayor to be discharged by a committee; sub-committee; officer of the authority; or by a local authority. The new subsections (1D) and (1F) inserted by the Act require that the mayor consents for the function to be discharged in this way.

607 The new subsections (1DA) and (1FA) allow the mayor to withdraw their consent, ending the discharge of the function in that way, without affecting any decisions previously made under that arrangement. For example, if a committee exercising one of a mayor's functions set up a bus franchising scheme and the mayor withdrew their consent for the committee arrangement, the franchising scheme would continue to operate unless the mayor explicitly decided to reverse that decision.

Schedule 3: Commissioners

Effect

608 This Schedule inserts a new Schedule 2A into the Levelling-up and Regeneration Act 2023 Act (the 2023 Act), and a new Schedule 5BA into the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act). These Schedules provide detail on the role of "commissioner" which is being introduced in this Act, with Schedule 2A applying to combined county authorities (CCAs) and Schedule 5BA applying to combined authorities (CAs).

609 Paragraph 2(1) of each inserted Schedule provides that the appointment of an ineligible person as a commissioner is invalid. Paragraph 2(2) provides that if a commissioner becomes ineligible after appointment, their appointment becomes invalid.

610 Paragraph 2(3) provides that a person who is either disqualified from being elected or holding office as the mayor of a CA or CCA, or is the acting mayor or deputy mayor for the area to which the appointment relates, is ineligible to be appointed as a commissioner.

611 Paragraph 2(4) of the inserted Schedules provides that a commissioner is not disqualified from being reappointed as a commissioner if they already work for the CA or CCA as a commissioner.

612 Paragraph 2(5) means that if there is a defect in the appointment of a commissioner, it does not invalidate anything done by that commissioner prior to that determination.

613 Paragraph 4 of each inserted Schedule provides that a commissioner may support the mayor in only one of the areas of competence (either the area of competence generally or one or more aspects of the area) as listed at section 2 of this Act, however, this should not prevent them from incidentally working on another area of competence, or working outside of the assigned area of competence.

614 Paragraph 4(3) provides that a commissioner's appointment has no effect if it would lead to a person serving as a commissioner at a time when they would otherwise be serving as a commissioner under a previous or contemporaneous appointment.

615 Paragraph 5(1) of each inserted Schedule provides that a commissioner's appointment must end on or before the last day of the relevant term of office of the mayor who appointed the commissioner. This must be set out in the terms and conditions for the commissioner's role.

616 Paragraph 5(2) of each inserted Schedule states that if the mayor stops acting as mayor before the last day of the relevant term, any arrangements for the commissioner to exercise delegated functions end. The commissioner's appointment ends either (i) when a new mayor is elected or (ii) three months from the day the mayor ceases to hold office, depending on which day occurs first.

617 Paragraph 6 of each inserted Schedule places limitations on the mayor's ability to delegate functions.

618 Paragraph 6(2) of each inserted Schedule lists the functions that the mayor may not arrange for a commissioner to exercise.

619 Paragraph 6(3) states that a mayor must obtain the consent of the CCA or CA to any arrangement for a commissioner to exercise a function, unless that function is exercisable only by the mayor on behalf of the CCA or CA.

620 Paragraphs 6(4) and 6(5) state that the mayor may not delegate functions to a commissioner outside the commissioner's special area of competence, although a commissioner may incidentally exercise functions in relation to any other area of competence, or outside any of the areas of competence.

621 Paragraph 6(6) lists the fire and rescue functions which cannot be exercised by a commissioner.

622 Paragraph 7 of both inserted Schedules provides that a CA or CCA can pay allowances to commissioners in accordance with a scheme drawn up by the CA or CCA, after considering the recommendations of a report by a "relevant remuneration panel". Allowances must not exceed the amounts specified in the report.

623 Paragraph 7(3) provides that CAs and CCAs must publish reports on allowances paid, including the amount of those allowances.

624 A "relevant remuneration panel" is a panel specified, or of a description specified, by the Secretary of State in secondary legislation, as per paragraph 7(4).

625 Paragraph 8 of each inserted Schedule sets out the ways in which the appointment of a commissioner can end.

626 Paragraph 9 of each inserted Schedule adds the ability to recommend that a commissioner's appointment is terminated to the current powers that overview and scrutiny committees have and sets out further provisions relating to such a recommendation.

627 Paragraph 10(1) of each inserted Schedule provides that the powers to make and terminate the appointment of a commissioner are solely exercisable by the mayor of the CA or CCA.

628 Paragraph 10(2) of each inserted Schedule clarifies the different relationships between a commissioner and a CA or CCA that may occur depending on how a commissioner is appointed.

629 Paragraph 11 of each inserted Schedule provides that the Secretary of State may issue guidance about the selection or appointment of commissioners. The Secretary of State may also issue guidance on the approval process for delegating functions, allowance schemes and reports produced by remuneration panels on allowances, and overview and scrutiny committee recommendations to terminate the appointment of commissioners.

Schedule 4: Mayoral CCAs: Overview and Scrutiny Committees

Part 1: New scrutiny regime for CCAs that are established mayoral strategic authorities

Background

630 This Schedule amends LURA 2023, by inserting a new Schedule 1A to make provision for combined county authorities (CCAs) that are established mayoral strategic authorities to have overview and scrutiny committees and audit committees.

Effect

631 Paragraph 1 establishes the application of this Schedule for CCAs that are EMSAs.

632 Paragraph 2, sub-paragraphs 1-4 require CCAs to establish one or more overview and scrutiny committees with powers to investigate matters of local interest, examine how both the CCA and the mayor are discharging their functions, and make reports or recommendations accordingly. These committees must be able to review and scrutinise decisions or actions taken in connection with the CCA's functions, review and scrutinise decisions or actions taken by the mayor in exercising general functions, and assess policy outcomes and the effectiveness of actions taken in discharging the CCA's responsibilities.

633 Paragraph 2, sub-paragraph 5, makes provision for when the overview and scrutiny committees are examining the discharge of functions and reviewing and scrutinising decisions or actions taken the arrangements must ensure that where a decision or action involves CCA expenditure, the committee's scrutiny includes an assessment of value for money. Where the discharge of a function involves CCA expenditure, any report includes a value for money assessment and where appropriate, recommendations.

634 Paragraph 2, sub-paragraph 6, makes provision that an overview and scrutiny committee must have regard to any guidance issued when assessing value for money.

635 Paragraph 2, sub-paragraph 7, makes it clear that the committee's power to make reports and recommendations includes the ability to recommend how a function is, or should be, discharged before the decision is made.

636 Paragraph 2, sub-paragraph 8, makes provision that the committee's power to review or scrutinise an unimplemented decision includes the power to direct that it is not implemented during scrutiny process and recommend that it be reconsidered or discharged in a different way.

637 Paragraph 2, sub-paragraph 9, an overview and scrutiny committee of a CCA must publish how it intends to use its powers to review and scrutinise decisions that have been made but not implemented and the arrangements that the committee have put into place for doing so. Sub-paragraph 10 makes provision that before complying with sub-paragraph 9, the overview and scrutiny committee must obtain the consent of the CCA to the proposals and arrangements.

638 Paragraph 2, sub-paragraph 11, makes provision that where a committee makes a recommendation to the CCA or the mayor in relation to a pre-decision or an unimplemented decision and they do not intend to follow it, they must give the committee written notice of that intention and the reasons for not doing so.

639 Paragraph 2, sub-paragraph 12, makes provision that any report or recommendations made by the committee can be sent to any public authority.

640 Paragraph 2, sub-paragraphs 13 and 14 make provision that an overview and scrutiny committee of a CCA may only carry out the functions given to it under this Schedule and any reference in the Schedule to the discharge of functions also includes anything done to help, support, or relate to the carrying out of those functions.

641 Paragraph 3, sub-paragraphs 1 and 2 make supplementary provision for CCA overview and scrutiny committees to set up sub-committees and delegate functions to them but clarify that these sub-committees may only carry out the functions they are given.

642 Paragraph 3, sub-paragraph 3 states that the committee cannot include any member of the CCA.

643 Paragraph 3, sub-paragraphs 4 and 5 state that the overview and scrutiny committee of a CCA is treated as a principal council committee for access to information rules and has the same powers as committees under section 102, subsections 2 to 5, of the Local Government Act 1972.

644 Paragraph 3, sub-paragraphs 6, 7, 8, 9 and 10 make provisions for overview and scrutiny committees of a CCA to require a key person to attend meetings or provide information and documents by providing written notice of at least 10 working days. If so required, a key person must comply with the imposition. Further provision is made to enable overview and scrutiny committees to invite other persons to attend or provide it with information or documents, and for regulations to make provision about the information or documents that could be required or invited.

645 Paragraph 3, sub-paragraphs 11 and 12 make provision that if a required person fails to attend a meeting without reasonable excuse the committee must publish notice of the failure to attend. The consequences of failure to comply with a committee requirement are under paragraphs 7 and 8.

646 Paragraph 3, sub-paragraph 13 states that a person is not required to answer any question under sub-paragraph 6 or provide any information under sub-paragraph 7, if they would be entitled to refuse to answer or provide the information in court proceedings in England and Wales.

647 Paragraph 3, sub-paragraphs 14, 15 and 16 make provisions that when exercising or deciding to exercise any of its functions an overview and scrutiny committee of a CCA must take account of any guidance issued by the Secretary of State and the guidance may differ for different cases or different descriptions of committee. All references in sub-paragraphs 3 to 14 to an overview and scrutiny committee also include any of its sub-committees.

648 Paragraph 4, sub-paragraphs 1 and 2 make provisions that the Secretary of State may make regulations about overview and scrutiny committees of a CCA including:

- membership and voting rights
- payment of allowances
- chair of the committee
- appointment of scrutiny officers
- how matters may be referred to the committee
- requirements for persons to respond to its reports and recommendations
- the publication of report, recommendations or responses
- what information must or must not be disclosed to the committee
- minimum or maximum period for which a direction that a decision is not to be implemented while it is under review may have effect.

649 Paragraph 4, sub-paragraph 3 requires that regulations made under sub-paragraph (1) must include rules on when and how an overview and scrutiny committee must involve independent experts in its work, how the committee must take account of the work carried out by those experts, and how those experts are to be remunerated.

650 Paragraph 4, sub-paragraph 4 requires that there must be at least 60% of members of an overview and scrutiny committee who are drawn from the CCA's constituent councils.

651 Paragraph 4, sub-paragraph 5 requires that every member of an overview and scrutiny committee must be entitled to receive allowances for carrying out activities to be specified in regulations.

652 Paragraph 4, sub-paragraphs 6 and 7 require that the chair of an overview and scrutiny committee must either be an independent person, as defined in the regulations, or an appropriate member (meaning a person who is not a member of a registered political party of which the mayor is a member) of one of the CCA's constituent councils.

653 Paragraph 4, sub-paragraph 8 defines a scrutiny officer as a person appointed to promote the role of the committee and to provide support and guidance both to the committee and its members and to members of the CCA in relation to the committee's functions.

654 Paragraph 4, sub-paragraph 9 requires that provision is made so that each overview and scrutiny committee must have at least two scrutiny officers.

655 Paragraph 4, sub-paragraph 10 confirms that provision may be made so that confidential or exempt information be excluded from the publication of reports, recommendation or responses.

656 Paragraph 4, sub-paragraph 11 confirms that reference to a registered political party is to a party registered under Part 2 of the Political Parties, Elections and Referendums Act 2000.

657 Paragraph 4, sub-paragraph 12 confirms that references to an overview and scrutiny committee in paragraph 4 also includes any of its sub-committees.

658 Paragraph 5, makes provision for overview and scrutiny committees to use the style of "local scrutiny committee" or any other style specified in regulations, which may include variants of that term or "overview and scrutiny committee," and the Secretary of State may specify different styles for different types of CCAs under the power to make different provision for different purposes.

659 Paragraph 6, sub-paragraphs 1 and 2 makes provision that a CCA must establish petition arrangements that allow any local elector to start a petition asking the overview and scrutiny committee to exercise its functions on a specified matter of local interest, and allow other local electors to show their support by electronic or non-electronic means.

660 Paragraph 6, sub-paragraph 3 makes provisions that the overview and scrutiny committee must reject a petition if it seeks new or increased CCA expenditure, concerns a matter that is not of local interest, would require action that could prejudice existing or likely legal proceedings, or is offensive, abusive, or vexatious.

661 Paragraph 6, sub-paragraphs 4-6, makes provisions that if at least 0.1% of local electors have signed a petition, the committee must decide whether to exercise its functions in relation to the matter raised. When deciding whether to act on a petition, the committee must consider, among other things, the effective use of its time and resources.

662 Paragraph 6, sub-paragraphs 7 and 8 make provision that within 30 days of making a relevant decision about a petition, the committee must publish written notice of the decision, the reasons for it, and if it decides to and how it intends to exercise its functions, and must also send this notice to the petition's starter. Additionally, regulations may set further rules about petition arrangements, including grounds for decisions, factors to consider when deciding on a petition, combining similar petitions, verifying electors, and determining whether the 0.1% threshold has been met.

663 Paragraph 6, sub-paragraph 9 defines various phrases in relation to the provisions for petitions.

664 Paragraph 7, sub-paragraphs 1-5 make provision that the Secretary of State may give overview and scrutiny committees the power to impose civil penalties for failure to attend a meeting, answer a question, or provide information or documentation if required to do so by the committee, without a reasonable excuse, or for misleading the overview and scrutiny committee, which is explained as intentionally altering, suppressing, concealing or destroying the information or document requested.

665 Paragraph 7, sub-paragraph 6 requires that regulations under this paragraph must set the amount or maximum amount of any civil penalty, which cannot exceed £5,000. However, the Secretary of State may substitute a different maximum penalty amount in future to reflect changes in the value of money. Regulations may also limit the power to impose such penalties to specified categories of people, including mayors, deputy mayors, or commissioners appointed by mayors. They also must provide for appeals, including the ability to confirm, withdraw, or vary a penalty.

666 Paragraph 8, sub-paragraph 1 makes provision for termination of office for failure to attend committee meetings for the mayor of the CCA, deputy mayor or commissioner appointed by the mayor.

667 Paragraph 8, sub-paragraph 2 makes provision that a person ceases to hold office if they fail to attend six overview and scrutiny committee meetings and there is a required link between the six missed meetings.

668 Paragraph 8, sub-paragraph 3 makes provision that a person is treated as failing to attend an overview and scrutiny committee meeting if it is a committee of the relevant CCA, the meeting was compulsory for them, they did not attend, and they had no reasonable excuse for their absence.

669 Paragraph 8, sub-paragraphs 4 and 5 make provision that there is a required link between the six missed meetings if they were either consecutive compulsory overview and scrutiny committee meetings or took place within a 12-month period, and it does not matter whether they involved different committees or whether non-compulsory meetings occurred between the first and last of the six.

670 Paragraph 8, sub-paragraphs 6 and 7 make provision that if a person ceases to hold office, the CCA's monitoring officer must publish and provide them with notice of that fact, and the person's loss of office takes effect at the end of the day on which the sixth missed meeting occurred.

671 Paragraph 8, sub-paragraph 8 makes provision that a person who loses an office under this section is not prevented from later being appointed to the same office again or to any of the other offices listed in sub-paragraph (1).

672 Paragraph 8, sub-paragraph 9 makes provision that an overview and scrutiny committee meeting counts as a "compulsory meeting" for a person if the committee has formally required them to attend under paragraph 3(6)(a).

673 Paragraph 8, sub-paragraph 10 confirms that loss of office applies to a commissioner regardless of whether they are appointed under a worker's contract, another type of contract, or without any contract at all, and references to the office of commissioner (including holding that office) should be interpreted accordingly for commissioners appointed under contractual arrangements.

674 Paragraph 9 makes provisions that a CCA must appoint an audit committee whose functions include reviewing the CCA's financial affairs, assessing its risk management, internal control and governance arrangements, evaluating the economy, efficiency and effectiveness of its use of resources, and making related reports and recommendations to the CCA. The Secretary of State may make regulations on the membership, appointment and allowances of a CCA's audit committee, and those regulations must ensure that at least one committee member is an independent person as defined in the regulations.

675 Paragraph 10 defines key terms outlined in this Schedule and states that a commissioner for the purposes of this Schedule is a commissioner appointed under section 29A.

676 Paragraph 10 defines key terms outlined in this Schedule confirming that a "key person" means the mayor of the CCA, deputy mayor, commissioner, officers of CCA, member of the CCA with policy responsibilities and others that will be specified in regulations.

677 Paragraph 10 defines key terms outlined in this Schedule confirming that a "matter of local interest" means matters that relate to the CCA area and to the functions that are the responsibility of the CCA, or to any aspect of any area of competence set out in section 2 of this Act, excluding the functions of police and crime commissioners. Value for money is defined as the economy, efficiency and effectiveness of the expenditure of the CCA.

Part 2: Amendments consequential on Part 1 of this Schedule

Effect

678 This part amends LURA 2023, Section 15 and Section 29, as well as its Schedules 1, 2 and 2A to distinguish between CCAs that are established mayoral strategic authorities and those that are not, with Schedule 1 applying only to non-EMSAs and the new Schedule 1A governing scrutiny and audit arrangements for EMSAs. The amendments update definitions, clarify that different Schedules apply to different types of CCAs, and allow regulations to specify the style of overview and scrutiny committees. Additional changes provide that a deputy mayor may lose office for repeated failure to attend compulsory overview and scrutiny committee meetings, and this ground for loss of office is added to the relevant provisions for mayors and commissioners.

Part 3: Extension of new scrutiny regime to all mayoral CCAs

Effect

679 This part further amends LURA 2023, Section 15 and refines the distinction between mayoral and non-mayoral Combined County Authorities (CCAs) overview and scrutiny committees. Section 15 is updated so that its scrutiny provisions apply to non-mayoral and mayoral CCAs only, while Schedule 1 is revised to remove all references to mayoral CCAs and to clarify that it applies exclusively to non-mayoral bodies. Schedule 1A is amended so that it applies solely to mayoral CCAs, with updated definitions and cross-references ensuring that each type of CCA is governed by the correct scrutiny regime. The changes also replace references to "established mayoral strategic authorities" with "mayoral CCAs" and removes redundant subsections, completing the separation of scrutiny frameworks for mayoral and non-mayoral authorities.

Schedule 5: Mayoral CAs: Overview and Scrutiny Committees

Part 1: New scrutiny regime for CAs that are established mayoral strategic authorities

Background

680 This Schedule amends LDEDCA 2009, by inserting a new Schedule 5AA to make provision for combined authorities (CAs) that are established mayoral strategic authorities to have overview and scrutiny committees and audit committees.

Effect

681 Paragraph 1 establishes the application of this Schedule for CAs that are established mayoral strategic authorities (EMSAs).

682 Paragraph 2, sub-paragraphs 1-4 require CAs to establish one or more overview and scrutiny committees with powers to investigate matters of local interest, examine how both the CA and the mayor are discharging their functions, and make reports or recommendations accordingly. These committees must be able to review and scrutinise decisions or actions taken in connection with the CA's functions, review and scrutinise decisions or actions taken by the mayor in exercising general functions, and assess policy outcomes and the effectiveness of actions taken in discharging the CA's responsibilities.

683 Paragraph 2, sub-paragraph 5, makes provision for when the overview and scrutiny committees are examining the discharge of functions and reviewing and scrutinising decisions or actions taken the arrangements must ensure that where a decision or action involves CA expenditure, the committee's scrutiny includes an assessment of value for money. Where the discharge of a function involves CA expenditure, any report includes a value for money assessment and where appropriate, recommendations.

684 Paragraph 2, sub-paragraph 6, makes provision that an overview and scrutiny committee must have regard to any guidance issued when assessing value for money.

685 Paragraph 2, sub-paragraph 7, this provision makes it clear that the committee's power to make reports and recommendations includes the ability to recommend how a function is, or should be, discharged before the decision is made.

686 Paragraph 2, sub-paragraph 8, makes provision that the committee's power to review or scrutinise an unimplemented decision includes the power to direct that it is not implemented during scrutiny process and recommend that it be reconsidered or discharged in a different way.

687 Paragraph 2, sub-paragraph 9, an overview and scrutiny committee of a CA must publish how it intends to use its powers to review and scrutinise decision that have been made but not implemented and the arrangements that the committee have put into place for doing so. Sub-paragraph 10 makes provision that before complying with paragraph 9, the overview and scrutiny committee must obtain the consent of the CA to the proposals and arrangements.

688 Paragraph 2, sub-paragraph 11, makes provision that where a committee makes a recommendation to the CA or the mayor in relation to a pre-decision or an unimplemented decision and they do not intend to follow it, they must give the committee written notice of that intention and the reasons for not doing so.

689 Paragraph 2, sub-paragraph 12, makes provision that any report or recommendations made by the committee can be sent to any public authority.

690 Paragraph 2, sub-paragraphs 13 and 14 make provision that an overview and scrutiny committee of a CA may only carry out the functions given to it under this Schedule and any reference in the Schedule to the discharge of functions also includes anything done to help, support, or relate to the carrying out of those functions.

691 Paragraph 3, sub-paragraphs 1 and 2 make supplementary provision for CA overview and scrutiny committees to set up sub-committees and delegate functions to them but clarify that these sub-committees may only carry out the functions they are given.

692 Paragraph 3, sub-paragraph 3 states that the committee cannot include any member of the CA.

693 Paragraph 3, sub-paragraphs 4 and 5 states that the overview and scrutiny committee of a CA is treated as a principal council committee for access to information rules and has the same powers as committees under section 102, subsections 2 to 5, of the Local Government Act 1972.

694 Paragraph 3, sub-paragraphs 6, 7, 8, 9 and 10 make provisions for overview and scrutiny committees of a CA to require a key person to attend meetings or provide information and documents by providing written notice of at least 10 working days. If so required, a key person must comply with the imposition. Further provision is made to enable overview and scrutiny committees to invite other persons to attend or provide it with information or documents, and for regulations to make provision about the information or documents that could be required or invited.

695 Paragraph 3, sub-paragraphs 11 and 12 make provision that if a required person fails to attend without reasonable excuse the committee must publish notice of the failure to attend. The consequences of failure to comply with a committee requirement are under paragraphs 7 and 8.

696 Paragraph 3, sub-paragraph 13 states that a person is not required to answer any question under sub-paragraphs 6 or provide any information under sub-paragraph 7, if they would be entitled to refuse to do so in court proceedings in England and Wales.

697 Paragraph 3, sub-paragraphs 14, 15 and 16 make provisions that when exercising or deciding to exercise any of its functions an overview and scrutiny committee of a CA must take account of any guidance issued by the Secretary of State and the guidance may differ for different cases or different descriptions of committee. All references in sub-paragraphs 3 to 14 to an overview and scrutiny committee also include any of its sub-committees.

698 Paragraph 4, sub-paragraphs 1 and 2 make provisions that the Secretary of State may make regulations about overview and scrutiny committees of a CA including:

- membership and voting rights
- payment of allowances
- chair of the committee
- appointment of scrutiny officers
- how matters may be referred to the committee
- requirements for persons to respond to its reports and recommendations
- the publication of report, recommendations or responses
- what information must or must not be disclosed to the committee
- minimum or maximum period for which a direction that a decision is not to be implemented while it is under review may have effect.

699 Paragraph 4, sub-paragraph 3 requires that regulations made under sub-paragraph (1) must include rules on when and how an overview and scrutiny committee must involve independent experts in its work, how the committee must take account of the work carried out by those experts, and how those experts are to be remunerated.

700 Paragraph 4, sub-paragraph 4 requires that there must be at least 60% of members of an overview and scrutiny committee who are drawn from the CA's constituent councils.

701 Paragraph 4, sub-paragraph 5 requires that every member of an overview and scrutiny committee must be entitled to receive allowances for carrying out activities to be specified in regulations.

702 Paragraph 4, sub-paragraphs 6 and 7 requires that the chair of an overview and scrutiny committee must either be an independent person, as defined in the regulations, or an appropriate member (meaning a person who is not a member of a registered political party of which the mayor is a member) of one of the CA's constituent councils.

703 Paragraph 4, sub-paragraph 8 defines a scrutiny officer as a person appointed to promote the role of the committee and to provide support and guidance both to the committee and its members and to members of the CA in relation to the committee's functions.

704 Paragraph 4, sub-paragraph 9 requires that provision is made so that each overview and scrutiny committee must have at least two scrutiny officers.

705 Paragraph 4, sub-paragraph 10 confirms that provision may be made so that confidential or exempt information be excluded from the publication of reports, recommendation or responses.

706 Paragraph 5, makes provision for overview and scrutiny committees to use the style of "local scrutiny committee" or any other style specified in regulations, which may include variants of that term or "overview and scrutiny committee," and the Secretary of State may specify different styles for different types of CAs under the power to make different provision for different purposes.

707 Paragraph 6, sub-paragraphs 1 and 2 make provision that a CA must establish petition arrangements that allow any local elector to start a petition asking the overview and scrutiny committee to exercise its functions on a specified matter of local interest, and allow other local electors to show their support by electronic or non-electronic means.

708 Paragraph 6, sub-paragraph 3 makes provisions that the overview and scrutiny committee must reject a petition if it seeks new or increased CA expenditure, concerns a matter that is not of local interest, would require action that could prejudice existing or likely legal proceedings, or is offensive, abusive, or vexatious.

709 Paragraph 6, subsections 4-6 make provision that if at least 0.1% of local electors have signed a petition, the committee must decide whether to exercise its functions in relation to the matter raised. When deciding whether to act on a petition, the committee must consider, among other things, the effective use of its time and resources.

710 Paragraph 6, sub-paragraphs 7 and 8 make provision that within 30 days of making a relevant decision about a petition, the committee must publish written notice of the decision, the reasons for it, and if it decides to and how it intends to exercise its functions, and must also send this notice to the petition's starter. Additionally, regulations may set further rules about petition arrangements, including grounds for decisions, factors to consider when deciding on a petition, combining similar petitions, verifying electors, and determining whether the 0.1% threshold has been met.

711 Paragraph 7, sub-paragraphs 1-5 make provision that the Secretary of State may give overview and scrutiny committees the power to impose civil penalties for failure to attend a meeting, answer or question, provide information or documentation if required to do so by the committee, without a reasonable excuse, or mislead the overview and scrutiny committee which is explained as intentionally altering, suppressing, concealing or destroying the information or document requested.

712 Paragraph 7, sub-paragraph 6 requires that regulations under this paragraph must set the amount or maximum amount of any civil penalty, which cannot exceed £5,000. However, the Secretary of State may substitute a different maximum penalty amount in future to reflect changes in the value of money. Regulations may also limit the power to impose such penalties to specified categories of people, including mayors, deputy mayors, or commissioners appointed by mayors. They also must provide for appeals, including the ability to confirm, withdraw, or vary a penalty.

713 Paragraph 8, sub-paragraph 1 makes provision for termination of office for failure to attend committee meetings for the mayor of the CA, deputy mayor or commissioner appointed by the mayor.

714 Paragraph 8, sub-paragraph 2 makes provision that a person ceases to hold office if they fail to attend six overview and scrutiny committee meetings and there is a required link between the six missed meetings.

715 Paragraph 8, sub-paragraph 3 makes provision that a person is treated as failing to attend an overview and scrutiny committee meeting if it is a committee of the relevant CA, the meeting was compulsory for them, they did not attend, and they had no reasonable excuse for their absence.

716 Paragraph 8, sub-paragraphs 4 and 5 make provision that there is a required link between the six missed meetings if they were either consecutive compulsory overview and scrutiny committee meetings or took place within a 12-month period, and it does not matter whether they involved different committees or whether non-compulsory meetings occurred between the first and last of the six.

717 Paragraph 8, sub-paragraphs 6 and 7 make provision that if a person ceases to hold office, the CA's monitoring officer must publish and provide them with notice of that fact, and the person's loss of office takes effect at the end of the day on which the sixth missed meeting occurred.

718 Paragraph 8, sub-paragraph 8 makes provisions that a person who loses an office under this section is not prevented from later being appointed to the same office again or to any of the other offices listed in sub-paragraph (1).

719 Paragraph 8, sub-paragraph 9 makes provisions that an overview and scrutiny committee meeting counts as a "compulsory meeting" for a person if the committee has formally required them to attend under paragraph 3(6)(a).

720 Paragraph 8, sub-paragraph 10 confirms that loss of office applies to a commissioner regardless of whether they are appointed under a worker's contract, another type of contract, or without any contract at all, and references to the office of commissioner (including holding that office) should be interpreted accordingly for commissioners appointed under contractual arrangements.

721 Paragraph 9 makes provisions that a CA must appoint an audit committee whose functions include reviewing the CA's financial affairs, assessing its risk management, internal control and governance arrangements, evaluating the economy, efficiency and effectiveness of its use of resources, and making related reports and recommendations to the CA. The Secretary of State may make regulations on the membership, appointment and allowances of a CA's audit committee, and those regulations must ensure that at least one committee member is an independent person as defined in the regulations.

722 Paragraph 10 defines key terms outlined in this Schedule and states that a "commissioner" is a commissioner appointed under section 107CA.

723 Paragraph 10 defines key terms outlined in this Schedule confirming that a "key person" means the mayor of the CA, deputy mayor, commissioner, officers of the CA, member of the CA with policy responsibilities and others that will be specified in regulations.

724 Paragraph 10 defines key terms outlined in this Schedule confirming that a "matter of local interest" means matters that relate to the CA area and the functions that are the responsibility of the CA, or to any aspect of any area of competence as set out in section 2 of this Act, excluding the functions of police and crime commissioners. Value for money is defined as the economy, efficiency and effectiveness of the expenditure of the CA.

Part 2: Amendments consequential on Part 1 of this Schedule

Effect

725 This part amends LDEDCA 2009, section 104 and Section 107C as well as its Schedules 5A, 5B and 5BA to distinguish between CAs that are established mayoral strategic authorities and those that are not, with Schedule 5A applying only to non-EMSAs and the new Schedule 5AA governing scrutiny and audit arrangements for EMSAs. The amendments update definitions, clarify that different Schedules apply to different types of CAs, and allow regulations to specify the style of overview and scrutiny committees. Additional changes provide that a deputy mayor may lose office for repeated failure to attend compulsory overview and scrutiny committee meetings, and this ground for loss of office is added to the relevant provisions for mayors and commissioners.

Part 3: Extension of new scrutiny regime to all mayoral CAs

Effect

726 This part further amends LDEDCA 2009, section 104 and refines the distinction between mayoral and non-mayoral combined authorities (CAs) overview and scrutiny committees. Section 104 is updated so that its scrutiny provisions apply to non-mayoral and mayoral CAs only, while Schedule 5A is revised to remove all references to mayoral CAs and to clarify that it applies exclusively to non-mayoral bodies. Schedule 5AA is amended so that it applies solely to mayoral CAs, with updated definitions and cross-references ensuring that each type of CA is governed by the correct scrutiny regime. The changes also replace references to "established mayoral strategic authorities" with "mayoral CAs" and removes redundant subsections, completing the separation of scrutiny frameworks for mayoral and non-mayoral authorities.

Schedule 6: Extension of the general power of competence

Background

727 The general power of competence allows for an authority to do anything that an individual can do (subject to legislative limitations) and was originally conferred on local authorities via the Localism Act 2011 (the 2011 Act).

Effect

728 This Schedule amends sections 1 to 5 and 8 of the 2011 Act so that: the general power of competence applies in full to all combined authorities (CAs) and combined county authorities (CCAs) and their mayors.

729 Paragraph 2 makes amendments to section 1 of the 2011 Act by adding CAs and CCAs to the authorities which can make use of the general power of competence. The Schedule inserts a new subsection into section 1 which allows for the general power of competence of a CA or CCA to be exercised by the authority's mayor.

730 Paragraph 3 makes amendments to section 2 of the 2011 Act so that the boundaries on exercising the general power of competence set out in that section apply to CAs and CCAs ensuring any pre-commencement and post-commencement legislative restrictions are applied.

731 Paragraphs 4 and 5 amend sections 3 and 4 of the 2011 Act so that the limits on charging and doing things for commercial purposes, as provided for in those sections, apply to CAs and CCAs when making use of the general power of competence.

732 Paragraph 6 amends section 5 of the 2011 Act so that the Secretary of State's power to make supplementary provision also applies in relation to statutory provisions preventing or restricting CAs and CCAs from exercising the general power of competence.

733 Paragraph 7 amends section 8 so that the correct legal definitions are included in the 2011 Act in regard to: combined authority; combined county authority; mayor; mayoral combined authority; and mayoral combined county authority.

734 Paragraph 8 revokes sections 113A(4) and 113D of the Local Democracy, Economic Development and Construction Act 2009. It also revokes sections 49(4) and 52 of the Levelling-up and Regeneration Act 2023. These sections concern the conferral of the general power of competence upon CAs and CCAs by way of statutory instrument. As a consequence of this Schedule now conferring the general power of competence under the 2011 Act to all CAs and CCAs, these sections are redundant.

Schedule 7: Providers of micromobility vehicles

Background

735 Previously local authorities did not have effective legal powers to manage on-street micromobility services, such as the use of street space by businesses for the distribution of micromobility vehicles.

Effect

736 This Schedule inserts new provisions into the Road Traffic Regulation Act 1984 (the 1984 Act) at Part 2A and Schedule 3A; which provide that foundation strategic authorities, mayoral strategic authorities or the highest tier of local authority for an area, will be licensing authorities for micromobility vehicles. Licences will be mandatory for anyone providing passenger and non-passenger micromobility vehicles for use on a public road or place (unless expressly exempted in some limited circumstances). In respect to passenger vehicles, such as bikes and e-bikes, these are vehicles which are taken possession of, from the street or other public place. Operating these businesses without a licence would be a criminal offence.

Part 2A – Licencing of providers of micromobility vehicles in England

737 Paragraph 1(2) of Schedule 7 of this Act inserts a new Part 2A into the 1984 Act.

738 New section 22E(1) states that a person will be committing an offence if they provide a passenger micromobility vehicle for use and which can be taken possession of on a road or in a public place, without having a licence to do so.

739 Section 22E(2) provides that a person will be committing an offence if they provide a non-passenger micromobility vehicle for use on a road or in a public place, or that will travel using a road or public place, without having a licence to do so.

740 Section 22F(1) defines a "passenger micromobility vehicle" as a pedal cycle, e-cycle or other vehicle type designed to carry passengers, that may be set out in future regulations by the Secretary of State.

741 Section 22F(2) defines a "non-passenger micromobility vehicle" as a vehicle that is not used to carry people, and may be of a description set out in future regulations.

742 Section 22F(3) provides that motor vehicles and invalid carriages as defined in the 1988 Road Traffic Act and pedicabs as defined in the Pedicabs (London) Act 2024 are not micromobility vehicles.

743 Section 22G(1) provides exemptions on the face of the Act which ensure that any on-street micromobility services operated by or on behalf of a licensing authority, do not require a licence to operate. Section 22G(2) provides that Secretary of State may make further exemptions to on-street micromobility services requiring a licence in regulations, with section 22G(3) giving examples of the conditions that may lead to a service being exempted.

744 Section 22H sets out that the Secretary of State may make general regulations about all aspects of licences and the licensing process and that further provision about regulations under this section can be found at Schedule 3A.

745 Section 22I(1) empowers Secretary of State to make regulations on the obligations of licensing authorities, including illustrative and non-exhaustive examples of what the regulations can contain. Section 22I(2) and (3) give the Secretary of State powers to issue statutory guidance relating to such duties and requires any statutory guidance to be published and must be given due regard to by licensing authorities.

746 Section 22I(4) sets out that a licensing authority is not liable for the actions taken by an operator unless the actions of the licensing authority amount to gross negligence or wilful misconduct. Section 22I(5) provides the definition that gross negligence in this context is a breach of the duty of care owed under the law of negligence and where the conduct falls far below what can be reasonably expected of a licensing authority in the circumstances.

747 Section 22I(6) places a legal duty on both the licensing authority and any relevant traffic authority to cooperate to ensure adequate parking for licensed on-street micromobility schemes, where these may be different authorities, for example a London borough council and Transport for London.

748 Section 22J sets out that regulations may require the sharing of information between licensing authorities, operators and the Secretary of State. Regulations may allow disclosure of such information to become a licence condition and create an offence should a person knowingly or recklessly share false information. "Relevant information" for this purpose relates to all the information related to the licensed provision of micromobility vehicles.

749 Section 22K provides that if an entity commits an offence under this part of the 1984 Act, that individual, being an officer or partner of a company, partnership or unincorporated association, can be found personally liable for the offence. This is only where it can be proved that the offending action has been taken with that person's consent or knowledge or where they have been neglectful. This also applies to other "responsible individuals" of an organisation There is a regulation making power to define "responsible individual" under this provision, by the role they had in relation to a licence.

750 Section 22L states that regulations may make different provisions for different types of on-street micromobility services which may be regulated under this framework in future.

751 Section 22M sets out that strategic authorities (SAs) will be the licensing authority. Where an SA does not exist in relation to an area, the highest tier of local authority would be the licensing authority in their area.

Schedule 3A – Licencing of provision of micromobility vehicles

752 Paragraph 1(3) of this Schedule inserts a new Schedule 3A into the 1984 Act. Schedule 3A provides that the Secretary of State may set out in regulations the mandatory conditions which must be included in all licences, and those conditions which must not be included in a licence.

753 Paragraph 1 of Schedule 3A introduces what this Schedule will cover in regulations under section 22H in Part 2A of the 1984 Act.

754 Paragraph 2 states that regulations may provide what conditions must, may or must not be included in an on-street micromobility licence, and that regulations may allow licensing authorities to include other licence conditions.

755 Paragraph 3 provides that regulations may make provision about the duration, renewal, suspension or revocation of a licence, such as minimum and maximum licence lengths. This section gives the Secretary of State the power to direct a licensing authority to take action to suspend or revoke a licence, or not to renew a licence, but only for the protection of public safety where described in the regulations.

756 Paragraph 4 sets out that regulations might make provisions about the variation or transfer of a licence. Examples of such regulations might include criteria of which the authority must be satisfied before approving a transfer (to another operator) or variation.

757 Paragraph 5 sets out that regulations may make requirements about the process for applying for a licence and to specify the form and content of that application. The regulations may also set requirements for licensing authorities in considering these applications and sets out process requirements. Regulations may also impose duties on licensing authorities regarding how applications for licences and renewals, variations, or transfers of licences are made and handled and matters that must be taken into account when considering an application. Paragraph 5(3) gives a non-exhaustive list of what the regulations may enable a licensing authority to do with regards to a licence application, including the ability to inspect sites, facilities, equipment and vehicles, for the purpose of deciding an application. It also specifies that the regulations may not give the licensing authority any power of entry.

758 Paragraph 6 states that regulations could set out duties and process requirements for licensing authorities when considering or actioning the suspension or revocation of licences. Paragraph 6(2) gives a non-exhaustive list of what the regulations may require a licensing authority to do, or information they may need to obtain before suspending or revoking a licence.

759 Paragraph 7(1) sets out that regulations may be made about the notices issued to micromobility vehicle licenced operators. Paragraph 7(2) sets out that the regulations may provide direction about what is included in the notices and the result of failure to comply with these requests. Paragraph 7(3) states that whilst regulations may give licensing authorities the power to inspect facilities, sites, equipment and vehicles for monitoring purposes, they cannot gain entry for inspection without permission.

760 Paragraph 8(1) sets out that regulations may allow financial penalties to be issued by licensing authorities for either operating an on-street micromobility service without a licence or breaching licence conditions. Paragraph 8(2) sets out how regulations will determine the value of the penalties. Paragraph 8(3) sets out that regulations must not allow a person to be fined by the licensing authority for operating without a licence if they have already been convicted of the relevant criminal offence to avoid anyone being punished twice for the same offence. Paragraph 8(4) requires that regulations granting powers for licensing authorities to impose a financial penalty must include certain provisions to ensure a fair process, proportionality, and right to appeal.

761 Paragraph 8(5)(a) provides that the regulations will allow for a notice period for the withdrawal or amendment of a notice, and paragraph 8(5)(b) outlines the circumstances under which a notice will be withdrawn. Paragraph 8(5)(c) also provides that regulations will provide the variance of a financial penalty should the penalty be overdue, and (8)(5)(d) outlines how financial penalties are recoverable.

762 Paragraph 9(1) requires that regulations will establish the process for reconsidering decisions of a licensing authority, further appeals to the first-tier tribunal, and the detailed operation of the process. Paragraph 9(2) sets out examples of the operational aspects of the reconsideration which may be provided for in these regulations and provides that the regulations may prescribe the powers exercisable by the first-tier tribunal on an appeal. Paragraph 9(3) provides that the regulations set out clearly the procedures and time scales for applying for reconsideration and lodging an appeal.

763 Paragraph 10 sets out that regulations may allow a licensing authority to create a fee charging regime for licensed operators and gives non-exhaustive examples of what regulations may require of any such fee-charging regimes. The regulations made under this section may also require licensing authorities to consult those affected by the charges, before publishing the service.

764 Paragraph 11 sets out that regulations may bring forward new offences. The criminal offences may include knowingly or recklessly submitting false information to a licensing authority in relation to licensing decisions for new licences or renewal, variation or transfer, or in relation to an appeal.

Other provisions in this Schedule

765 Paragraph 1(4) of this Schedule amends section 134 of the 1984 Act to set out the statutory instrument laying procedure which applies to making regulations under Part 2A or Schedule 3A of the 1984 Act. This provides that regulations under section 22I can be made by negative procedure. All other regulations made using powers under this part must be made by affirmative procedure. If a regulation uses both section 22I and another part of Part 2A, this becomes an affirmative procedure.

766 Paragraph 2 of this Schedule amends section 91 of the Road Traffic Offenders Act 1988 (the 1988 Act) to disapply the penalty for breach of the regulations to 22I and apply it to all other parts of Part 2A. Section 91 of the 1988 Act is only applicable in circumstances where no other specific offence for this breach is contained in the Traffic Acts. Subparagraphs (3) and (4) insert into the 1988 Act the penalty for a criminal conviction of providing a passenger or non-passenger micromobility vehicle in a public place without having a licence to do so as well as the offence of providing false information in relation to an application; reconsideration of a decision; appeal or in response to a request for information.

Schedule 8: Arrangements to carry out works on highways

Background

767 The grounds for the delegation of functions relating to trunk roads by a minister or strategic highways company are set out in Section 6 of the Highways Act 1980 (the 1980 Act). A trunk road is a road owned and operated by the Secretary of State for Transport; trunk roads form part of the strategic road network, managed by the strategic highways company (National Highways) on behalf of the Secretary of State for Transport. By agreement with the relevant authority and operating within the legislative limitations, functions related to trunk roads can be delegated to county councils, metropolitan district councils and London borough councils.

768 Section 8 of the 1980 Act sets out the legal basis for local highways authorities and strategic highways companies to enter into agreements with other authorities or highways companies to undertake certain highways works on any highways for which any party to the agreement are the highways authority.

Effect

769 This Schedule amends the 1980 Act to provide that combined authorities (CAs) or combined county authorities (CCAs) can have functions regarding trunk roads, and the power to enter into agreements with strategic highways companies delegated to them, subject to the consent of the relevant constituent local highway authorities.

770 Paragraph 1 will amend Section 6 of the 1980 Act to include provision for CAs and CCAs to be able to enter into such agreements with strategic highways companies and/or local highways authorities and defines the constituent council consent requirements for CAs and CCAs when doing so.

771 Paragraph 1(8) inserts a new subsection specifying that upper-tier constituent councils (the local highway authorities) in affected areas must consent to the CA or CCA entering into agreements for delegation of functions with respect to trunk roads from a minister or strategic highways company.

772 Paragraph 1(9) inserts a new subsection providing for CAs and CCAs, with the minister or strategic highways company's consent, to enter into agreements with other councils to carry out any delegated and/or other relevant functions. Subparagraph (9) also inserts a new subsection specifying that constituent councils in affected areas must consent to their CA or CCA doing so.

773 Paragraph 2 amends the 1980 Act to also provide CAs and CCAs the power to enter into these agreements and defines the upper-tier constituent council (who are the local highway authority) consent requirements for CAs and CCAs to do so.

774 Paragraph 2(2) provides that CAs and CCAs can enter into agreements with other authorities or strategic highways companies to undertake certain highways works.

775 Paragraph 2(3) inserts a new subsection which provides for CAs and CCAs to enter into such agreements even if a constituent council, which is the local highways authority, is not a party to the agreement. Subparagraph (3) also inserts a new sub-section that specifies that upper-tier constituent councils (the local highway authority) in affected areas must consent to their CA or CCA entering into agreements provided for in this paragraph.

Schedule 9: Charges payable by undertakers executing works in maintainable highways

Background

776 Section 74A(1) of the New Roads and Street Works Act 1991 (the 1991 Act) empowers the Secretary of State for Transport to, by regulations, approve highway authorities to require undertakers to pay charges for street works in a maintainable highway, under the Street Works (Charges for Occupation of the Highway) (England) 2012 regulations ("2012 Regulations"). This establishes the 'lane rental system'.

777 Section 74A of the 1991 Act referred to street works only, which are utility works. Street works are defined in section 48 of the 1991 Act as including all works, done under a statutory right or licence, connected with placing or adjusting, maintaining, removing etc. apparatus in a street, except for works carried out by the highway authority itself. 'Street' includes any highway.

778 The 2012 Regulations are the relevant regulations made under section 74A(1) of the 1991 Act. As at the date of this document, the 2012 regulations set out a (maximum) charge of £2500 per day, or part day, which is subject to prescribed exemptions, different rates of charge and waivers. They also set out how the duration of works is to be determined, how proceeds of lane rental must be applied and keeping of accounts.

779 In accordance with section 74A(2) of the 1991 Act, the approval of highways authorities to operate schemes rests with the Secretary of State for Transport, which is exercisable by statutory instrument.

780 Lane rental aims to reduce the impact of street works on road users. It encourages works to be carried out at times outside of the busiest periods, in different locations or jointly with other work promoters.

Effect

781 This Schedule amends section 74A(2) to transfer from the Secretary of State for Transport to mayors of mayoral Strategic Authorities, the power to approve highway authorities to require charges to be paid for lane rental, where the highway authority falls within their area, to charge as part of lane rental schemes. Where highway authorities areas do not fall within a mayoral Strategic Authority, the Secretary of State for Transport will continue to be the responsible person for approving charges for lane rental schemes.

782 Paragraphs 2 amends section 74A and inserts a new 74B into the 1991 Act which defines who the 'appropriate person' is to approve a highway authority to issue charges under the 2012 regulations. Those persons are the Secretary of State for Transport unless the mayor is the appropriate person. A mayor will be the appropriate person where the mayor is: the Mayor of London, the mayor for the area of a combined authority (CA), or the mayor for the area of a combined county authority (CCA).

783 New subsection (6) provides that where an application is made for an approval order on or before the day the first mayor for that area takes office, the Secretary of State remains the appropriate authority for that approval order, including after the mayor takes office. This ensures applications already underway are not disrupted by the timing of mayoral commencement.

784 New subsection (7) provides that the Secretary of State is given the power to issue guidance and sets out that both the highway authority and mayors must have regard to that guidance.

785 New subsection (8) provides that an order to approve a lane rental scheme made by the Secretary of State will continue to be made by statutory instrument. Paragraph 2(11) ensures that the Secretary of State has the power to revoke existing approval orders (or revoke to the extent that they relate to the relevant authorities). Paragraph 2(10) ensures that orders made by the Secretary of State remain valid despite the transfer of approval powers to the relevant authority.

786 New subsection (9) sets out that if a mayor makes an approval order, it must be published in the manner which the mayor thinks is appropriate. It also provides mayors with a power to revoke, re-enact or amend an existing order made by themselves or a predecessor.

787 New subsection (12) of paragraph 2 inserts, into section 74B of the 1991 Act, definitions of "approval order", "mayoral CCA", "mayoral combined authority", "transfer of the power to approve" and "2026 Act commencement".

788 Paragraphs 3 and 4 of Schedule 9 amend the heading of Part 3 and section 74A(1) of the 1991 Act to extend the power to impose charges under lane rental schemes to road works. This gives statutory effect to the current policy applied in existing schemes, ensuring that "a person" which includes highway authorities carrying out works for road purposes are subject to charges, under the 2012 Regulations, in the same way as undertakers carrying out street works.

Schedule 10: Civil enforcement of traffic contraventions

Background

789 Part 6 of the Traffic Management Act 2004 (the 2004 Act) deals with the civil enforcement of road traffic contraventions. Schedule 8 to the 2004 Act enables local authorities to be designated with powers to enforce contraventions of certain road traffic restrictions, such as banned turns and unlawful entry into bus lanes or box junctions.

Effect

790 This Schedule amends Schedule 8 to the 2004 Act to allow a combined authority (CA) or combined county authority (CCA) to take on the same civil enforcement powers within the geographic scope of existing designated civil enforcement areas of its constituent councils. In order to be able to take on these enforcement powers, the CA or CCA must have the written consent of the constituent local authority in whose area it is proposed that the enforcement functions are to be exercised. These changes are being introduced to enable a more cohesive enforcement system across the CA or CCA area.

791 Paragraphs 1(1) and 1(2) introduce a qualifying CA or CCA as a type of authority that may carry out civil enforcement of bus lane contraventions. Paragraph 1(3) defines constituent councils, CAs and CCAs for the purposes of bus lane enforcement and establishes the qualifying condition for CAs and CCAs to carry out bus lane enforcement in constituent areas as having the written consent of the constituent local authority.

792 Paragraph 2 introduces a qualifying CA or CCA as a type of authority that may also carry out civil enforcement of moving traffic enforcement including banned turns, and unlawful entry into bus lanes or box junctions. It also allows for a qualifying CA or CCA to have moving traffic enforcement powers in constituent local authority areas where the constituent local authorities also hold such powers either solely or jointly with another local authority, as permitted under Schedule 8 to the 2004 Act.

Schedule 11: Key route network roads

Part 1: Designation and directions

Background

793 Key route networks are a network of some of the most important local roads in an area. Combined authorities (CAs) and combined county authorities (CCAs) have had the power to designate a key route network in their area under section 24 of the Levelling-up and Regeneration Act 2023 (the 2023 Act) and section 107ZA of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) respectively, but are not required to exercise that power.

794 A mayoral power of direction for roads on the key route network is in place for the Greater Lincolnshire Mayoral Combined County Authority and Hull and East Yorkshire Mayoral Combined Authority through their establishing statutory instruments, with underlying statutory basis in the 2023 Act and Local Transport Act 2008. This provides the mayor with the power to direct constituent highway authorities in the use of their highway and traffic authority powers on key route network roads.

Effect

Designation of key route network roads

795 This Schedule amends the 2009 Act and the 2023 Act to require mayors of CAs and CCAs to prepare a proposed designation of a key route network in their area, and to publish and maintain a record of such a network. It also removes an existing requirement for constituent councils in mayoral CAs and mayoral CCAs to consent to the designation of roads within such a network, while preserving this for non-mayoral CAs and non-mayoral CCAs.

796 Paragraph 1 amends section 24 of the 2023 Act to require mayors of CCAs to have a key route network by preparing a proposed designation of at least one road as part of their key route network. It also provides that non-mayoral CCAs can only exercise the power with the consent of the relevant constituent highway authorities.

797 Paragraph 2(2) amends section 107ZA of the 2009 Act to require mayors of CAs to have a key route network by preparing a proposed designation of at least one road as part of their key route network. It also provides that non-mayoral CAs can only exercise the power with the consent of the relevant constituent highway authorities.

798 Paragraph 1(2) and Paragraph 2(2) make amendments to section 24 of the 2023 Act and section 107ZA of the 2009 Act to amend the existing consent requirements for designating or removing roads as part of the key route network and provide that in a mayoral CA or mayoral CCA such a power is exercisable by the mayor on behalf of the CA or CCA.

799 Paragraph 1(4) and Paragraph 2(4) amend section 24 of the 2023 Act and section 107ZA of the 2009 Act to require CAs and CCAs to publish and maintain a record of their key route network on their website.

Power of direction

800 This Schedule provides mayors of mayoral CAs and mayoral CCAs with the power to direct constituent highway authorities in the use of their highway, traffic, street and permit authority powers on key route network roads. This Schedule also requires that a direction is published when it is made.

801 This Schedule provides that the mayor, CA or CCA must have regard to specified duties under the Traffic Management Act 2004 (the 2004 Act), the 2023 Act and the 2009 Act before giving a direction, and clarifies that the costs of complying with such a direction will be borne by the mayor, up until 12 months subsequent to the completion of any works linked to the direction.

802 This Schedule also provides that the Secretary of State may by regulations create a power of direction in non-mayoral CAs and non-mayoral CCAs on any roads and in mayoral CAs and CCAs on roads that are not key route network roads.

803 Paragraphs 3 and 4 of this Schedule amend section 22 of the 2023 Act and insert section 23A to provide that:

- The Secretary of State may, by regulations, confer on a non-mayoral CCA a power to direct a constituent highway authority on the exercise of a highway or traffic authority power;
- A direction must relate only to a particular road, and in the case of directions relating to street or permit authority functions all such roads must be key route network roads;
- Before providing a direction, the CCA, or the mayor of a CCA, must have regard to the network management duty imposed by the 2004 Act, which places a legal duty on every local authority to manage its road network to secure expeditious movement of traffic on their own network and to facilitate traffic movement on other traffic authorities' road networks, and to any guidance issued under section 18 of that Act or under section 55 of the 2023 Act;
- A direction must be published on the day on which a CCA, or the mayor of a CCA, gives such a direction;
- If a mayor gives a direction, they must reimburse any costs incurred by the council in complying with it, including administrative costs. Where works are carried out in complying with the direction, the costs are those incurred during and up to 12 months after the conclusion of those works.

804 Paragraph 5 of this Schedule amends section 104 of the 2009 Act to provide that:

- The Secretary of State may, by regulations, confer on a non-mayoral CA a power to direct a constituent highway authority on the exercise of a highway or traffic authority power;
- A direction must relate only to a particular road, and in the case of directions relating to street or permit authority functions all such roads must be key route network roads;
- Before providing a direction, the mayor of the CA must have regard to the network management duty imposed by the 2004 Act, any guidance issued under section 18 of that Act and any guidance issued under section 118 of the 2009 Act;
- A direction must be published on the day on which the mayor of a CA gives such a direction;
- If a mayor gives a direction, they must reimburse any costs incurred by the council in complying with it, including administrative costs. Where works are carried out in complying with the direction, the costs are those incurred during and up to 12 months after the conclusion of those works.

Part 2: Transfer of duty of principal councils to make reports on key route network roads

Background

805 Local authorities have a duty under the Road Traffic Reduction Act 1997 (the 1997 Act) to make reports relating to road traffic levels for the roads that they manage. For key route network roads in the West Midlands Combined Authority area this duty is held by the combined authority (CA), and the Greater Manchester Combined Authority has this duty for all local roads in its area.

Effect

806 Paragraphs 8 and 9 of this Schedule amend the 1997 Act to create a duty for all mayoral CAs and mayoral combined county authorities (CCAs) to prepare a report to the Secretary of State on levels of road traffic on key route network roads.

807 Paragraph 9(6) enables the Secretary of State to issue guidance to mayoral CAs and mayoral CCAs in relation to the preparation and content of these reports and any consultation in connection with their preparation.

808 Paragraph 11 removes the existing duty of constituent councils of a mayoral CA or mayoral CCA to make reports on key route network roads.

Schedule 12: Local transport authorities and other transport functions

Background

809 Part 2 of the Transport Act 2000 (the 2000 Act) provides local authorities with the appropriate powers as local transport authorities and travel concession authorities for their area. These include powers to prepare and publish a local transport plan, prepare a bus strategy for carrying out their bus functions, enter into partnerships with bus operators, enter into franchising schemes, and manage travel concessions.

810 Parts 4 and 5 of the Transport Act 1985 (the 1985 Act) provide local authorities with powers related to local passenger transport services. These include powers to secure the provision of passenger transport services where not otherwise provided, powers to establish travel concession schemes, and the relevant financial provisions required in exercising these powers.

Effect

811 This Schedule amends the 2000 Act to provide that combined authorities (CAs) and combined county authorities (CCAs) are to be the sole local transport authority and sole travel concession authority for their area, with the associated powers such as local transport planning, bus partnerships and franchising, and mandatory travel concessions. These powers are removed from constituent councils that may have previously held these powers, except where necessary and provided for by bespoke arrangements.

812 This Schedule also amends the 1985 Act to provide that CAs and CCAs are to be the sole authority in their area with the duty to secure the provision of public passenger transport services where not otherwise provided. Other authorities in non-metropolitan areas will have a discretionary power to also secure the provision of such services where not otherwise provided. These amendments also provide that CAs and CCAs are the sole authority in their area with the ability to introduce and manage discretionary travel concessions.

813 Paragraph 2(b) amends section 108 of the 2000 Act to provide that constituent councils of a CA or CCA are not local transport authorities, except where necessary and provided for by bespoke arrangements. This is with the exception that constituent councils continue to be local transport authorities, with the associated powers, up until the end of the first full financial year after the CA or CCA is established, to support a smooth transition to the new CA or CCA and minimise disruption to services. This section also specifies that, in mayoral CAs and mayoral CCAs, the powers in section 108 (regarding the development and implementation of local transport plans) are held by the mayor only.

814 Paragraph 3 specifies that, in mayoral CAs and mayoral CCAs, the powers in section 109 of the 2000 Act are held by the mayor only. The powers in section 109 relate to preparing, publishing and reviewing local transport plans.

815 Paragraph 4 inserts a new section into the 2000 Act, which puts in place standardised voting arrangements for CAs and CCAs in relation to adopting a local transport plan.

816 For mayoral CAs and CCAs, the voting arrangements will be:

- a simple majority of constituent members and the mayor;
- the mayor must be in the majority for it to pass;
- if the vote is tied, the mayor gets an additional casting vote.

817 For non-mayoral CAs and CCAs, the voting arrangements will be:

- a simple majority of constituent members;
- all constituent councils must consent to the adoption of the local transport plan;
- if the vote is tied, no member gets an additional casting vote; the resolution does not pass.

818 Voting to adopt local transport plans will be restricted to constituent members and the mayor. For most other decisions, CAs and CCAs can resolve to give non-constituent members a vote as well. This will not be possible for votes to approve local transport plans.

819 Paragraph 5 specifies that, in mayoral CAs and mayoral CCAs, the duties in section 112 of the 2000 Act apply to the mayor only. Section 112 requires local transport authorities to have regard to guidance issued by the Secretary of State and the transport needs of disabled people, the elderly and those with mobility problems.

820 Paragraphs 6 to 13 amends the 2000 Act to apply requirements with regard to certain forms of bus partnership scheme to all local highways authorities. Previously these requirements applied to metropolitan district councils only.

821 Paragraph 14 amends section 146 of the 2000 Act to provide that CAs and CCAs are the sole travel concession authorities for their areas, with the associated powers and duties including to issue travel concession permits and reimburse operators for any concessions provided. This is with the exception that constituent councils continue to be travel concession authorities, with the associated powers, up until the end of the first full financial year after the CA or CCA is established, to support a smooth transition to the new CA or CCA and minimise disruption to the delivery of concessions.

822 Paragraphs 17 and 18 amend sections 63 and 65 of the 1985 Act so that references in those sections to authorities that are constituent members of CAs or CCAs are instead references to the CA or CCA. As a result, the duties and related powers to secure provision of public transport services where not otherwise provided, and the powers to make agreements and arrangements with other authorities to contribute to payments for public transport services, are held solely by the CA or CCA and are no longer held by the constituent council. This is with the exception that constituent councils continue to hold these powers up until the end of the first full financial year after the CA or CCA is established, to support a smooth transition to the new CA or CCA and minimise disruption to services. After this transition period, these duties and powers will be subject to any permanent bespoke arrangements in place for a CA or CCA, which allow for locally-owned transport companies or services to operate.

823 Paragraph 17 further amends section 63 by providing all county councils, district councils, and unitary authorities in non-metropolitan areas with the discretionary power to secure the provision of public passenger transport services where not otherwise provided.

824 Paragraph 19 amends section 88 of the 1985 Act to include CAs and CCAs in the definition of authorities responsible for expenditure on public passenger transport services for Part 5 of the 1985 Act.

825 Paragraph 20 amends section 93 of the 1985 Act so that references to local authorities in that section do not refer to constituent councils of CAs or CCAs. This means that CAs and CCAs hold these powers over travel concession schemes solely. This is with the exception that constituent councils continue to hold these powers up until the end of the first full financial year after the CA or CCA is established, to support a smooth transition to the new CA or CCA and minimise the disruption to the delivery of concessions.

826 Paragraph 21 amends section 105 of the 1985 Act so that CAs and CCAs operating any public passenger transport services have the power to provide travel concessions for passengers on those services. CAs and CCAs also have the related powers to make transfers from their general fund to any CA or CCA transport undertaking to account for the cost to the CA or CCA of providing travel concessions. These powers are not held by constituent authorities of CAs and CCAs, with the exception that constituent councils hold these powers, up until the end of the first full financial year after the CA or CCA is established, to support a smooth transition to the new CA or CCA and minimise disruption to the delivery of concessions.

Schedule 13: Education

Part 1: Adult education

Background

827 The Apprenticeships, Skills, Children and Learning Act 2009 (the 2009 Act) provides the Secretary of State with several duties and provisions related to education and training, including a range of duties and provisions relating to the education and training of adults (who are defined by the 2009 Act as persons aged 19 years or older). These functions were held by the Secretary of State by virtue of the 2009 Act, except where powers have been transferred to the Mayor of London for the Greater London Authority (GLA), existing combined authorities (CAs) and combined county authorities (CCAs), and single local authorities with existing devolution agreements.

Effect

828 This Schedule amends the 2009 Act to confer a range of duties and provisions relating to the education and training of adults on strategic authorities (SAs). This includes the conferral of powers on the Mayor of London, who exercises these functions on behalf of the GLA.

829 Paragraph 2 amends section 86 of the 2009 Act to require an SA to secure appropriate facilities for education and training for individuals aged 19 or over, excluding those under 25 with an education, health and care plan, in relation to their area. These duties will be exercised solely by the SA, so there is not a duty on the Secretary of State to secure facilities in an area where an SA is responsible for this duty. This duty does not extend to higher education, and does not include providing facilities for education to those who are detained in prison or an adult young offender institution.

830 Paragraph 3 amends section 87 of the 2009 Act to require an SA to secure provision of appropriate facilities for relevant education or training (literacy, numeracy, IT, vocational level 2 qualifications) for those aged 19 or over who lack these qualifications or one which appears to the relevant authority to be at a comparable or higher level (or for those who have been assessed as losing these skills). These duties will be exercised solely by the SA, so there is not a duty on the Secretary of State in respect of an SA area.

831 Paragraph 4 amends section 88 of the 2009 Act to require an SA to secure free courses of study for specified qualifications in literacy, numeracy, and IT for those aged 19 or over in its area who don't have the qualification in question or a comparable/higher one (or who have been assessed as losing these skills). Additionally, level 2 vocational qualifications and specified level 3 qualifications (the statutory entitlements) must be free for those aged 19 or over (but under 24) who lack these qualifications or a comparable/higher one (or for those who have been assessed as losing these skills) in the view of the person or body responsible for securing the provision. These duties will be exercised solely by the SA, so there is not a duty on the Secretary of State in respect of an SA area.

832 Paragraph 5 amends section 90 of the 2009 Act to require an SA to encourage participation in education and training by people aged 19 or over (other than (a) persons aged under 25 who have a maintained education, health and care plan and (b) those in adult detention). SAs also have a duty to encourage employers to participate in providing education and training for those aged 19 or over (other than those who are aged under 25 who had a maintained education, health and care plan), including by entering into apprenticeship agreements; and encourage employers to contribute to the costs of such education and training. These duties will be exercised concurrently with the Secretary of State.

833 Paragraph 6 amends section 100 of the 2009 Act to provide an SA with the power to fund other persons for the purpose of fulfilling the duties and exercising the powers under Part 4 of the 2009 Act. These funding powers include securing financial resources to fund approved technical education qualifications or approved steps towards occupational competence. These powers will be exercised concurrently with the Secretary of State. These funding powers do not extend to apprenticeships. New section 100(1C) also makes clear that these powers do not extend to funding for adults (a) aged under 19, or (b) aged under 25 who have a maintained education, health and care plan. It also does not extend to adults in detention.

834 Paragraph 7 amends section 101 of the 2009 Act to provide an SA with the power to attach conditions to the financial resources which they make available under section 100 of the 2009 Act. These powers will be exercised concurrently with the Secretary of State.

835 Paragraph 8 amends section 103 of the 2009 Act to enable an SA to carry out means tests or arrange for others to do so in order to establish how much financial support students may be eligible to receive in respect of the costs of education or training, which may include childcare or transport costs, or where living costs are a concern. These powers will be exercised concurrently with the Secretary of State.

836 Paragraph 9 inserts a new section after section 114 of the 2009 Act. Where an SA adopts rules of eligibility for awards by an institution to which it makes grants, loans or other payments under section 100 of the 2009 Act, it must adopt such rules in accordance with any direction given by the Secretary of State. This is normally provided via a letter of direction. This may be used for the purpose of ensuring that a consistent approach is taken across England as to the eligibility of persons where eligibility depends on the person's nationality or immigration status. SAs must also have regard to guidance issued by the Secretary of State on this.

837 Paragraph 10 amends section 115 of the 2009 Act to provide that:

- the Secretary of State must have regard to the needs of persons with special educational needs who are (a) aged 19 or over, other than those under 25 who have an education, health and care plan; and (b) subject to adult detention;
- an SA must have regard to the needs of persons with special educational needs who are aged 19 or over, other than those under 25 with an education, health and care plan. They are not required to have regard to the needs of those subject to adult detention.

838 Paragraph 11 adds new section 120B into the 2009 Act to require at least a full academic year to have passed between the Strategic Authority being established or designated, and its ability to exercise adult education functions. It also provides that the Mayor of London will exercise adult education functions under the powers in the 2009 Act (rather than under the previous delegated arrangements) from the academic year that began on 1 August 2025 and each subsequent academic year.

839 Paragraph 12 amends section 121 of the 2009 Act to include definitions for different types of SA in the amended sections.

840 Paragraph 13 amends section 122 of the 2009 Act to allow appropriate information sharing between bodies and persons to facilitate the exercise of adult education functions, including SAs and appropriate persons working on behalf of SAs.

Part 2: Education for 16-19 year olds etc

Background

841 Sections 15ZA to 15ZC of the Education Act 1996 (the 1996 Act) place duties on local authorities to secure enough suitable education and training is provided in their area to meet the reasonable needs of 16-18 year olds, and adults aged 19 and over for whom an education, health and care plan is maintained. Local authorities must also encourage participation in education and training by those aged 16-18.

Effect

842 Paragraph 15 amends the 1996 Act to confer on relevant authorities the duty under section 15ZA to secure enough suitable education and training is provided to meet the reasonable needs of 16-18 year olds in their area, and adults aged 19 and over in their area for whom an education, health and care plan is maintained.

843 Paragraph 16 amends the 1996 Act to confer on relevant authorities the duty under section 15ZB to cooperate with other relevant authorities in the performance of 15ZA.

844 Paragraph 17 amends the 1996 Act to confer on relevant authorities the duty under section 15ZC to encourage participation in education and training by those in their area aged 16-18, those in their area aged 19 and over with an education, health and care plan and to encourage employers to participate in the providing of education and training for those groups.

845 Paragraph 18 amends section 579 of the 1996 Act to define a "relevant authority" as a local authority in England, the Greater London Authority, a combined authority established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009, or a combined county authority established under Chapter 1 of Part 2 of the Levelling-up and Regeneration Act 2023.

846 These duties were already held by local authorities. The effect of the amendments is to extend those duties to Strategic Authorities as well as local authorities. Strategic Authorities who already exercise these duties will continue to do so. Any existing Strategic Authorities without these duties should automatically receive them once the Act is commenced. A Strategic Authority created after commencement of the Act (save for single local authority areas which will already hold these duties) should automatically receive these duties once they are established.

Schedule 14: Planning applications of potential strategic importance

Background

847 Section 2A of the Town and Country Planning Act 1990 (the 1990 Act) permits the Mayor of London to direct that they are to be the local planning authority for the purposes of determining an application for planning permission, permission in principle, or for planning permission without complying with conditions subject to which a previous planning permission was granted (see section 73 of the 1990 Act) where the application is of potential strategic importance.

Effect

848 This Schedule provides that the powers which are afforded to the Mayor of London in relation to applications of potential strategic importance may also be exercised by mayors of combined authorities (CAs) and combined county authorities (CCAs), where the mayors exercise the power on behalf of their CA or CCA. This is subject to other requirements outlined in section 2A and the Secretary of State, by an order, defining the scope of applications of potential strategic importance and any other relevant criteria set out in a development order.

849 Paragraph 1(2)(c) omits section 2A(1A) of the 1990 Act which disapplies a mayor's power under section 2A if the local planning authority is a mayoral development corporation. This measure enables the relevant mayoral CA or mayoral CCA (where the mayor exercises the power on behalf of the CA or CCA) to direct that they are to be the local planning authority for the purposes of determining applications of potential strategic importance where the local planning authority is a mayoral development corporation, subject to circumstances and conditions set out under this section.

850 Paragraph 1(2)(h) defines the "relevant mayor" for the purposes of the power to direct under section 2A and related provisions geographically, in relation to the land to which the application relates.

851 Paragraph 1(3)(f) omits an application for conservation area consent under the Planning (Listed Buildings and Conservation Areas) Act 1990 from the list of connected applications which may also be determined if a relevant mayor gives a direction under section 2A. Relevant mayors may make a direction for connected applications for listed building consent under the Planning (Listed Buildings and Conservation Areas) Act 1990, or an application for hazardous substances consent under the Planning (Hazardous Substances) Act 1990.

852 Paragraph 1(4) permits relevant mayors, following a direction under section 2A in relation to an application, to direct the local planning authority to decide on subsequent applications for approval of reserved matters. Relevant mayors, following a direction under section 2A in relation to an application, are subject to the requirements in section 2E concerning the agreement of planning obligations under section 106 of the 1990 Act. In such cases, the relevant mayor is required to perform the function of agreeing planning obligations and must consult the local planning authority before agreeing any planning obligation.

853 Paragraph 1(7) applies the requirement to give the applicant and local planning authority the opportunity to make oral representations at a hearing, and other procedural requirements under section 2F, to all relevant mayors. This also amends section 2F of the 1990 Act, enabling a mayor to give applicants and the local planning authority to whom the application was made the opportunity to make written representations before determining certain applications of potential strategic importance (and any connected applications). The applications to which this discretion applies are applications made under section 73 or 73B of the 1990 Act, and applications of a description to be specified in regulations. For all other applications, the mayor must give the parties an opportunity to make representations by way of oral hearing. The mayor will be required to publish a document setting out who may make written representations, the procedure for making representations, and their form.

Schedule 15: Development orders

Background

854 Sections 61DA to 61DE of the Town and Country Planning Act 1990 (the 1990 Act) provide that the Mayor of London has the power to make development orders, granting planning permission for development specified in the order. These sections were inserted via Schedule 4(1) of the Infrastructure Act 2015, and these provisions have not yet been fully commenced.

855 Section 61DA permits the Mayor of London only to grant planning permission for development to one or more sites, specified in a mayoral development order. Section 61DB provides that conditions may be attached to the grant of planning permission granted by a mayoral development order, and the Secretary of State may by development order regulate the procedure for the approval of conditions. Section 61DD provides for the revision and revocation of a mayoral development order. Section 61DE sets out the effect of revisions or revocations of planning permission where development granted by a mayoral development order has started, but is not yet complete.

856 Section 61DC enables the Secretary of State to make provision by a development order in relation to the publicity, consultation, and consideration of representations of a mayoral development order, and imposes requirements on the preparation of a mayoral development order.

Effect

857 This Schedule extends the mayoral development orders powers provided to the Mayor of London by permitting mayors of combined authorities (CAs) and combined county authorities (CCAs) to make mayoral development orders where mayors would exercise these powers on behalf of their CA or CCA.

858 Paragraph 1(2) to 1(7) permit any relevant mayor (including mayors of CAs and CCAs) to make mayoral development orders.

859 Paragraph 1(3)(b) omits section 61DB(6) and (7) of the 1990 Act to remove the Secretary of State's power to make a development order making provision for a person to apply for planning permission for the development of land without complying with a condition imposed on the grant of planning permission by a mayoral development order. This means the Secretary of State is not able to make regulations allowing applicants to apply for the development of land without complying with a condition imposed on the grant of planning permission by a mayoral development order.

860 Paragraph 1(4)(a) and (4)(b) remove the need for a mayoral development order to be made in response to a request by a local planning authority, and enables the mayor to consult on a proposed mayoral development order without needing the consent of the local planning authorities within the area of the mayoral development order.

861 Paragraph 1(4) amend the requirements relating to the making of a mayoral development order, omitting the requirement for local planning authority approval before a mayoral development order can be made in section 61DC(5) of the 1990 Act.

862 Paragraph 1 (5) amends section 61DD(1) and (2) of the 1990 Act removing the requirement for local planning authority approval when making, revising, or revoking a mayoral development order.

863 Paragraph 1(7) extends provisions already available to the Mayor of London via section 74(1B)(a) of the 1990 Act to provide that mayors of CAs and CCAs can direct that the local planning authority consult with the mayor before granting or refusing an application for planning permission (or permission in principle); or to direct the local planning authority to refuse an application for planning permission (or permission in principle). These powers are exercised in such circumstances, and subject to such conditions, that are prescribed by development order or specified in directions made under a development order by the Secretary of State.

Schedule 16: Amendments relating to changes to mayoral development powers

Effect

864 This Schedule makes consequential amendments to the Planning (Hazardous Substances) Act 1990, the Town and Country Planning Act 1990, the Self-build and Custom Housebuilding Act 2015, the Housing and Planning Act 2016, and the Levelling-up and Regeneration Act 2023 to reflect the provisions inserted into the Town and Country Planning Act 1990 by Schedules 14 and 15 of this Act.

Schedule 17: Community infrastructure levy

Background

865 Part 11 of the Planning Act 2008 (the 2008 Act) introduced the community infrastructure levy, which is a discretionary charge which can be levied by charging authorities on new development in their area. It is used to fund the provision, improvement, replacement, operation or maintenance of infrastructure which is needed to support and mitigate the cumulative effects of development in an area, subject to the overall test of economic viability. The community infrastructure levy is charged in areas where a local authority has approved a charging schedule which has undergone statutory consultation and examination in public. The charging schedule sets out its levy rates that will apply to different kinds of development, and that schedule must be published on its website.

866 In England, the following authorities can be charging authorities for the community infrastructure levy: the local planning authority for the area (e.g. district councils, London borough councils, unitary authorities which have district functions), national park authorities, and mayoral development corporations (where they have plan-making functions). In Greater London, the community infrastructure levy is also charged by the Mayor of London.

Effect

867 This Schedule amends sections 206, 213 and 214 of the 2008 Act to enable mayors of combined authorities (CAs) and combined county authorities (CCAs) to be community infrastructure levy "charging authorities" in addition to local planning authorities. The provisions in this Schedule will allow mayors to charge a community infrastructure levy in their area, on behalf of their CA or CCA, subject both to the approval of a community infrastructure levy charging schedule by a simple majority of the members of that authority who vote on it, and to the relevant conditions or requirements set out in the community infrastructure levy regulations.

868 Paragraph 1(2)(a) amends section 206 of the 2008 Act to enable the mayor for the area of a CA or CCA to be the community infrastructure levy charging authority, in addition to the local planning authority for that area.

869 Paragraph 1(2)(b) provides a power for the Secretary of State to prescribe in the community infrastructure levy regulations certain conditions or requirements that would apply to a mayor for the area of a CA or CCA which must be met for that mayor to charge the community infrastructure levy. Paragraph 1(2)(d) prevents a mayor for the area of a CA or CCA from delegating their community infrastructure levy charging function to any other person.

870 Paragraph 1(3) makes amendments to section 213 of the 2008 Act to set out the arrangements relating to the approval of a charging schedule. A mayor for the area of a CA or CCA may approve the charging schedule only if the relevant authority has by a resolution approved the charging schedule, by a simple majority of the members of that authority who vote on it. In the event of a tied vote on whether to approve the charging schedule, the relevant mayor has a casting vote.

871 Paragraph 1(4) makes amendments to section 214 of the 2008 Act which will provide for arrangements relating to a charging schedule ceasing to have effect. A mayor for the area of a CA or CCA may determine that a charging schedule will cease to have effect only if that determination is passed by resolution at a meeting of the relevant authority by a simple majority of the members of the authority who vote on it. In the event of a tied vote, the relevant mayor has a casting vote.

Schedules 18 and 19: Acquisition and development of land, and Housing accommodation

Background

872 The Housing and Regeneration Act 2008 (the 2008 Act) established the Homes and Communities Agency (now known as Homes England) and provides it with its powers and functions relating to housing, land and infrastructure.

873 The Town and Country Planning Act 1990 (the 1990 Act) provides various spatial planning, development and land acquisition powers to local authorities.

874 The Housing Act 1985 (the 1985 Act) provides various housing powers and duties onto local authorities, including the ability to provide housing and acquire land to do so.

875 The Greater London Authority Act 1999 (the 1999 Act), alongside other legislation, establishes and confers various powers on the Greater London Authority (GLA).

Effect

876 These Schedules amend the 2008 Act, the 1990 Act and the 1985 Act. The effect is to confer housing and land functions of both Homes England and local authorities onto strategic authorities (SAs) outside London.

877 All these functions will be exercisable by the SAs concurrently with the existing body that holds them (i.e. Homes England or local authorities).

878 Schedule 18 also amends the 1999 Act to confer a power on the GLA to acquire land in Greater London by agreement for the purposes of housing or regeneration.

Part 1: Functions of the Homes and Communities Agency (known as Homes England)

879 The functions of Homes England from the 2008 Act that are conferred on SAs outside London include the:

- power to provide and facilitate provision of housing or other land (Schedule 18, paragraph 3(a));
- powers to regenerate, develop or bring about more effective use of land or facilitate that (Schedule 18, paragraph 3(b));
- powers to provide or facilitate the provision of infrastructure (Schedule 18, paragraph 3(c));
- general powers to acquire, hold, improve, manage, reclaim, repair or dispose of housing, other land, plant, machinery, equipment, or other property as well as carry out building, converting and demolishing of buildings (Schedule 18, paragraph 3(d));
- powers to acquire land by agreement and compulsorily (Schedule 18, paragraph 4);
- powers to give financial assistance to any person, subject to consent of the Secretary of State (Schedule 18, paragraph 8).

880 The same restrictions that apply to Homes England's disposal of land are applied to SAs outside London (Schedule 18, paragraph 6). These include that they cannot dispose of land for less than the best consideration, unless the Secretary of State consents or where the disposal is by way of short tenancy of less than seven years. They are also not able to dispose of land that has been purchased compulsorily using their powers under section 9(2) of the 2008 Act, unless the Secretary of State consents.

881 The rules which govern how Homes England uses its land acquisition powers also apply to SAs outside London (Schedule 18, paragraphs 10, 11 and 12).

882 SAs outside London are only able to exercise the above functions in line with the objects of Homes England (Schedule 18, paragraphs 2 and 8(3)). This is in line with how these functions have been conferred on SAs previously.

Part 2: Functions of local authorities

883 The functions of local authorities from the 1990 Act that are conferred on CAs and CCAs include:

- powers to acquire land compulsorily for development and planning purposes, with the consent of the Secretary of State (Schedule 18, paragraph 14);
- powers to acquire land by agreement (Schedule 18, paragraph 16);
- powers to appropriate certain types of land that they hold, such as allotments, subject to confirmation of the authority's order by the Secretary of State (Schedule 18, paragraph 17);
- powers to acquire land, either by agreement or compulsorily, to be given in exchange for land acquired under section 229 of the 1990 Act or Green Belt land appropriated under the Green Belt (London and Home Counties) Act 1938 for a purpose specified in a development plan (Schedule 18, paragraph 18);
- powers to appropriate land held for planning purposes (Schedule 18, paragraph 20);
- powers to dispose of land held for planning purposes to secure best use of that land (and any buildings on that land) or secure development of it. Land that was or is a common or part of a common may not be disposed of without the consent of the Secretary of State (Schedule 18, paragraph 21);
- powers to develop land held for planning purposes and maintain any buildings on it (Schedule 19, paragraph 22).

884 The functions of local authorities from the 1985 Act that are conferred on SAs outside London include:

- a duty to review housing conditions and needs in their area with respect to the provision of further housing (Schedule 19, paragraph 2);
- Powers to provide housing accommodation (Schedule 19, paragraph 3);
- powers to provide laundry, meal and refreshment facilities in connection with the provision of housing (Schedule 19, paragraph 4);

- powers to provide buildings for shops; recreation grounds; and other buildings/lands that residents might need in connection with the provision of housing, subject to the consent of the Secretary of State (Schedule 19, paragraph 5);
- powers to acquire housing or land in connection with the provision of housing by agreement and compulsorily (Schedule 19, paragraph 6);
- a duty to make buildings they own suitable for housing as soon as possible after acquisition or necessary works (Schedule 19, paragraph 7).

885 Requirements that apply to local authorities when using or developing consecrated land, burial grounds and open spaces are also applied to CAs and CCAs (Schedule 18, paragraphs 23 and 24).

Compulsory purchase powers

886 SAs are given three different compulsory purchase powers under:

- section 9(2) of the 2008 Act (Schedule 18, paragraph 4);
- section 226(1) of the 1990 Act (Schedule 18, paragraph 14). This is not conferred on county councils designated as an SA in a two-tier local government area;
- section 17(3) of the 1985 Act (Schedule 19, paragraph 6).

887 The Schedules provide additional requirements around how those functions can be exercised by SAs:

- in mayoral SAs, section 9(2) of the 2008 Act and section 17(3) of the 1985 Act will be exercisable only by the mayor. This means that, subject to the requirements below, the mayor will be able to use these powers without a vote of the full authority membership;
- in mayoral SAs, before the power can be used in an area, the authority must consult the local authority and, if relevant, the Broads Authority or any National Park authority, where the land is located;
- in foundation SAs (those without mayors), the authority must get the consent of the local authority and, if relevant, the Broads Authority or any National Park authority, where the land is located before using the power;
- in county councils designated as an SA in a two-tier local government area, the authority must get the consent of the district council and, if relevant, the Broads Authority or any National Park authority, where the land is located before using the power. This does not apply to the section 226(1) power which is not conferred on this type of SA;
- In district councils designated as an SA, the authority must, if relevant, get the consent of the Broads Authority or any National Park Authority where the land is located before using the section 9(2) power.

Part 3: The Greater London Authority

888 Part 3 of Schedule 18 confers a power on the GLA to acquire land in Greater London by agreement for the purposes of housing or regeneration. This is for the same purposes as its existing power to acquire land compulsorily under section 333ZA of the 1999 Act.

Schedule 20: Mayoral development corporations

Background

889 The Localism Act 2011 (the 2011 Act) is the principal legislation for mayoral development corporations and describes the powers, functions and duties of a mayoral development corporation. Previously the remit of a mayoral development corporation was to secure the regeneration of its area until measures in the Planning and Infrastructure Act 2025[11] expanded this to include development, so mayoral development corporations can deliver new settlements, including on greenfield sites, in addition to urban regeneration.

890 The 2011 Act originally introduced provisions allowing the Mayor of London to designate mayoral development areas – i.e. to establish the boundary of a mayoral development corporation. Upon designating a mayoral development area, the mayor must notify the Secretary of State, who is obliged to establish a mayoral development corporation for the mayoral development area.

891 Subsequently, the Cities and Local Government Devolution Act 2016 allowed for the Secretary of State to confer equivalent powers on elected mayors of combined authorities (CAs) and combined county authorities (CCAs), with mayoral development corporation powers conferred through individual Statutory Instruments. Previously, some mayoral CAs and mayoral CCAs did not have mayoral development corporation powers.

Effect

892 This Schedule primarily amends the 2011 Act to confer mayoral development corporation functions on all mayoral strategic authorities (SAs). It ensures that provisions originally designed for application to the Mayor of London and the Greater London Authority are suitably modified for mayors of SAs, and the mayoral development corporations they establish. The powers are to be exercised solely by the relevant mayor.

893 Paragraph 4 allows mayors of SAs to designate a mayoral development area – subject to meeting specified criteria, including requirements for consultation – for the establishment of a mayoral development corporation by the Secretary of State. Before notifying the Secretary of State, the mayor must submit a document detailing the proposal for designation to the combined authority (CA) or combined county authority (CCA) and allow 21 days for consideration. The proposal must be approved by the CA or CCA. The standard voting arrangements, established by section 6 of this Act, would apply to any decision on whether to approve the mayor's proposal. This means that a simple majority vote which includes the mayor would be required.

894 Paragraph 5 allows mayors to alter the boundaries of a mayoral development area to exclude any area of land, subject to consultation requirements.

[11] https://www.legislation.gov.uk/ukpga/2025/34

895 Paragraph 6 allows the Secretary of State to make a transfer scheme to transfer property, rights and liabilities from specified persons to a mayoral development corporation, following consultation with the mayor. The mayor may also make similar transfer. Relatedly, paragraph 11 allows the mayor to transfer any mayoral development corporation property, rights or liabilities to specified recipients, including to CAs or CCAs, and any company that is a subsidiary.

896 Paragraph 7 allows the mayor to decide, upon designation of the mayoral development corporation, that the mayoral development corporation is to be the local planning authority for the purposes, separately or collectively, of plan-making, development control and neighbourhood planning, for the whole or a part of its area, subject to consultation and notification requirements. Subject to commencement of provisions in the Levelling-up and Regeneration Act 2023, paragraph 7 also allows the mayor to decide that the mayoral development corporation is to be the minerals and waste planning authority for the whole or a part of its area.

897 Paragraph 8 allows that, where powers are transferred to the mayoral development corporation from a county or district council under paragraph 7, the mayoral development corporation can arrange for those powers to be discharged by the relevant council(s), in whole or part, or seek the relevant council(s) assistance in discharging those powers.

898 Paragraph 9 allows the mayoral development corporation to compulsorily acquire land, or new rights over land, within its area with the authorisation of the Secretary of State, and the prior consent of the mayor of the CA or CCA of that land.

899 Paragraph 10 allows the mayor, subject to prior consultation, to transfer the power to grant discretionary relief from business rates from relevant local authorities to a mayoral development corporation.

900 Paragraph 12 provides that disqualification and political restriction of certain officers and staff apply in relation to a mayoral development corporation outside London as if it were a local authority.

901 Paragraphs 13 to 18 makes provisions about mayoral development corporation boards, which are to consist of at least 6 members, including at least one elected member of each council with local planning responsibilities within the area of the mayoral development corporation.

902 Paragraphs 18, 19, 21 and 22 amend the Channel Tunnel Rail Link Act 1996, Greater London Authority Act 1999, Planning and Compulsory Purchase Act 2004, and the Crossrail Act 2008 so these provisions are limited to mayoral development corporation delivery in the Greater London area.

903 Paragraph 20 amends the Local Government Act 2003, specifying how powers to make grants to local authorities under section 31 of the Act apply to mayoral development corporations outside London.

Schedule 21: Assessment of economic conditions

Background

904 Section 69 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) requires that upper-tier local authorities prepare an assessment of the economic conditions of its area.

Effect

905 This Schedule amends section 69 of the 2009 Act to extend the duty already on upper-tier local authorities to all combined authorities (CAs) and combined county authorities (CCAs), to require them to prepare an economic assessment of the economic conditions in their areas. The function will be exercised concurrently by the CAs and CCAs and their constituent councils.

906 Paragraph 1(5) enables a CA or CCA to revise its assessment, or any part or aspect of it, at any time.

907 Paragraph 1(6) substitutes the reference to "principal authorities" in the 2009 Act to "relevant authorities" so that it includes CAs and CCAs.

908 Paragraph 1(7) places a duty on a relevant authority to consult such persons it considers appropriate.

909 Where the relevant authority is a county council, CA or a CCA, paragraph 1(8) requires these authorities to consult and seek the participation of the district councils within its area in carrying out its assessment. The responsible authority must also have regard to any material produced by district councils in the discharge of their responsibilities under section 13 of the Planning and Compulsory Purchase Act 2004, which requires them to keep under review matters which may be expected to affect the development of their area or the planning of its development. Paragraph 1(8) also amends the 2009 Act to require district councils to co-operate with the relevant authority.

910 Paragraph 1(9) requires authorities carrying out an assessment of economic conditions to have regard to guidance issued by the Secretary of State setting out what an assessment should contain and how it should be prepared, when an assessment should be prepared and when it should be revised.

Schedule 22: Local growth plans

Effect

911 This Schedule inserts new sections into the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) and the Levelling-up and Regeneration Act 2023 (the 2023 Act) to require mayoral strategic authorities except the GLA (so mayoral combined authorities and mayoral combined county authorities) to produce and publish a local growth plan. This section also inserts new sections into those acts and the Greater London Authority Act 1999 (the 1999 Act) to require public authorities to have regard to shared local growth priorities agreed between mayoral strategic authorities and the Government.

912 Paragraph 1 inserts a new section 107L into the 2009 Act requiring mayoral combined authorities (CAs) to produce and publish a local growth plan. It sets out the minimum requirements for meeting this duty, including a requirement to agree growth priorities with the Secretary of State.

913 Paragraph 1 also inserts a new section 107M to enable the Secretary of State to issue guidance to mayoral CAs in relation to fulfilling their duty to produce a local growth plan.

914 Paragraph 1 also inserts a new section 107N to require relevant public authorities to have regard to any shared local growth priorities developed with a mayoral CA and agreed to and published by the Secretary of State. The relevant public authorities are to be specified in regulations and will only be required to have regard when undertaking defined activities.

915 Paragraph 2 inserts new sections 32A, 32B, and 32C into the 2023 Act for the same purposes set out above for paragraph 1, but in relation to mayoral combined county authorities. It also inserts an amendment into section 252 of the 2023 Act with the effect that any regulations specifying relevant public authorities are to be laid under the negative procedure.

916 Paragraph 3 inserts a new section 333G into the 1999 Act to require relevant public authorities to have regard to any shared local growth priorities developed with the Greater London Authority, in line with the duty set out above in relation to mayoral CAs.

917 Paragraph 4 inserts into section 420 of the 1999 Act a reference to new section 333G, which has the effect of requiring any regulations that specify the relevant public authorities to be laid under the negative procedure.

Schedule 23: Miscellaneous local authority functions

Background

918 Section 113 of the Local Government Act 1972 (the 1972 Act) enables local authorities to place their staff at the disposal of other local authorities.

919 Section 142 of the 1972 Act enables local authorities to provide information about services available in the local area and in relation to their own functions.

920 Section 222 of the 1972 Act gives local authorities the power to take legal action, defend against it, or appear in legal proceedings, to protect the interests of their community.

921 Section 88(1)(a) and 88(1)(b) of the Local Government Act 1985 (the 1985 Act) enables local authorities to conduct research and share their findings.

Effect

922 Schedule 23 of this Act amends the 1972 Act and the 1985 Act (excluding the power at section 113 of the 1972 Act) to confer the powers listed above onto combined authorities (CAs) and combined county authorities (CCAs). These functions are exercised concurrently with their constituent councils. This Schedule also confers the power at section 113 of the 1972 Act onto the Greater London Authority (GLA).

923 Paragraph 1 provides for the GLA to be treated the same as local authorities under section 113 of the 1972 Act. This means that the GLA can place their staff at the disposal of local authorities and a specified list of bodies and that local authorities and those bodies can place their staff at the disposal of the GLA.

924 Paragraph 2 amends section 142 of the 1972 Act to provide for CAs and CCAs to be able to provide information about services in their area and about their own functions, like local authorities can.

925 Paragraph 3 amends section 222 of the 1972 Act so that CAs and CCAs can take legal action, defend against it, or appear in legal proceedings, to protect the interests of their community.

926 Paragraph 4 amends section 88 of the 1985 Act. It provides that CAs and CCAs can undertake research and share their findings.

927 Paragraph 4(2) provides that CAs and CCAs have the power to exercise the functions described in section 88(1)(a) and 88(1)(b), regardless of whether a scheme is made under section 88. This means that CAs and CCAs can carry out or assist in carrying out research and data collection and share that information with local authorities, Government departments or the public.

928 Paragraph 4(2) also sets out that CAs and CCAs exercise those functions in relation to the area of a CA or CCA.

929 Paragraph 4(3) provides that CAs and CCAs may be required to provide relevant information to the appropriate minister.

Schedule 24: Functions of Police and Crime Commissioners

Background

930 Under section 1 of the Police Reform and Social Responsibility Act 2011 (the 2011 Act), each police area in England and Wales outside London has a directly elected police and crime commissioner (PCC). PCCs are responsible for holding their chief constables to account, and have a range of responsibilities and powers, including setting the police precept, issuing the police and crime plan, and appointing and dismissing the Chief Constable.

931 Section 18 of the 2011 Act allows a PCC to appoint a person as the deputy PCC for that police area, and for that person to exercise any function of the PCC except certain core functions laid out in section 18(7). The function of appointing a deputy also applied to mayors who exercise PCC functions, who could appoint a deputy mayor for policing and crime to exercise their policing functions. Neither PCCs nor mayors with PCC functions were previously obliged to appoint a deputy.

932 Section 107F(1) of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) allows for the Secretary of State to transfer the functions exercised by a PCC to a mayor for the area of a combined authority (CA), where the boundaries of the police force and the mayoralty are exactly the same. Under this transfer mechanism there are 4 mayors who exercise PCC functions, namely the mayors of Greater Manchester, West Yorkshire, York and North Yorkshire, and South Yorkshire. Section 33(1) of the Levelling-up and Regeneration Act 2023 (the 2023 Act) makes equivalent provision in respect of combined county authorities (CCAs).

933 Section 44 of this Act amends section 107F of the 2009 Act and section 33 of the 2023 Act to insert (respectively) sections 107F(1A) and 33(1A), so that the mayor for the area of a CA or CCA is to exercise PCC functions in respect of that area if the CA or CCA meets the eligibility condition and the transfer condition.

Effect

934 This Schedule inserts a new Schedule 10A into the 2011 Act, which makes provision about cases where a mayor is to exercise PCC functions in accordance with section 107F(1A) of the 2009 Act or section 33(1A) of the 2023 Act. For example, it provides for the abolition of the office of PCC, sets out the mayor's PCC functions, and applies and modifies certain enactments (including enactments in the 2011 Act) in their application to the mayor.

935 Paragraph 8 of Schedule 10A modifies section 18 of the 2011 Act to provide that the mayor must appoint a person as the deputy mayor for policing and crime for the area. The mayor will retain the responsibility for the core functions set out in section 18(7) of the 2011 Act.

936 Paragraph 64 of Schedule 10A also provides that the Secretary of State may by regulations modify or exclude PCC enactments that are not contained in an Act of Parliament (that is, that are contained in secondary legislation) in their application to the mayor.

Schedule 25: Fire and rescue services

Background

937 The Fire and Rescue Services Act 2004 (the 2004 Act) sets out a number of different models of fire governance. These include county council and unitary authority fire and rescue authorities (FRAs), mayoral FRAs, combined FRAs and police and crime commissioner FRAs.

Part 1: Amendment of FRSA 2004

Effect

938 Paragraph 2 amends section 2 of the 2004 Act to provide that the Secretary of State may make or vary a scheme to merge FRAs into a single FRA where that scheme is made as a consequence of mayoral CA or mayoral CCA being designated the FRA for its area under section 1A (condition B) (as set out in the new section 2(2B). Where a scheme is made or varied in accordance with condition B, the consultation and other procedural requirements set out in sections 2(3) to (5), (8)(a), (9)(a), (c) and (d) do not apply (section 2(2C)). The new condition B is in addition to the pre-existing circumstance (now condition A) where the Secretary of State could make a scheme to merge FRAs into a single FRA for the purposes of economy, efficiency and effectiveness, or public safety (as set out in the new section 2(2A)). The new subsection (11A) makes section 2 subject to section 1(2A).

939 Paragraph 3 adds in a new section 4(7A). Section 4 deals with merged FRAs under the Fire Services Act 1947. Section 4(7A), like the new section 2(11A), makes section 4 subject to section 1(2A).

940 Paragraph 4 introduces new Schedule ZA1 into the 2004 Act which sets out a number of statutory processes which a mayor of a CA or CCA with FRA functions must undertake:

- Paragraph 1(1) to new Schedule ZA1 defines the terminology used in the new Schedule including defining the terms “community risk management plan” and “priorities and objectives”. Paragraph 1(2) defines a “relevant scrutiny body” to be the overview and scrutiny committee of the mayoral CA or CCA. Paragraph 1(3) provides that where the CA or CCA has more than one overview and scrutiny committee they must decide which one will exercise the functions of the relevant scrutiny body. Paragraphs 1(4) and 1(5) provide that where the CA or CCA became the FRA from an area created by an order under section 4A of the 2004 Act the relevant scrutiny body is to be the police and crime panel from that area and paragraphs 1(2) and 1(3) do not apply.
- Paragraphs 2(1), 2(2) and 2(3) are about the “oversight of the community risk management plan” prepared and published by a mayor of a CA or a CCA (with FRA functions) in accordance with the fire and rescue national framework. It sets out what a mayor must do, including who the mayor must consult, when drafting or varying the plan. The mayor must also provide the relevant scrutiny board with a reasonable amount of time to consider the priorities and objectives sent to it and to produce a report or recommendations. Paragraphs 2(4) to 2(6) sets out what the mayor must do before issuing or varying the requirements of a community risk management plan.
- Paragraph 3 set outs the duty for mayors to keep the community risk management plan under review.

- Paragraphs 4 and 5 set out the transparency and scrutiny arrangements relating to fire and rescue budgets in mayoral CAs and mayoral CCAs that are FRAs. The scrutiny arrangements involve the CA or CCA's relevant scrutiny body (i.e. the overview and scrutiny committee, or the police, fire and crime panel, whichever may be relevant). Paragraphs 4 and 5 also set out the responsibilities for the relevant scrutiny panel in relation to scrutiny of the FRA functions, including the need to scrutinise the mayor's proposed allocation of budget for fire and rescue functions. The paragraphs also set the mayor's responsibilities in terms of providing the relevant scrutiny panel with information to review, including notification of the proposed allocation of funding for fire and rescue functions.

Part 2: Amendments of other legislation

Effect

941 Part 2 of Schedule 25 amends section 138 of the Local Government Act 1972 to ensure that mayoral CAs and mayoral CCAs that are FRAs under the 2004 Act are also included as FRAs with respect to responding to emergencies and disasters.

Schedule 26: Licensing functions of the GLA and the Mayor of London

Background

942 The Licensing Act 2003 (the 2003 Act) provides the statutory framework for regulating licensable activities including the sale by retail of alcohol, the provision of regulated entertainment and the provision of late-night refreshment. Neither the Mayor of London nor the Greater London Authority (GLA) previously had any express statutory duties or powers under the 2003 Act.

Effect

943 This Schedule amends the 2003 Act in order to confer new strategic licensing functions on the Mayor of London and the GLA. The purpose of these new functions is to enable a more strategic approach to licensing to help boost London's night-time economy and hospitality industry.

944 Paragraph 2 of this Schedule inserts new sub-section (1A) into section 3 of the 2003 Act, providing the definition of "London licensing authority" for the purposes of the 2003 Act.

945 Paragraph 3 of this Schedule inserts new subsection (4) into section 4 of the 2003 Act, placing a duty on London licensing authorities – as defined in new section 3(1A) of the 2003 Act – to also have regard to the Mayor of London's licensing policy statement (published under new section 8A of the 2003 Act – see further below) when carrying out their licensing functions.

946 Paragraph 4 of this Schedule inserts new subsection (3A) into section 5 of the Licensing Act 2003, which places a duty on London licensing authorities to also consult the Mayor of London before determining or revising their own licensing policies.

947 Paragraph 5 of this Schedule inserts new section 8A into the 2003 Act. This places a legal duty on the Mayor of London to determine a policy in relation to relevant licensable activities in Greater London, and to publish a statement of that policy every five years (new section 8A(1)). The Mayor of London may replace that policy during the five-year period by determining and publishing a new one (new section 8A(2)).

948 New section 8A(3) of the 2003 Act creates a duty on the Mayor of London to consult each London licensing authority, the Secretary of State and other relevant bodies before determining a licensing policy under section 8A. New section 8A(11) allows for the requirement to consult in section 8A(3) in respect of the policy for the first five-year period to be carried out before new section 8A comes into force.

949 New section 8A(4) requires the Mayor of London, during each five-year period, to keep the policy under review and to make such revisions to the policy as the Mayor considers appropriate. New section 8A(5) explains that before any such revisions are made, the Mayor of London must consult those persons set out in new section 8A(3), and the Mayor must then publish either a statement of the revisions made to the policy or the revised policy in full (new section 8A(6)).

950 New section 8A(7) provides that, when the Mayor of London determines a policy under new section 8A, or makes revisions to such a policy, the Mayor must have regard to (a) the primary importance of promoting the licensing objectives (as set out within section 4(2) of the 2003 Act), and (b) any requirements imposed on licensing authorities when carrying out their licensing functions. New section 8A(8) provides that, in determining or revising a policy under new section 8A, the Mayor of London must have regard to any cumulative impact assessments published by London licensing authorities in accordance with section 5A of the 2003 Act.

951 New section 8A(10) provides the Secretary of State with the power to make regulations about the determination and revision of policies, and the preparation and publication of policy statements, under new section 8A.

952 New section 8A(12) defines "relevant licensable activities" as sale by retail of alcohol, the provision of regulated entertainment, and the provision of late-night refreshment. New section 8A(13) provides a definition of "five-year period" for the purposes of the section.

953 Paragraph 6 of this Schedule inserts new paragraph (hb) into subsection (4) of section 13 of the 2003 Act, adding the GLA as a "responsible authority" in relation to premises situated in Greater London.

954 Paragraphs 7 to 20 provide further amendments to the 2003 Act which include provisions conferring new functions on the Mayor of London. Further detail is provided on the new "call in" power for the Mayor of London in relation to certain decisions made by London licensing authorities on certain applications of "potential strategic importance to Greater London." If a decision of a London licensing authority meets certain criteria, the authority will be required to give notice to the applicant and the GLA as soon as possible and provide additional information relating to the decision made. The Mayor of London will then be under a duty to decide by the end of a period specified in regulations whether to give a direction to a London licensing authority on the application at issue, or whether the decision of the London licensing authority in relation to the application has effect for the purposes of the 2003 Act.

955 The 2003 Act is amended to provide detailed provision regarding the types of direction the Mayor of London can give to London licensing authorities and confirms relevant limitations on particular types of directions. London licensing authorities in receipt of a direction from the Mayor of London are under a duty to give effect to the direction and must give notice to relevant parties of the action taken in respect of the application at issue on a direction given by the Mayor of London.

956 The new provisions also specify the circumstances in which the Mayor of London's obligations under the new "call in" power cease to apply in relation to those applications of "potential strategic importance to Greater London" which are applications to vary an existing premises licence made under section 34 of the 2003 Act.

957 Paragraphs 7 to 20 also amend the 2003 Act to accommodate the new functions of the GLA and the Mayor of London, including the creation of new notification duties on London licensing authorities. Amendments are made to section 181 and Schedule 5 of the 2003 Act to allow appeals to be brought against directions given by the Mayor of London in certain circumstances. New regulation-making powers have also been inserted into the 2003 Act to supplement the amendments made as appropriate.

958 Paragraph 21 of this Schedule provides a power for the Secretary of State by regulations to repeal the new provisions as inserted into the 2003 Act by paragraphs 2 to 20 of this Schedule and as amended from time to time. This power expires at the end of the five-year period starting with the day on which this Schedule comes into force. Paragraph 21(3) provides that regulations made under paragraph 21 of this Schedule may make consequential, supplementary or incidental provision under section 105(2) which amends, repeals or revokes any legislation (whenever passed or made).

Schedule 27: Powers to make regulations in relation to functions of strategic authorities and mayors

Part 1: Conferral and modification of functions

Background

959 Prior to the changes being made by this Act, the main processes for conferring local authority and public authority functions on a combined authority (CA) by secondary legislation are set out in the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act), and the main processes for conferring functions on a combined county authority (CCA) by secondary legislation are set out in the Levelling-up and Regeneration Act 2023 (the 2023 Act). Local authority and public authority functions are generally conferred on each CA or CCA via individual Statutory Instruments subject to the affirmative procedure.

960 The Greater London Authority (GLA) has functions conferred on it solely by primary legislation, which typically amends the Greater London Authority Act 1999 (the 1999 Act).

961 For individual local authorities who could become single foundation strategic authorities, the main processes for conferring public authority functions are set out in section 16 of the Cities and Local Government Devolution Act 2016 (the 2016 Act).

962 Section 18 of the 2016 Act (devolving health service functions) provides limitations on conferring functions to local authorities, CAs and CCAs by Statutory Instrument. These relate to a Secretary of State's core duties in relation to the health service. Section 55 of this Act provides for those limitations to be extended to the conferral of functions using Schedule 27 of this Act.

963 Section 19 of this Act provides for functions conferred onto the mayor to be taken to be functions conferred on the CAs and CCAs which are exercisable by the mayor on its behalf.

Effect

964 Paragraph 1 enables the Secretary of State to make regulations to confer public authority functions on the different categories of strategic authorities (SAs) which exist outside of London.

965 Paragraph 2 enables the Secretary of State to make regulations to confer functions on categories of mayors of CAs and CCAs, or to modify such functions. Further to section 19 of this Act, such functions are taken to be functions conferred on the CA and CCA which are then exercisable by the mayor on behalf of the CA or CCA.

966 Paragraph 3 enables the Secretary of State to make regulations to confer functions on the GLA, the Mayor of London or a GLA functional body. Before making regulations under Part 1, they must be satisfied that it is appropriate to do so, having regard to the need to secure the effective exercise of the functions concerned.

967 Paragraph 4 clarifies that the regulations made by this Schedule do not allow the conferral of powers to make legislation, with the exception of byelaws, and that eligible functions which can be conferred are functions of public authorities which relate to any aspect of any area of competence.

968 Signposts are included in Part 1 to the limitations imposed by section 18 of the 2016 Act (as amended by section 55 of this Act) in relation to the conferral of health service functions under these powers.

Part 2: Movement of functions between mayors and strategic authorities

Background

969 The default position for a new CA or CCA function is that it is exercisable by the CA or CCA as a whole and will be subject to standard voting requirements which will be added to the 2009 Act and the 2023 Act by section 6 of this Act. The 2009 and 2023 Acts allow regulations to provide for CA or CCA functions to be made exercisable only by the mayor.

970 New functions may also be conferred under Part 1 of Schedule 27 on categories of CAs and CCAs, or on categories of mayors of CAs and CCAs.

971 Functions conferred by the 2009 and 2023 Acts, or under Part 1 of Schedule 27 may be exercised solely by the CA or CCA, or mayor of the CA or CCA, or concurrently or jointly with other authorities.

972 Section 19 of this Act provides for functions conferred onto the mayor of a CA or CCA to be taken to be functions conferred on the CA and CCA which are exercisable by the mayor on its behalf.

973 Section 35 of the 1999 Act provides that where functions are conferred on the Mayor of London, the Mayor exercises them on behalf of the GLA.

Effect

974 Paragraph 5 enables the Secretary of State to lay regulations providing for a function of mayoral CAs and mayoral CCAs to be exercised by the mayor. This can be a function of all mayoral CAs and mayoral CCAs, just those which are established mayoral strategic authorities, or just those which are not established mayoral strategic authorities.

975 Paragraph 5(2) enables provision to be made for that function to be exercisable solely by the mayor or concurrently or jointly with a person who can already exercise that function. Under paragraph 5(3) where provision is made for the joint exercise of the function, provision can also be made for the person who can already exercise that function to be able to continue exercising the function solely.

976 Paragraph 6 provides for the Secretary of State to lay regulations providing for a function of mayoral CAs and mayoral CCAs that is currently exercised by the mayor to cease being exercised by the mayor (and so to be exercisable by the CAs and CCAs). This can be a function of all mayoral CAs and mayoral CCAs, just those which are established mayoral strategic authorities, or just those which are not established mayoral strategic authorities.

977 Paragraph 6(2) enables provision to be made for that function to be exercisable solely by the CA or CCA, or concurrently or jointly with a person who can already exercise that function. Under paragraph 6(3) where provision is made for the joint exercise of the function, provision can also be made for the person who can already exercise that function to be able to continue exercising the function solely.

978 Paragraph 7 provides for a function currently conferred on the GLA, the Mayor of London or a GLA functional body to be instead exercisable by another of those bodies.

979 Paragraph 7(2) provides for that function to be exercisable solely, concurrently with a person who can already exercise that function or jointly with a person who can already exercise that function.

Part 3: Exercise of functions

Background

980 The 2009 and 2023 Acts allow the Secretary of State to make secondary legislation, stating whether a CA or CCA function should be exercisable solely by the CA or CCA, concurrently with a person who can already exercise that function or jointly with a person who can already exercise that function. Secondary legislation can also provide for a person who can already exercise the conferred function to continue to be able to do so alone, but for the CA or CCA to only be able to exercise the function jointly with that person.

981 The powers also allow the Secretary of State to set out in secondary legislation any conditions that apply to the exercise of any functions.

Effect

982 Paragraph 8 allows the Secretary of State to make regulations that make provision for how a function should be exercised by one or more categories of SAs, except in relation to voting arrangements.

983 Paragraph 9 allows the Secretary of State to make regulations that make provision for how a function should be exercised by categories of mayoral CAs and mayoral CCAs, where a function is exercisable by the mayor, except in relation to voting arrangements.

984 Paragraph 10 makes similar provision, but for London.

985 Paragraph 11(1) sets out some of the different types of provision on how a function is exercised that can be made under Part 3 of this Schedule – for example requiring consent to be obtained or conditions to be met before a function is exercised, or providing for a function to be exercisable solely by the SA, or concurrently or jointly with a person who can exercise the function already.

Part 4: Voting on decisions

Background

986 Section 6 of this Act amends the 2009 and 2023 Acts with the effect that decisions by CAs and CCAs have default voting arrangements. These voting arrangements can be overridden by provision made for individual CAs and CCAs.

Effect

987 Paragraph 12 allows the Secretary of State to make regulations providing for different voting arrangements than the default voting arrangements in section 6 of this Act to apply in relation to a function for one or more categories of CAs and CCAs.

Part 5: Particular provision that may or may not be made by regulations

Effect

988 Paragraph 13 allows for provision within regulations to abolish a public authority if, due to the conferral of its functions on SAs, it no longer has any functions.

989 Paragraph 14 provides that regulatory functions cannot be conferred on SAs via regulations under this Schedule if it would mean the SA would be regulating itself.

990 Paragraph 15 enables regulations made under this Schedule to provide that any references to documents within those regulations are taken to be references to those documents as they are amended or replaced.

991 Paragraph 16 enables functions to be conferred on categories of SAs even if some may not in practice be able to exercise them. For example, a function relating to coastal management policies where some SAs have a landlocked geography.

992 Paragraph 17 clarifies that the Secretary of State can specify that a function conferred on a particular category of SA or mayor under this Schedule is to be exercisable by different SAs or mayors within that class, at different times or in different circumstances. The amendment also provides that this differentiation may be achieved by regulations, including by specifying the times at which or circumstances in which a function is to begin to be exercisable by different SAs or mayors.

993 Paragraph 18 enables regulations made under this Schedule to amend, apply, modify, revoke or repeal any other legislation, including primary legislation made in future.

Part 6: Pilot schemes

Effect

994 This Part provides that the Secretary of State may confer additional public authority and local authority functions on specific SAs as part of a pilot programme on a time-limited basis, and also allows for the governance arrangements of existing functions conferred on a specific SA to be changed as part of a pilot programme on a time-limited basis.

995 Paragraphs 19, 20 and 21 set out the conditions for a pilot programme taking place. Paragraph 19 outlines that a pilot programme must be time limited, and cannot exceed 3 years although can be extended more than one time, for a period of not more than two years each time. Paragraph 20 stipulates the pilot programme may only take place if the affected SA, mayor or GLA functional body has provided their consent. Paragraph 21 outlines that pilot programmes can either take place with a specific SA or mayor, or a category of SA or mayor.

996 Paragraphs 22 and 23 outline the process for pilot programmes. Paragraph 22 stipulates that SAs, mayors or GLA functional bodies involved in the pilot programme must produce an impact report to provide the Secretary of State with an assessment on the success of the pilot programme. Paragraph 23 outlines the process which the Secretary of State must follow when a pilot programme comes to an end.

Part 7: Making of regulations

Effect

997 Paragraph 26 provides for all regulations under this Schedule to be made in Parliament using the affirmative resolution procedure, apart from regulations to extend pilot programmes which can be made using the negative resolution procedure.

998 Paragraph 27 clarifies that the Secretary of State can confer functions on, and modify the functions of, mayoral Strategic Authorities during the preparatory phase. The preparatory phase is the period between the establishment of a new mayoral Strategic Authority and the inaugural mayor taking office. Paragraph 27 also clarifies that when the Secretary of State confers a function on, or modifies a function of, a mayoral Strategic Authority during the preparatory phase, the Secretary of State is not required to consult the mayor where otherwise required under the Schedule, and does not need to consult the mayor once the preparatory phase has ended and the mayor has taken office.

Schedule 28: Arrangement relating to single tiers of local government

Background

999 Section 2 of the Local Government and Public Involvement in Health Act 2007 (the 2007 Act) allows the Secretary of State to direct principal authorities, namely a county council or a district council in England, to submit a proposal for local government reorganisation to establish a single tier of local government.

1000 Section 3 of the 2007 Act introduced a provision preventing new directions under section 2 from being given after 25 January 2008 by the Secretary of State for principal authorities to submit a proposal.

1001 Section 15 of the Cities and Local Government Devolution Act 2016 allows proposals to be brought forward by local authorities on the merger of existing unitary authorities, and includes a consent requirement from all councils involved in the proposal.

Effect

1002 This Schedule amends the 2007 Act to allow the Secretary of State to invite or direct principal authorities where there is a single tier of local government, to merge by submitting a proposal for the establishment of new unitary councils in their area. This Schedule also reverses the provision that prevented the Secretary of State from directing principal authorities in two-tier local government areas to submit a proposal under section 2 of the 2007 Act. This Schedule also allows for the Secretary of State to either abolish a combined authority (CA) and combined county authority (CCA), or convert a CCA to a CA, for the purpose of implementing a proposal for the establishment of new unitary councils.

1003 Paragraph 2 inserts new section 2A into the 2007 Act, which makes provision for the Secretary of State to invite or direct proposals from a relevant principal authority, namely a district or county council for an area for which there is currently a single tier of local government, that there should be one or more single tiers of local government for the area specified in the proposal. The new area must contain the authority that was directed or invited to propose, and one or more other eligible areas.

1004 Section 2A(2) and 2A(3) defines a relevant principal authority and eligible area for the purposes of that section.

1005 Section 2A(4) provides that an invitation or direction issued by the Secretary of State may allow the authority to propose which other eligible area(s) it should merge with or may specify which area(s) should be included within the proposal.

1006 Paragraph 3 amends section 3 of the 2007 Act, to remove the provision preventing the Secretary of State from giving directions after 25 January 2008. It also applies equivalent conditions to directions made under the inserted 2A of the 2007 Act to those which apply to directions made under section 2 of that Act.

1007 Paragraph 4 provides that the Secretary of State can request advice from the Local Government Boundary Commission for England, the same as for proposals made under section 2.

1008 Paragraph 5(a) to 5(d) amends section 5 of the 2007 Act so the powers of the Local Government Boundary Commission for England are consistent for proposals made under section 2 and section 2A, and paragraph 6 amends section 7 of the 2007 Act so the accompanying procedure also applies.

1009 Paragraph 7 amends the 2007 Act to enable orders made under section 11 of the 2007 Act to implement proposals submitted under sections 2 and 2A of that Act to include provision for abolishing CAs or CCAs for the purpose of implementing a proposal or recommendation or in connection with the implementation of a proposal or recommendation. This provision is to be exercised only where a single unitary local authority is established over the area of a CA or CCA, which would mean a CA no longer meets the requirement for the area to contain the whole of two local government areas (a county council or a district council), in section 103(2) of the 2009 Act). A CCA would no longer meet the requirement to contain the whole of the area of a two-tier county council alongside either a two-tier county council, unitary county council or unitary district council in section 9(2) of the Levelling-up and Regeneration Act 2023 (the 2023 Act). In both instances this is because the single-tier area would now cover the entirety of the geography.

1010 Paragraph 8 inserts a new section 11A into the 2007 Act, enabling the conversion of CCAs to CAs, following local government reorganisation, where the implementation of the proposal will result in a CCA no longer meeting the membership requirements set out in section 9(2) of the 2023 Act, due to no longer containing a non-unitary county council (with district councils within its area), but where it would satisfy the membership requirement for a CA in section 103(2) of the 2009 Act. The conversion process amends the existing CCA establishment order to change the CCA to CA status, whilst making any necessary changes to governance arrangements (i.e. voting and quorum provisions) to ensure proper functioning of the authority, as well as full continuity of agreements, responsibilities, liabilities etc.

1011 Section 11A(3) provides that the CA is still considered the same legal body as the CCA where regulations are made under section 11A(2). Section 11A(4) and 11A(5) make further provision for the mayor of a CCA to remain in office following conversion to CA status, and 11A(6) for further incidental, consequential, transitional or supplementary provision to ensure functioning and continuity.

1012 It should be noted that none of the provisions in this Schedule apply to London boroughs.

Schedule 29: Local authority governance and executives

Background

1013 Part 1A of the Local Government Act 2000 (the 2000 Act) sets out the permissible governance arrangements for local authorities in England. Local authorities may operate with an executive: either executive arrangements with a directly elected mayor (mayor and cabinet) or a leader and cabinet, or they can operate the committee system. The 2000 Act enables local authorities in England to change their governance model via council resolution; this may be preceded by a referendum, which in turn may be preceded by a petition from the electorate. A subsequent change cannot take place within moratorium periods: five years in the case of a simple resolution, ten years where there has been a referendum apart from in certain limited circumstances.

Effect

1014 This Schedule changes the available governance arrangements for councils in England, requiring those currently operating the committee system to move to the leader and cabinet model except where an exemption applies, and preventing the creation of new local authority mayoralties and new committee system councils.

1015 Paragraph 1 requires councils operating the leader and cabinet model to continue to do so and requires new councils established as part of local government reorganisation to also adopt the leader and cabinet model. Councils operating the committee system may continue to do so for as long as this is consistent with provision for a protected period and subsequent review introduced by paragraph 2.

1016 Paragraph 2 requires councils operating the committee system to move to the leader and cabinet model within one year of the provision commencing except where a council is protected. A protection period applies where a council is operating the committee system following either a council resolution or public referendum and is within its current moratorium period (five years following a council resolution; 10 years following a referendum). At the end of the protected period the council must undertake a review as to its future governance arrangements; if the review recommends retaining the committee system it must also set out the reasons why the committee system is an appropriate form of governance for the local authority. Paragraph 2 also provides an exemption for councils which are to be dissolved under local government reorganisation legislation made within one year of the provision commencing; and a power for the Secretary of State to extend this period for a further year where a dissolution order within that period is likely. Paragraph 2 also requires that local authorities publish notice of any change in their governance model, made in accordance with provisions in this Act, in one or more newspapers circulating in their area and outlines the information which this notice must include.

1017 Paragraphs 3 and 4 prevent the creation of any new mayoralties, including where any processes are underway to move to the mayor and cabinet system. The existing processes for changing governance model will apply only in the case of a council operating the mayor and cabinet model and to a council which, following review, retains its committee system, changing to the leader and cabinet model These include the processes for local residents to petition for that change, the holding of a referendum to test the support of the proposed change and a resolution of the council to bring about that change; the requirement for the mayor's consent to a council resolution is retained.

1018 Paragraph 5 removes references to "prescribed arrangements", a form of governance which has never been implemented.

1019 Paragraph 6 changes the moratorium period that applies preventing a second or subsequent resolution, or referendum, on changing governance arrangements from five years in the case of a council resolution and ten years in the case where a previous decision was made following a referendum, to four years in each case. In both cases a council's power to appeal to the Secretary of State to disregard the moratorium period is retained.

Schedule 30: Mayors and PCCs: supplementary vote system

Background

1020 Under current legislation prior to this Act, elections for Police and Crime Commissioners and Police, Fire and Crime Commissioners ('P(F)CCs' to cover all) in England and Wales, and the Mayor of London, mayors of combined authorities (CAs), mayors of combined county authorities (CCAs) and local authority mayors in England were held using the simple majority voting system, also known as the First Past the Post voting system. The Elections Act 2022 amended previous legislation, which provided that all P(F)CC and mayoral elections were held using the supplementary vote system. The supplementary vote system was previously the voting system implemented on the introduction of both P(F)CC and mayoral elections.

1021 Under the First Past the Post voting system, voters have a single vote, which they use to indicate their choice of candidate, and the candidate who wins the most votes is elected.

1022 Under the supplementary vote system, where there are only two candidates, the candidate with the majority of votes in the round of counting is elected. However, where there are three or more candidates, voters have a single vote on which they indicate their first and second preference for a candidate. If a candidate receives more than 50 percent of the valid first preference votes they are elected. If not, all but the two candidates with the most first preference votes are eliminated. Any second preference votes for either of the remaining candidates of voters whose first preference vote was cast for one of the eliminated candidates are allocated to the remaining candidates. The remaining candidate with the most votes is elected.

Effect

1023 This Schedule sets out provisions that change the voting system used for electing P(F)CCs in England and Wales, and the Mayor of London, CA mayors, CCA mayors and local authority mayors in England from the First Past the Post voting system to the supplementary vote system.

1024 Paragraph 2 relates to elections for the Mayor of London. Subparagraph (1) of paragraph 2 amends section 4 of the Greater London Authority Act 1999 (the 1999 Act) to provide for the supplementary vote system to apply where there are three or more candidates (where there are only two candidates, the candidate with the majority of votes is elected). Subparagraphs (2) and (3) amends section 16 to change the voting system to be used at by-elections for the Mayor of London, and adds the definition of "mayoral vote" under the supplementary vote system to section 29. Subparagraph (4) inserts new Part 1 into Schedule 2 to the 1999 Act, which sets out the process for the supplementary vote system. Subparagraph (5) amends section 165 of the Representation of the People Act 1983 to add new subsection (4), which clarifies that a vote deemed to be thrown away in connection with provision for avoidance of election for employing a corrupt agent applies only to the affected first preference or second preference shown on the vote i.e., the elector's other preference shown on the vote is not deemed to be thrown away.

1025 Paragraphs 3 to 5 relate to elections for P(F)CCs. Paragraph 4 amends section 57 of the Police Reform and Social Responsibility Act 2011 to replace provision for First Past the Post voting with provision for the supplementary vote system for elections with three or more candidates (where there are only two candidates, the candidate with the majority of votes is elected). Paragraph 5 inserts new Schedule 9, which sets out the process for the supplementary vote system.

1026 Paragraphs 6 to 11 relate to elections for local authority mayors in England. Paragraph 7 amends section 9HC of the Local Government Act 2000 (the 2000 Act) to replace provision for First Past the Post voting with provision for the supplementary vote system for elections with three or more candidates (where there are only two candidates, the candidate with the majority of votes is elected). Paragraph 8 amends section 9HD to clarify that an elector is not entitled to cast more than one mayoral vote at an election for a local mayor, and paragraph 9 inserts a definition of "mayoral vote" under the supplementary vote system at section 9R. Paragraph 10 inserts new Schedule 1A into the 2000 Act, which sets out the process for the supplementary vote system. Paragraph 11 amends Schedule 2 to clarify that the provisions set out there for the election of a local authority mayor only apply in Wales, although no changes are being made to the law in Wales.

1027 Paragraphs 12 to 15 relate to elections for CA mayors. Paragraph 13 amends paragraph 4 of Schedule 5B of the Local Democracy, Economic Development and Construction Act 2009 to replace provision for First Past the Post voting with the supplementary vote system for elections where there are three or more candidates (where there are only two candidates, the candidate with the majority of votes is elected). Paragraph 14 inserts new paragraph 5 into Schedule 5B, which sets out the process for the supplementary vote system. Paragraph 15 adds a definition of "mayoral vote" under the supplementary vote system into paragraph 6 of Schedule 5B in the context of an elector being entitled to cast one vote only at these elections.

1028 Paragraphs 16 to 19 relate to elections for CCA mayors. Paragraph 17 amends paragraph 4 of Schedule 2 of the Levelling-up and Regeneration Act 2023 to replace provision for First Past the Post voting with the supplementary vote system for elections with three or more candidates (where there are only two candidates, the candidate with the majority of votes is elected). Paragraph 18 inserts new paragraph 4A into Schedule 2, which sets out the process for the supplementary vote system. Paragraph 19 adds a definition of "mayoral vote" under the supplementary vote system into paragraph 5 in the context of an elector being entitled to cast one vote only at these elections.

Schedule 31: Assets of community value

Part 1: Community right to buy and sporting assets of community value (England)

Background

1029 In Part 5 of the Localism Act 2011 (the 2011 Act), Chapter 3 provides for an asset of community value scheme in England and Wales. It allows communities to nominate a building or piece of land that furthers their social wellbeing or interests of their local authority, who will then decide whether it meets the definition of an asset of community value. If so, they will include it in their local list of assets of community value for a period of five years. If the asset owner wishes to sell a listed asset, there is a six-month moratorium on the sale to enable communities to raise funding to bid for the asset. The scheme has been commenced in England but not in Wales.

Effect

1030 This Schedule inserts new Chapter 2A into the 2011 Act. It amends the provisions in the 2011 Act as they apply to England to create a new community right to buy. This provides new powers for community groups in England who wish to purchase local assets that are important to them. The provisions for Wales remain the same.

1031 This Schedule also introduces a new sporting asset of community value category, building on the asset of community value provisions in the 2011 Act. This new designation provides enhanced protections for sports grounds and their supporting facilities, which will be automatically and indefinitely listed as sporting assets of community value. This Schedule also broadens the scope of what can be included within a listing, allowing assets that support the functioning of a sports ground, such as car parks, to be indefinitely listed as assets of community value.

86A: List of assets of community value

Effect

1032 This new section replicates the provisions in section 87 of the 2011 Act and sets out the requirements for local authorities in relation to listing assets of community value in England. It also extends the time period for which an asset of community value is to be included in a local authority's list, and therefore the restrictions created by community right to buy, from five to 10 years.

1033 Subsection (3) requires that local authorities create a new category for land designated with sporting asset of community value status.

1034 Listed assets will be removed from the list after 10 years (unless already removed) with a power for the Secretary of State to amend that period by regulations (subsection (4) and (5)).

1035 Subsection (6) will require land designated with sporting asset of community value status to remain on the asset of community value list for an indefinite period.

1036 The local authority can determine the form and content of the list (subsection (9)) subject to any specific requirements set out in regulations made by the Secretary of State (as set out in subsection (8)).

86B: Land of community value

Effect

1037 This section defines assets of community value. It also gives the Secretary of State power to set out in regulations the types of assets that are not of community value (subsection (4)) and includes a list of factors that may be referred to by the Secretary of State when exercising this power (subsection (6)).

1038 Subsection (1)(a) expands the definition of an asset of community value to include those assets with a main (non-ancillary) use that furthers the economic wellbeing or interests of the local community, as well as social wellbeing or interests.

1039 Subsection (2)(a) replaces the requirement for the asset to have had a main (non-ancillary) use that furthers the community's wellbeing at a time in the recent past with a time at any point in the past, by removing the term "recent".

1040 Subsection (3) will enable land that provides support for the use of other land as a sporting asset of community value, such as a car park, to be eligible for indefinite listing as an asset of community value.

86C: Sporting assets of community value

Effect

1041 This is a new provision. Section 86C sets out the conditions that must be met for land to be considered eligible for designation as a sporting asset of community value.

1042 Subsection (1) provides that sports grounds which meet the definition of a sports ground, as set out in the Safety of Sports Grounds Act 1975, may be considered for designation as a sporting asset of community value.

86D: Procedure for including land in list

Effect

1043 This new section replicates the provisions of section 89 of the 2011 Act and adds a new subsection to make provisions for the listing of sporting assets of community value.

1044 Subsection (1)(a) and (1)(b) provide that land may only be included on the list in response to a community nomination or where permitted in regulations made by the Secretary of State.

1045 Subsection (1)(c) permits the local authority to include land in its asset of community value list through a process of automatic registration, with reference to subsections (2) and (3) of section 86G.

1046 Subsection (2) defines community nominations as nominations made by a parish council or a voluntary or community body with a local connection.

1047 Subsections (4) and (5) permit the Secretary of State to make regulations to define a voluntary and community body and set out the conditions for "local connection", to prescribe the contents of community nominations, and to set out procedures that local authorities will be required to follow in considering whether to list.

86E: Procedure on community nominations

Effect

1048 This new section replicates the provisions of section 90 of the 2011 Act.

1049 Subsection (2) requires a local authority to consider a community nomination, and to list the land if it is of community value and in the authority's area (subsection (3)).

1050 Subsection (6) also requires the local authority to give a community nominator their written reasons for not listing the land in cases where the nomination is unsuccessful.

86F: Notice of inclusion or removal

Effect

1051 This new section replicates the provisions of section 91 of the 2011 Act. It also amends the process for notifying relevant parties about an asset's inclusion in or removal from a local authority's list of assets of community value.

1052 Subsection (2) requires local authorities to give written notice, if reasonably practicable, to specified persons of the inclusion or removal of an asset from the list, together with a description of the statutory provisions.

1053 When notifying parties about the removal of an asset, the reasons for removal must be given (subsection (4)).

1054 Subsection (5) requires local authorities to provide notice to the relevant parties set out in subsection (2)(a) to (2)(d) at least six months before an asset is due to be removed from their assets of community value list.

86G: Requirements on local authorities: sporting assets of community value

Effect

1055 This is a new provision which establishes the process for designating sports grounds and their supporting facilities as sporting assets of community value.

1056 Subsection (1) requires local authorities, each time a new listing is accepted in accordance with section 86D(1)(a) or (b), to consider whether the land also qualifies as a sporting asset of community value, with reference to subsections (1) of section 86C. If the local authority considers the land to meet the conditions in subsections (1) of section 86C, it must categorise the land as a sporting asset of community value.

1057 Subsection (2) makes provision for the automatic listing of sports grounds as sporting assets of community value. Local authorities will be required to review, every five years, whether any land within their area meets the criteria of both land of community value and a sporting asset of community value, with reference to subsection (1) of section 86C. Where the local authority determines that both conditions are satisfied, it must, in accordance with subsection (4), add the land to its list of assets of community value (if it is not already listed) and categorise it as a sporting asset of community value.

1058 Subsection (5) requires the local authority to notify each interested person, as defined in subsection (7), when land is designated as a sporting asset of community value.

86H: Review of decisions relating to list

Background

1059 Under section 92 of the 2011 Act, asset owners are able to request that the local authority reviews its decision to list an asset as an asset of community value. If this review concludes that the asset should not have been listed as an asset of community value, the local authority must remove the asset from its list and notify the person who made the nomination.

1060 The 2011 Act did not previously make provision for a community group to request that the local authority reviews its decision not to list an asset as an asset of community value.

Effect

1061 This new section replicates the provisions in the 2011 Act but includes new provisions to enable the owner of sporting assets of community value and community groups to request a local authority reviews its listing decision.

1062 This section gives the owner of the land a right to have the decision to list it reviewed by the local authority (subsection (1)), specifies what the local authority must do if the review reverses the decision (subsection (6)), and provides for the Secretary of State to set out in regulations the procedure for carrying out such reviews (subsections (9) and (10)), which includes a power to provide for an appeal against the review decision.

1063 Subsection (2) enables the owner of a sporting asset of community value to request that a local authority reviews its decision to list that asset or to list it in that category. If the review determines that the asset should not have been listed as a sporting asset of community value, the local authority must remove the asset from that category of its list (subsection (7)).

1064 Subsection (3) enables community groups that nominated an asset to be listed as an asset of community value to request that the local authority reviews its decision not to list the asset. If the review determines that the asset should have been listed, the local authority must include the asset on its list of assets of community value (subsection (8)).

86I: List of land nominated by unsuccessful community nominations

Effect

1065 This new section replicates the provisions in section 93 in the 2011 Act.

1066 This section requires local authorities also to maintain a list of assets that have been nominated unsuccessfully through the community nomination process (subsection (1)).

1067 Subsection (3) specifies that this list should include the reasons why the nomination was unsuccessful and that the local authority may (but does not have to) remove land from the list after it has been on it for five years.

1068 The local authority can determine the form and content of the list (subsection (4)).

86J: Publication and inspection of lists

Effect

1069 This new section replicates the provisions in section 94 of the 2011 Act.

1070 This section places a duty on local authorities to publish both its list of assets of community value and its list of unsuccessful community nominations (subsection (1)).

1071 The local authority must make both lists available for free inspection within its area (subsection (2)) and provide one copy, free of charge, to anyone who asks for one (subsections (3) and (4)).

86K: Effect of inclusion on the list

Background

1072 Section 95 of the 2011 Act sets out the effect of inclusion on the list, including the conditions this puts on the sale of an asset. Under the 2011 Act, the owner of an asset of community value is not able to sell their asset unless they have notified the local authority of their wish to sell, the six-week interim moratorium period has ended without a community group making a written request to be treated as a potential bidder or the full six-month moratorium period has ended, and an 18-month protected period when no further moratorium applies has not passed.

Effect

1073 This section replicates section 95 of the 2011 Act but amends the above conditions that are placed on the asset owner in relation to selling the asset, instead requiring asset owners to have complied with the provisions of the Chapter and therefore the community right to buy.

1074 Subsection (1) prevents the owner of an asset listed as an asset of community value from selling the asset unless they first meet the conditions of community right to buy as set out in the rest of the Chapter.

1075 Types of relevant disposals that are exempted from the conditions are listed in subsection (2), with a power to specify further exemptions in regulations.

86L: Meaning of "relevant disposal etc" in section 86K

Effect

1076 This section replicates the provisions in section 96 of the 2011 Act.

1077 This section defines a relevant disposal as being a disposal with vacant possession of a freehold estate or the grant or assignment with vacant possession of a lease granted for at least 25 years. A power is included allowing the Secretary of State to amend the definition (subsection (7)).

86M: Notice of proposed sale: community right to buy

Effect

1078 This new section introduces a 'right of first refusal' for community groups, who will have the first option of purchasing an asset of community value that is put up for sale. This new section also sets out the circumstances in which an asset owner is able to sell an asset that is listed as an asset of community value to a buyer that is not a community buyer.

1079 Subsection (1) requires asset owners to notify the local authority if they wish to sell an asset of community value. This notice must clearly identify the estate or estates that the owner is planning to sell (subsection (2)).

1080 Subsection (3) prevents asset owners from selling their asset of community value unless they sell the estate or estates identified to the preferred community buyer.

1081 Subsection (4) sets out the circumstances in which subsection (3) does not apply:

- there is no community group interested in buying the asset;
- the community group has not made sufficient progress to demonstrate their ability to purchase the asset after six months;
- the community group does not offer to purchase the asset at either a price negotiated with the owner or at a price determined through independent valuation.

1082 In such circumstances, subsection (5) permits that asset owners may sell an asset of community value to whoever they wish as long as the sale is within 18 months of the notice that they gave of their wish to sell the asset. If this 18-month period passes and the asset is not sold, the owner will again be subjected to the conditions of community right to buy if they wish to sell their asset.

86N: The "preferred community buyer"

Effect

1083 This new section introduces the concept of a preferred community buyer for an asset of community value. It also sets out the circumstances in which the right to purchase the asset will be offered to an alternative community group rather than the community group who nominated the asset.

1084 Under subsection (1)(a), the preferred community buyer is defined as the community group that nominated the asset to be listed as an asset of community value, as long as that group is still in existence, gives written notice to the local authority that they intend to purchase the asset within the notification period, and has formed itself as a community interest group. Subsection (4) defines the notification period as the period of six weeks that starts when the local authority notifies the nominating community group of the owner's wish to sell the asset, and sets out that "community interest group" is to be defined in regulations.

1085 Subsection (1)(b) enables an alternative community group to purchase the asset in the event that there is no preferred community buyer.

1086 Subsection (2) specifies that there is no preferred community buyer if there is no nominating community group or alternative community group.

86P: The "alternative community group"

Effect

1087 This new section specifies the process for determining an alternative community group to become the preferred community buyer of an asset of community value, in the event that either: the nominating community group is no longer in existence, the group does not wish to take up their right to purchase the asset, or the group has not formed itself as a community interest group.

1088 Subsection (1) allows any community interest group to write to the local authority to express interest in purchasing the asset of community value that is for sale. This must be received by the local authority within the expressions of interest period, which is defined in subsection (2) as eight weeks from the date that the local authority updates its list of assets of community value to reflect the asset owner's intention to sell. This is to give more time to alternative community groups who may receive the notification of an asset owner's intention to sell after a nominating community group. Alternative community groups must also include the reasons why the group wants to purchase the asset as part of their expression of interest (subsection (3)).

1089 If only one community group expresses interest in purchasing the asset of community value, and there is no nominating community group, they will be considered the alternative community buyer with the right to purchase the asset (as set out in subsection (4)(b)).

1090 Subsection (4)(c) sets out what happens if more than one community interest group is interested in purchasing the asset of community value and there is no nominating community group. It requires the local authority to select the alternative community group to be given the right to buy the asset.

1091 In both cases set out in subsection (4)(b) and subsection (4)(c), the local authority must write to all community interest groups that expressed an interest to notify them whether or not they will be considered the alternative community buyer, within 14 days of the end of the expressions of interest period (as set out in subsection (7)).

1092 Subsection (8) sets out that the meaning of community interest group will be defined in regulations.

86Q: Publicising receipt of notice under section 86M(1)

Background

1093 Under the 2011 Act, when an owner notifies the local authority of their intention to sell an asset of community value, the local authority must update the listing to reflect that this notice has been given and the date they received this notice, and must also notify the nominating community group of these matters. This is amended so that the listing must also state when the 18-month permitted sale period and the six-week notification period for the asset will end, and the local MP and councillors along with the nominating community group must be notified about the owner's intention to sell.

Effect

1094 This section replicates section 97 of the 2011 Act but makes further provisions in relation to the details included in a listing for an asset of community value if the owner gives notice of their intention to sell the asset and the persons who must be notified of these details. This section specifies what the local authority must do on receiving notice under section 86M(1) from the owner and sets that this must be done within 14 days of receiving that notice (subsection (6)).

1095 Subsection (2)(c) adds the requirement, in such circumstances, for the local authority to update an entry on its list of assets of community value to include the date when the permitted sale period and notification period ends.

1096 Subsection (4) requires the local authority to notify the local MP and councillors if the asset owner wishes to sell the asset, alongside their existing duties to publicise this information. The definition of a councillor is set out in subsection (7).

86R: Further notification requirements

Effect

1097 This new section requires the local authority to notify asset owners if there is a community buyer for an asset of community value, and whether that community buyer is the nominating community group or an alternative community group, within 14 days of the deadline for community groups to confirm their interest in purchasing the asset.

1098 Subsection (2) requires the local authority to notify asset owners in writing and update the entry in their assets of community value list in relation to whether or not a nominating community group has given written notice of their intention to purchase the asset within the six-week notification period.

1099 Subsection (3) requires the local authority to notify asset owners of a community buyer within 14 days of the end of the six-week notification period.

1100 In the event that there is no nominating community group, subsection (4) requires that the local authority notifies asset owners whether or not there is an alternative community group within 14 days of the end of the eight-week expression of interest period (as set out in subsection (5)).

1101 Subsection (6) provides definitions for the key terms used in this section.

86S: Negotiation of price and agreed offer

Background

1102 Under the 2011 Act, there is no compulsory negotiation period between the community group and asset owner in relation to the sale price of an asset of community value. The community group may bid for the asset during the six-month moratorium period, but asset owners are not required to engage with the community.

Effect

1103 This new section sets out the requirement for price negotiation between the asset owner and the community group and the role of the local authority in relation to this negotiation process.

1104 Subsection (2) requires the local authority to organise a meeting between the asset owner and the community buyer as far as reasonably practicable.

1105 Subsection (3) gives the Secretary of State powers to set out, in regulations, further details of this meeting, including the information to be provided at the meeting.

1106 Subsection (4) makes provision for an independent valuation process (as set out in new section 86T) if the community buyer and asset owner do not agree on a price for the asset within the negotiation period, which is defined in subsection (5) as the period of eight weeks beginning with the date the notice was given under section 86R(2)(a) or 86R(4).

86T: Valuation and offer

Background

1107 Under the 2011 Act, the owner of the asset is not required to sell the asset to a community buyer and can sell it on the open market to whoever they wish. If a community buyer is to purchase the asset, they must meet the price requested by the owner. If other potential buyers exceed this price, the owner may choose to sell to them.

Effect

1108 The new provision means that, where an owner and the community buyer are not able to agree a purchase price for the asset during the negotiation period, there is an independent valuation process to ensure a fair price is obtained for both parties. This will be based on market value and carried out by an authorised valuation officer from District Valuer Services, unless there are circumstances which mean it is not realistic for the local authority to make this appointment. The community buyer will need to meet this price in order to purchase the asset.

1109 Section 86T applies if the asset owner and the community buyer are not able to agree a purchase price for the asset during the negotiation period. In such cases, subsections (1) and (2) require the local authority to appoint an authorised valuation officer as defined in subsection (10) within 14 days of the end of the negotiation period to carry out a valuation of the land based on its market value at the time the owner notified the local authority of their wish to sell.

1110 Subsection (3) defines market value. Further provisions about market value, including the matters that must be taken into account in determining market value and the ability of the owner and the community buyer to make representations to the valuer, may be made by regulations (see subsection (4) and (5)).

1111 The independent valuer has eight weeks beginning from the day of their appointment to determine the value price of the asset and must inform the owner and community buyer of this price in writing as soon as reasonably practicable (see subsections (6) and (7)). If the community buyer wishes to proceed with purchasing the asset after being informed of this price, they must offer to buy it within the 12-month offer period (subsection (10)) at that price (subsection (8)).

1112 Subsection (9) sets out that the cost of the independent valuation must be met by the local authority.

1113 Subsection (10) provides definitions for the key terms used in this section.

86U: Progress requirements

Background

1114 Under community right to bid, there is a six-month moratorium on the sale of assets of community value, provided for in Section 95 of the 2011 Act.

Effect

1115 This section replaces the provision for a six-month moratorium period with an extended 12-month period, so that communities have longer to raise the funding required to purchase an asset. It also creates a new provision whereby the owner of the asset can request that the local authority reviews the progress made by the community buyer at the six-month point of the process, with the ability to terminate the process if adequate progress is not demonstrated (and at the 16-week point for sporting assets of community value). This will protect the rights of owners where the community buyer has no realistic prospect of purchasing the asset.

1116 Section 86U applies if an owner has notified the local authority that they wish to sell an asset of community value, and a community buyer has been identified (subsection (1)).

1117 Subsection (3) allows an owner to request that the local authority reviews the progress made by the community buyer towards purchasing the asset at the end of the first six-month review period. Subsection (2) inserts an additional 16-week review period for sporting assets of community value accommodating over 10,000 spectators.

1118 If such a review is requested, the local authority is required to determine whether the community buyer has met the progress requirements set out in regulations (subsection (6)) and notify the owner and community buyer of their decision as soon as reasonably practicable.

1119 A request for a review must be made at least two weeks before the end of the review period it relates to (subsection (4)).

1120 Subsection (5) requires the local authority, in all cases, to determine whether the community buyer has met the progress requirements at the end of the 12-month period and notify the owner and community buyer of the determination as soon as reasonably practicable.

1121 Subsection (8) defines the 16-week, six-month and 12-month review periods.

96V: Validity of acts

Effect

1122 The provision specifies that the validity of anything done under this Chapter is not affected by a local authority or independent valuer failing to comply with any of the timescales set out in the Chapter.

86W: Compensation

Effect

1123 This section replicates the provisions of section 99 of the 2011 Act, by providing the Secretary of State power to provide for payment of compensation.

86X: Guidance

Background

1124 There is a non-statutory advice note for local authorities to follow in relation to the assets of community value and community right to bid provisions in the 2011 Act.

Effect

1125 This section creates a new provision for the Secretary of State to issue statutory guidance for local authorities on exercising their relevant functions in relation to assets of community value and the new community right to buy. It intends to establish clear and consistent expectations for local authorities in delivering the policy.

1126 Subsections (1) and (2) of new section 86X enable the Secretary of State to issue guidance to local authorities regarding the new community right to buy and require local authorities to follow this guidance when exercising their functions in relation to community right to buy.

1127 Subsection (3) sets out the information that the guidance may include, including the types of assets that are considered to be of community value.

1128 Subsections (4) and (5) require the Secretary of State to consult with appropriate parties, to be determined by the Secretary of State, during the development of the guidance. This consultation may be carried out before the provisions of the Act come into force.

1129 Subsection (6) enables the Secretary of State to make changes to the guidance issued under the new section.

1130 Subsection (7) requires the Secretary of State to publish the guidance.

86Y: Local land charge

Effect

1131 This section replicates the provisions of section 100 of the 2011 Act, by providing for the listing of an asset of community value to be a local land charge, administered by the listing local authority.

86Z: Enforcement

Effect

1132 This section replicates the provisions of section 101 of the 2011 Act, by enabling regulations to be made by the Secretary of State to reduce or prevent contravention of the provisions.

86Z1: Co-operation

Effect

1133 This section replicates the provisions of section 102 of the 2011 Act, by specifying that local authorities must co-operate in instances where nominated land falls within different local authority areas.

86Z2: Advice and assistance in relation to land of community value

Effect

1134 This section replicates the provisions in section 103 of the 2011 Act, amending them so that they are relevant to community right to buy rather than community right to bid.

1135 This section authorises the Secretary of State to do anything the Secretary of State considers appropriate for the purpose of providing advice or assistance to anyone in England in relation to the provisions in this Chapter.

1136 This includes doing anything the Secretary of State considers appropriate for giving advice or the making of arrangements to provide advice or assistance to community buyers in connection with negotiating and offering to buy an asset of community value or in connection with considering bringing, or preparing to bring, an asset into effective use (subsection (1)(b)).

1137 Things that may be done under the section include direct financial assistance (such as grants, loans, guarantees or indemnities), or the making of arrangements for such assistance (subsection (2)).

86Z3: Crown application

Effect

1138 This section replicates the provision in section 105 of the 2011 Act, by this Chapter binding the Crown.

86Z4: Meaning of "local authority"

Effect

1139 This section replicates the provision in section 106 of the 2011 Act, by defining "local authority" (in England) for the purposes of this Chapter.

86Z5: Meaning of "owner"

Effect

1140 The section defines "owner" for the purposes of this Chapter.

1141 For any listed land the owner will either be the freeholder or the qualifying leaseholder most distant from the freeholder (subsections (2) to (4)).

1142 A qualifying leasehold estate must have been granted for at least 25 years (subsection (5)).

1143 Powers are included for the Secretary of State to amend both definitions (subsection (6)).

86Z6: Interpretation of Chapter: general

Effect

1144 This new section defines the key terms used throughout new section 86A to 86Z6.

1145 The definition of "land" needs to be read alongside the definition of "land" set out in Schedule 1 to the Interpretation Act 1978.

1146 This section also contains a transitional provision so that the list of assets of community value and unsuccessful community nominations currently held by a local authority becomes the list of assets of community value and unsuccessful community nominations under the new community right to buy provisions for England inserted by this Act. Assets that are already listed when the provisions in this Act come into effect will have their original listing period extended for a further five years, so that they are listed for a total of 10 years from the date that they were originally entered on the list.

Part 2: Minor and consequential amendments relating to Part 1

Background

1147 Part 1 of this Schedule replicates and amends the provisions in the 2011 Act to modify the assets of community value scheme and create a new community right to buy in England.

Effect

1148 Part 2 of this Schedule amends the 2011 Act so that the original provisions relate only to Wales and not to England. Paragraphs 3 to 20 update the provisions in the 2011 Act so that they only apply to Wales.

Schedule 32: Prohibition of parking on footways and verges

Background

1149 Previously, local transport authorities did not have effective legal powers to manage parking of motor vehicles on footways and verges in their areas.

1150 Part I of the Road Traffic Regulation Act 1984 gives local authorities the power to set parking restrictions on specific roads using Traffic Regulation Orders ("TROs"). TROs could be used to prohibit parking on footways and verges in certain areas, and they are civilly enforceable in civil enforcement areas under Part 6 of the Traffic Management Act 2004. However, in practice, TROs are costly and time consuming and are not used widely by local authorities to tackle the problem of parking on footways and verges.

1151 Other than TROs, it is an offence to obstruct free passage along a highway (section 137 of the Highways Act 1980), and to drive on a footpath (section 72 of the Highway Act 1835). It is also an offence to unnecessarily obstruct a road (Regulation 103 of the Road Vehicles (Construction and Use) Regulations 1986, made under the Road Traffic Act 1988). However, these offences are not civilly enforceable, and they do not provide a targeted prohibition on parking on the footway or verge.

1152 Section 19 of the Road Traffic Act 1988 makes it an offence for HGVs to park on the verge, central reservation or footway. This offence is enforced by local authorities in areas where they have civil enforcement powers and elsewhere it is enforced by the police.

1153 The vast majority of parking enforcement is carried out civilly by local authorities. Part 6 of the Traffic Management Act 2004 gives local authorities civil enforcement powers in relation to certain parking contraventions where an area has been designated as a civil enforcement area. Civil enforcement areas now apply in 98% of England.

1154 Where civil enforcement areas apply, the parking contraventions listed in Schedule 7 to the 2004 Act are decriminalised and cannot be enforced by the police except at safety-critical pedestrian crossing locations where any police enforcement takes precedent. This is by virtue of regulation 8 of the Civil Enforcement of Road Traffic Contraventions (Approved Devices, Charging Guidelines and General Provisions) (England) Regulations 2022.

Effect

1155 This Schedule creates new powers to enable the Secretary of State to make regulations which give English local transport authorities the power to prohibit parking on footways and verges in their areas that are also civil enforcement areas. A contravention of a parking prohibition introduced by regulations is made civilly enforceable.

1156 Paragraph 1, sub-paragraphs (1) to (5) empower the Secretary of State to make regulations enabling each English local transport authority to opt to prohibit the parking of motor vehicles on footways and verges on roads maintainable at the public expense in their area (excluding motorways). The geographic scope of any prohibition of footway and verge parking is restricted to within designated civil enforcement areas for parking contraventions

under Part 2 of Schedule 8 to the Traffic Management Act 2004. The regulations, which will be subject to the affirmative resolution, may define "parking" and may amend existing primary legislation.

1157 Sub-paragraph (6) introduces paragraphs 2 to 9 setting out the kinds of provision that may be made by parking regulations.

1158 Paragraph 2 provides that regulations may set out how and in what manner an English local transport authority may exercise the power to prohibit parking and how the introduction of such a prohibition must or may be publicised.

1159 Paragraph 3 provides that regulations may exclude particular descriptions of highways, or parts of highways, from parking prohibitions, including locations where parking is already permitted under other legislation. They may also allow English local transport authorities to exclude specific highways, parts of highways, or parts of their area. Such exclusions may be conditional.

1160 Paragraph 4 provides that regulations may exempt certain categories of motor vehicles, or vehicles used or parked for particular purposes, or in specific circumstances, from footway and verge parking prohibitions. These exemptions may be subject to conditions.

1161 Paragraph 5 allows regulations to make provision about traffic signs relating to parking prohibitions. They may require traffic authorities to carry out functions relating to those signs and allow English local transport authorities to direct traffic authorities accordingly. They may also require cooperation between transport authorities, traffic authorities, and local authorities. Existing statutory powers and duties relating to traffic signs are not limited.

1162 Paragraph 6 enables regulations to provide for defences to contraventions of parking prohibitions imposed under this Schedule.

1163 Paragraph 7 provides that regulations may require English local transport authorities to undertake consultation when exercising functions under the parking regulations. They may also empower the Secretary of State to issue related statutory guidance to which local authorities must have regard.

1164 Paragraph 8 amends Schedule 7 to the Traffic Management Act 2004 so that, outside Greater London, parking in contravention of a prohibition imposed under these regulations constitutes a civil parking contravention. This brings enforcement of a contravention of a parking prohibition introduced by regulations under this Schedule within the existing civil enforcement regime.

1165 Paragraph 9 enables regulations to repeal existing Acts, in whole or in part, where they already prohibit parking on footways, verges, or similar parts of roads in England outside Greater London.

1166 Paragraph 10 applies to Crown vehicles that are required to be registered, as well as vehicles belonging to or used for the purposes of a Minister of the Crown or a government department.

1167 Paragraph 11 defines key terms, including carriageway, cycle track, footway, verge, motor vehicle, parking, parking prohibition, relevant highway, and English local transport authority (including the Council of the Isles of Scilly). Definitions cross-refer to existing highways and road traffic legislation.

Schedule 33: Extension of general power of competence to English National Park Authorities and the Broads Authority

Background

1168 The general power of competence allows for an authority to do anything that an individual can do (subject to legislative limitations) and was originally conferred on local authorities via the Localism Act 2011.

Effect

1169 This Schedule amends sections 1 to 5, and 8, of the Localism Act 2011 so that the general power of competence applies in full to all National Park Authorities in England, and the Broads Authority.

1170 Paragraph 2 amends section 1 by adding the National Park Authorities in England and the Broads Authority to the authorities that can make use of the general power of competence.

1171 Paragraph 3 amends section 2 so that the boundaries on exercising the general power of competence set out in that section apply to National Park Authorities in England and the Broads Authority ensuring any pre-commencement and post-commencement legislative restrictions are applied.

1172 Paragraph 4 amends section 3 so that limits on charging as provided in this section apply to National Park Authorities in England and the Broads Authority.

1173 Paragraph 5 amends section 4 so that limits on doing things for commercial purposes as provided in this section apply to National Park Authorities in England and the Broads Authority.

1174 Paragraph 6 amends section 5 so that the Secretary of State's power to make supplementary provision also applies in relation to statutory provisions preventing or restricting National Park Authorities in England and the Broads Authority from exercising the power of competence.

1175 Paragraph 7 amends section 8 so that the correct definition of a National Park Authority in England is included in the Act.

Schedule 34: The Local Audit Office

Background

1176 The Local Audit and Accountability Act 2014 (the 2014 Act) sets the key legislative framework for the local audit system. Within the previous framework established by the 2014 Act, responsibility for oversight and regulation was spread across several organisations.

Effect

1177 This Schedule inserts new Schedule 1A into the 2014 Act. Alongside section 89 of this Act, the provisions in this Schedule enable the establishment of a new public body, the Local Audit Office (LAO), to oversee the local audit system. These provisions set statutory objectives for the LAO and prescribe key elements of its governance processes and structures.

1178 Additionally, the Schedule makes consequential amendments to existing legislation so that the LAO is listed as a relevant public body in the 2014 Act.

Part 1: Constitution, proceedings etc

Paragraph 1: Composition

1179 The LAO must have a Chair (non-executive member), at least five other non-executive members, the Controller of Local Audit, and executive members (subparagraph (1)). The Secretary of State and LAO must ensure that the number of non-executive members appointed to the LAO must always be greater than the number of executive members (subparagraph (2)).

Paragraph 2: Non-executive members: appointment and tenure

1180 The Secretary of State must appoint non-executive members including the Chair (subparagraph (1)). An employee of the LAO may not be appointed as a non-executive member (subparagraph (2)). A non-executive may be appointed for a maximum term of five years (subparagraph (3)). An individual may not be appointed more than twice (subparagraph (4)). An individual must hold office as a non-executive member in accordance with the terms and conditions of their appointment (subparagraph (5)). A non-executive member may resign by serving written notice to the Secretary of State (subparagraph (6)). The Secretary of State may, by written notice, remove a non-executive member if that individual has (a) without reasonable excuse failed to exercise the functions of the LAO, or (b) if the Secretary of State considers that the individual is unable, unfit or unwilling to carry out those functions (subparagraph (7)). If a non-executive member becomes an employee of the LAO, they will cease to hold office as a non-executive member (subparagraph (8)).

Paragraph 3: Non-executive members: remuneration

1181 The LAO must make provision for payments to non-executive directors as determined by the Secretary of State (subparagraph (1)). The LAO must make payments to non-executive members in relation to remuneration, pensions, allowances and gratuities (subparagraph (2)(a)). The LAO must pay a non-executive member compensation when they cease to be a non-executive member (subparagraph (2)(b)). The Secretary of State may determine that a payment in relation to compensation is to be made only in a case where the Secretary of State considers there to be special circumstances (subparagraph (3)).

Paragraph 4: Controller of Local Audit

1182 The LAO must employ an individual to act as its Chief Executive Officer (subparagraph (1)). This individual must have the title of Controller of Local Audit and will act in capacity as an executive member of the LAO (subparagraph (2)). As part of the recruitment process, the LAO must consult the Secretary of State before appointing the role (subparagraph (3)).

Paragraph 5: Other executive members

1183 The Local Audit Office may designate roles in which individuals are or are to be employed by the Office (subparagraph (1(a)). The LAO may also revoke such designation (subparagraph (1) (b)). The LAO must consult the Secretary of State before making or revoking a designation (subparagraph (2)). An individual employed in a designated role is to be considered an executive member of the LAO (subparagraph (3)).

Paragraph 6: Staff

1184 The LAO may employ individuals as staff and make other arrangements in relation to its staffing (subparagraph (1)). An employment, or other arrangements related to staffing, may be on any terms the LAO deems appropriate including remuneration, pensions or other

financial matters (subparagraph (2)). The Secretary of State may designate roles in which individuals serve or are to serve as staff of the LAO (subparagraph (3)(a)) or revoke such designation (subparagraph (3)(b)). The LAO may not make a payment in respect of an individual's service in a designated role unless it is in accordance with an agreement for payment which has been approved by the Secretary of State (subparagraph (4)).

Paragraph 7: Committees

1185 The Local Audit Office may appoint committees (subparagraph (1)). A committee may appoint sub-committees (subparagraph (2)). Members of a committee or sub-committee do not have to be members of the Office (subparagraph (3)). Members of a sub-committee do not have to be members of the appointing committee (subparagraph (4)). The LAO may pay remuneration and allowances as it may determine to a member of a committee or a sub-committee, but who is not a member or member of staff of the Office (subparagraph (5)).

Paragraph 8: Delegation

1186 The LAO may delegate any of its functions to a committee or sub-committee, a member of the LAO, or a member of the LAO's staff (subparagraph (1)). A committee may delegate any of its functions to a sub-committee appointed by it, a member of the committee, or a member of the LAO's staff (subparagraph (2)). A sub-committee may delegate any of its functions to a member of the sub-committee, or a member of the LAO's staff (subparagraph (3)). A delegation may be limited in extent or made subject to conditions and does not prevent the delegator from exercising the function concerned (subparagraph (4)). The LAO may not delegate its function of appointing (a) the Controller of Local Audit, (b) making or revoking the designating a role, or (c) adopting a statement of accounts, a business plan or corporate strategy, or an annual report (subparagraph (5)).

Paragraph 9: Procedure

1187 The LAO may determine its own procedure including quorum and that of its committees and sub-committees (subparagraph (1)). A vacancy or defective appointment will not impact the validity of any proceedings of the LAO (subparagraph (2)).

Paragraph 10: General Power

1188 The LAO may take any action or decision it considers appropriate for the purposes of exercising its functions, or in connection with the exercise of its functions.

Paragraph 11: Status

1189 The Local Audit Office is not to be regarded as the servant or agent of the Crown, or as enjoying any status, immunity or privilege of the Crown (subparagraph (1)). The LAO's property is not to be regarded as property of, or property held on behalf of, the Crown. (subparagraph (2)). Service as a member, or a member of staff, of the LAO is not service in the civil service of the State (subparagraph (3)).

Paragraph 12: Seal and evidence

1190 The Local Audit Office's seal mut be authenticated by a signature of a member of the LAO, or another person authorised for that purpose by the LAO (subparagraph (1)). A document executed by the LAO's seal or signed on its behalf, is to be received in evidence and is to be deemed to be executed or signed to be received in evidence, unless shown to the contrary (subparagraph (2)).

Paragraph 13: Accounts

1191 The Local Audit Office is required to keep proper accounts and proper records in relation to its accounts and prepare a statement of accounts for each financial year (subparagraph (1)). The LAO is required to send a copy of each statement of accounts to the Secretary of State and the Comptroller and Auditor General as soon as practicable after the end of the financial year to which it relates (subparagraph (2)). The Comptroller and Auditor General is required to examine, certify and report on each statement of accounts, and send a copy of each report and certified statement to the Secretary of State (subparagraph (3)). The Secretary of State must lay a copy of each report and the certified statement before Parliament (subparagraph (4)).

Paragraph 14: Business Planning

1192 The Local Audit Office is required to have a business plan and a corporate strategy (subparagraph (1)). The business plan must relate to a single financial year and must be published before the start of that year (subparagraph (2)). The corporate strategy must relate to a period of between 3 and 5 years and must be published before the expiry of the previous strategy (subparagraph (3)). The LAO may revise its business plan or corporate strategy and must publish any revision (subparagraph (4)).

Paragraph 15: Annual Report

1193 The LAO is required to prepare an annual report on the exercise of its functions during that financial year, as soon as reasonably practicable after the end of each financial year (subparagraph (1)). The LAO must send the annual report to the Secretary of State (subparagraph (2)). The Secretary of State must lay the annual report before Parliament (subparagraph (3)).

Part 2: Transitional provision

Paragraph 2: Initial appointment of Controller of Local Audit

1194 This requires the Secretary of State to nominate an individual to be appointed as the first Controller of Local Audit, for the purpose of constituting the LAO (subparagraph (1)(a)). This individual will become an executive member of the LAO (subparagraph (1)(b) and serve as its Chief Executive Officer (subparagraph (1)(c)). The Secretary of State may direct the LAO as to the terms on which the individual is to be employed (subparagraph (2)). The appointed individual will be an executive member of the LAO (subparagraph (3)).

Paragraph 3: Initial business plans and corporate strategy

1195 The duty of the LAO to produce a business plan and corporate strategy may be disapplied or modified in relation to the financial year in which the LAO is established, or the following financial year (subparagraph (1)(a) and (b)) The first corporate strategy of the LAO must be published as soon as reasonably practicable after it is established (subparagraph (2)).

Paragraph 4: Staff Transfer Schemes

1196 This allows the Secretary of State to create schemes to allow for employees of existing organisations to transfer to the LAO with their current terms and conditions protected, where the functions that they perform will be performed by the LAO. A transfer scheme would be created where the existing Transfer of Undertakings (Protection of Employment) Regulations (2006) could not be used.

Paragraph 5: Property Transfer Schemes

1197 Subparagraph (5) allows the Secretary of State to create schemes to transfer any property, rights or liabilities to the LAO where these relate to functions that are being transferred from Public Sector Audit Appointments (PSAA) at the point that ceases to exist following the transfer of its staff and functions to the LAO, where there are not existing legal routes to do this.

Part 3: Application of other legislation

1198 This section provides for the amendment of existing relevant legislation to include references to the LAO.

Schedule 35: Local audit: registration bodies, registered providers and qualifications

Background

1199 Schedule 5 to the Local Audit and Accountability Act 2014 (the 2014 Act) previously set out the arrangements for the eligibility and regulation of auditors in the local audit framework. Schedule 5 to the 2014 Act applies Part 42 of and Schedule 10 to the Companies Act 2006 (the 2006 Act) with modifications, seeking largely to align the regulatory framework for local auditors with auditors of companies. Under the 2006 Act, eligibility for appointment as an auditor depends on membership of, and compliance with, the rules of a professional accountancy body that has been authorised (or "recognised") by the Secretary of State. In practice, the power to recognise supervisory bodies under the 2006 Act is delegated to the Financial Reporting Council.

Effect

1200 This Schedule inserts new Schedules into the 2014 Act to make provisions further to those in section 90 of this Act on the eligibility and regulation of local auditors.

1201 New Schedule 1B includes additional provisions about external registration bodies, including clarifying that the LAO can issue directions to them, impose financial penalties upon them, and that external registration bodies will be exempt from liability for damages arising from any acts in respect of their role. It enables an external registration body to appeal against a financial penalty or direction.

1202 New Schedule 1C sets out further responsibilities of the operator of the local audit register (the registration body). It requires the registration body to have criteria for registering audit providers, and registration rules that providers must follow. It sets conditions that these rules and criteria must meet, as well as conferring upon the registration body the power to also impose additional criteria and rules. The registration criteria must provide that individuals may only be registered if they meet the qualification requirement, and that firms may only be registered if they meet the qualified control requirement (these requirements are set out in detail in Schedule 1D).

1203 New Schedule 1C also includes a requirement that for each registered provider, the register also includes a list of individuals within that firm who "may act as a lead partner" (new paragraph 6). 'Lead partner' is a new designation that replaces the category of a 'key audit partner' in the previous system. The registration body must only register lead partners if it is satisfied that they meet the qualification requirement; that they otherwise have the necessary competence to act as the lead partner for an audit; and are bound by "lead partner rules" in order to ensure that lead partners maintain high standards of professional conduct.

1204 New Schedule 1C requires the registration body to have registration rules that safeguard professional integrity and independence, effective complaints procedures, and arrangements for monitoring and inspections. The registration body must have arrangements for enforcement where the rules or requirements of the Act have been breached. This variously applies to enforcement against providers for quality or compliance failings conducted in the course of an audit, and enforcement against lead partners for breaches of the professional conduct requirements in the lead partner rules.

1205 As the regulator for local audit, the Local Audit Office (LAO) will remain the final arbiter for all enforcement decisions even if it has recognised an external registration body. New Schedule 1C achieves this by requiring that where the LAO considers an enforcement case to raise important matters affecting the public interest, any external registration body must escalate that case to the LAO, which must have the final decision on whether the breach has been committed and, if so, the sanction to be imposed.

1206 New Schedule 1D contains provisions regarding the professional qualifications that local auditors must possess. This includes the routes through which individuals are able to meet the qualification requirement, and through which firms are able to meet the 'qualified control' requirement. Both requirements are similar to the statutory framework established by the 2014 Act.

1207 The qualification requirement for individuals maintains a bespoke route whereby individuals take a qualification that is recognised specifically for the purpose of local audit. Existing arrangements have been maintained for individuals who are qualified to undertake statutory audits to also be qualified for the purpose of conducting local audit.

1208 Paragraph 5 of new Schedule 1D makes provisions for individuals who have qualified in audit in another country to not be required to hold a UK audit qualification in order to practise local audit, subject to specified conditions. A route for auditors from the European Economic Area to meet the qualification requirement if their qualification meets the same requirements as a UK qualification has been expanded to enable this route to apply worldwide. This change aligns local audit more closely with the qualification requirement to practise corporate audit.

1209 The qualified control requirement ensures that a majority of the individuals or entities able to affect each firm's overall policy are qualified persons. This preserves the existing requirement.

Schedule 36: Local audit: minor and consequential amendments

Background

1210 Part 4 of this Act makes provision for the establishment and oversight of the Local Audit Office (LAO) and introduces a revised framework for the regulation and appointment of auditors to relevant authorities. NHS bodies, however, are subject to distinct audit arrangements in relation to appointment, primarily set out in Part 3 of the Local Audit and Accountability Act 2014 (the 2014 Act), which will remain largely unchanged. To reflect this, it is necessary to amend the 2014 Act to ensure that its existing provisions relating to auditors, particularly those in Part 3, continue to apply to NHS bodies. This Schedule ensures legal clarity and continuity by updating references and making other consequential amendments to maintain the integrity of the audit framework as it applies to health service bodies.

Effect

1211 This Schedule makes consequential amendments to the 2014 Act in connection with Part 4 of this Act. These provisions include ensuring that, except for minor modifications, Part 3 of the 2014 Act – which sets the framework for the appointment of auditors – continues to apply in its current form to NHS bodies.

Schedule 37: Business tenancies: rent reviews and arrangements for new tenancies

Background

1212 Business tenancies in England and Wales are governed by several key pieces of legislation:

- Landlord and Tenant Act 1954 (the 1954 Act). This provides security of tenure for business tenants and establishes procedures for renewing or terminating commercial leases.
- Landlord and Tenant (Covenants) Act 1995. This governs the enforceability of lease covenants between landlords and tenants. It applies to all new leases granted on or after 1 January 1996.
- Landlord and Tenant Act 1987. This applies where there is an intermediate landlord between the tenant and the superior landlord. It provides tenants with rights to acquire the landlord's interest in certain circumstances, particularly where the premises is being sold.

1213 None of these Acts provides substantial legislation to define the parameters for rent review provisions in commercial leases in England and Wales.

1214 There are different ways to set rent in a commercial lease. In shorter leases, the rent normally stays the same throughout the lease. In longer leases, clauses that trigger rent changes, usually referred to as rent reviews, are more common. Some leases set out the specific rent amounts due on certain dates (stepped rent leases). However, most longer leases have rent reviews every 3-5 years. These reviews adjust the rent based on measures such as the premises open market value, inflation rates (e.g. Retail Price Index and Consumer Price Index), or the tenant's business performance (turnover rents). The aforementioned measures may or may not be combined.

1215 Without clear review parameters, landlords often include "upwards-only rent review" clauses in leases. These clauses ensure rent may only increase or stay the same, protecting landlords and their investors from downturns, regardless of market conditions. However, this can force tenants to pay inflated rents during recessions and market downturns.

Effect

1216 Schedule 37 inserts new Schedule 7A into the 1954 Act. The 1954 Act now prohibits the use of upward only rent review provisions in commercial leases in England and Wales.

1217 Schedule 37 also inserts new Schedule 7B into the 1954 Act. The 1954 Act now requires that the ban on upward only rent review clauses also applies to any arrangement under which the grant of a new tenancy can be required, whether it is the landlord or tenant that can impose the requirement (e.g. put options, rights of first refusal etc.).

1218 Paragraph 3 of Schedule 37 clarifies that new Schedules 7A and 7B still apply where the interest of landlord belongs to His Majesty or a Government department.

Schedule 7A: Part 1 – Key terms

Paragraph 1: "Business tenancy"

1219 This paragraph sets out the definition of a "business tenancy" for the purpose of this Schedule. A tenancy is a "business tenancy" at a particular time, if, at that time, Part 2 of the 1954 Act applies to the tenancy or has the potential to apply to the tenancy. This definition ensures that the provisions still apply to tenants, even in situations where they are not in occupation of the premises for a business purpose (e.g. when someone is leasing a premises, just for the purpose of sub-letting it to other tenants or they have not yet taken occupation and do not intend to take occupation or they have temporarily vacated the premises) as long as the terms of the tenancy include the "permitted business use terms".

Paragraph 2: "Business tenancy with a rent review"

1220 This paragraph sets out the definition of a "business tenancy with a rent review" for the purpose of this Schedule.

1221 It is defined as a business tenancy that is subject to rent review terms – terms under which an amount of rent payable under the tenancy will or may change.

Schedule 7A: Part 2 – Triggering and operation of rent reviews

Paragraph 3: Application of this Part

1222 This Part applies to all business tenancies with a rent review as defined in paragraph 2 of Part 1, so it applies where there is any type of rent review, regardless as to whether or not there are upwards only rent review provisions. It only applies if the tenancy is granted or varied so that it includes rent review terms after the Schedule comes into force, and that grant or variation was not made under protected pre-commencement arrangements.

1223 For that purpose, "protected pre-commencement arrangements" means arrangements that were entered into before the Schedule came into force. This ensures that agreements, such as an agreement for lease entered into prior to commencement of the Schedule, are not caught by the provisions allowing tenants to trigger a rent review (paragraph 4) and allowing tenants to take an operational action (paragraph 5).

1224 But arrangements are not "protected pre-commencement arrangements" if the tenancy is a new tenancy (within the meaning of Schedule 7B), the arrangements are a tenancy renewal arrangement (within the meaning of Schedule 7B), and the tenancy renewal arrangement was entered into on or after 17 March 2026.

Paragraph 4: Tenant to have power to trigger a rent review

1225 This paragraph ensures tenants will always have the power to trigger/initiate a rent review by giving the landlord notice in writing, even if the terms do not allow this.

Paragraph 5: Tenant to have power to take action to enable rent review to operate effectively

1226 This paragraph ensures tenants will always have the power to take action necessary to ensure that a particular rent review operates effectively.

Schedule 7A: Part 3 – Rent review terms that are of no effect

Paragraph 6: Application of this Part

1227 This paragraph states that this Part of the Schedule only applies to a tenancy at a particular time if, at that time, it is a "business tenancy with a rent review" (as defined in paragraph 2 of Part 1) and if the rent review terms "do not specify new passing rent" (defined in paragraph 7) and include elements 1 and 2 (defined in paragraph 8).

1228 It also reinforces that the Schedule only applies to tenancies granted or varied after the Schedule comes into force, and if that grant or variation was not made under protected pre-commencement arrangements.

1229 For that purpose, "protected pre-commencement arrangements" means arrangements that were entered into before the Schedule came into force. This ensures that agreements, such as an agreement for lease entered into prior to commencement of the Schedule, are not caught by the ban on upwards only rent reviews.

1230 But arrangements under which the tenancy was granted are not protected "pre-commencement arrangements" if the tenancy is a new tenancy (within the meaning of Schedule 7B), the arrangements are a tenancy renewal arrangement (within the meaning of Schedule 7B), and the tenancy renewal arrangement was entered into on or after 17 March 2026.

Paragraph 7: Rent review terms that "do not specify new passing rent"

1231 This paragraph defines rent review terms that "do not specify new passing rent" as terms that set out that the amount of rent payable, following a review, cannot be known or determined at the time when the tenancy is granted or varied.

Paragraph 8: Elements 1 and 2

1232 In subparagraph (2), Element 1 sets out that the amount of rent (the "reference amount") must be determined in a review by reference to either the effect of inflation or any other index or multiplier, actual rent/market rent or the tenant's turnover.

1233 In subparagraph (5), Element 2 sets out that the amount of the new passing rent will, or could, be different from the reference amount. This requirement ensures that the ban only applies when there is a provision in the rent review mechanism that would or could change the new rent from what it would be if the new rent was simply calculated as the "reference amount".

1234 The combined effect off Element 1 and Element 2 is that the ban applies where there is a rent review, but the lease seeks to require the new rent to be different to that calculated by the review mechanism used for the review.

Paragraph 9: Amount of new passing rent to be larger than reference amount

1235 This is the operative paragraph which bans upwards only rent review clauses.

1236 Subparagraph (1) states that the ban only applies if the new passing rent determined by the relevant rent review would be higher than the "reference amount". This ensures the ban applies where an "upwards only" clause is in operation but would not apply if the parties were to apply a rent lower than that calculated by the review.

1237 If the rent review would (in the absence of upwards only rent review terms) produce a reduced rent, then any term that would prevent that fall is ignored (subparagraph (3)). This is true even if the rent review provisions would still result in a fall in rent, but that fall is less than the fall which would be produced by calculating the reference amount (subparagraph (2)). Instead, the new rent will be the same as the amount calculated by the review in accordance with whichever of the objective mechanisms is used (subparagraph (4)).

1238 This paragraph may be subject to exceptions set out in regulations as permitted by paragraph 10.

Paragraph 10: Exceptions

1239 This paragraph contains a power which enables regulations to be made using the affirmative resolution procedure to create exceptions to the ban at paragraph 9.

1240 Regulations can be made in relation to paragraph 9 generally or to a specific aspect of paragraph 9. For example, if the exceptions are used in relation to paragraph 9(1), they could allow for a modification to the application of the ban, that is to which scenarios the ban will apply.

1241 For example, this may include exceptions to allow for caps and collars to be used in a commercial lease, and the parameters for their use.

Schedule 7A: Part 4 – Sub-tenancy required to include rent review terms that would be of no effect

Paragraph 11: Application of this Part

1242 This Part of the Schedule disapplies any requirements in superior business tenancies that requires or permits the sub-tenant with a rent review to include rent review terms that would/could result in terms that would be prohibited in paragraph 9(3) (i.e. upwards only rent review terms).

1243 This only applies to superior tenancies that were granted or varied before this Schedule came into force (and also meet requirements already listed above) or if the superior tenancy is granted or varied after the Schedule comes into force but the grant or variation is made under a contract that was entered into before it comes into force (and also meets requirements already listed above).

Paragraph 12: Modifications of terms of pre-commencement business tenancy

1244 This paragraph states that sub-tenancies that are based on rent reviews agreed prior to commencement are still valid if the review mechanism does not cause results that would be prohibited by paragraph 9(3).

1245 The rent review terms are to be agreed by the landlord and tenant in that sub-tenancy or determined in another agreed manner.

1246 A superior tenancy can still be varied or modified by the parties to it.

Paragraph 13: Interpretation

1247 This paragraph applies for the purpose of this Part of the Schedule.

1248 The superior tenancy permits the grant of a sub-tenancy, or the use of particular rent review terms in a sub-tenancy, if doing so would not breach the terms of the superior tenancy.

1249 'Superior tenancy' is defined in paragraph 11(1). A 'sub-tenancy' is a tenancy that is inferior to the superior tenancy.

Schedule 7A: Part 5 – General Provision

Paragraph 14: Anti-avoidance

1250 It is possible that landlords will seek to circumvent the ban using other agreements outside of the lease.

1251 This paragraph states that any agreement (whether in the tenancy document or not) is invalid if it tries to make the tenant pay for an increase in rent which would otherwise be prevented by operation of the ban.

Paragraph 15: Interpretation

1252 This paragraph gives further guidance on how terms in the Schedule should be interpreted, and where in the Schedule specific terms are defined.

- Terms that are not defined elsewhere in the Schedule are defined as follows: "inflation" means a change in prices or costs (including a change in certain kinds of prices or costs) whether or not calculated by an official index; and here "prices or costs" includes rents" particular rent review" refers to a specific time when rent review terms operate or are to operate.

Schedule 7B: Arrangements for renewal of tenancies: prohibited terms

Paragraph 1: Application of the Schedule

1253 The Schedule applies at a particular time if, at that time, conditions A to F are met.

Paragraph 2: Condition A: a business tenancy

1254 This paragraph sets out that the definition of a "business tenancy" for the purpose of this Schedule.

1255 A tenancy will be a "business tenancy" at a particular time, if, at that time, Part 2 of the 1954 Act applies to the tenancy or has the potential to apply to the tenancy.

1256 This definition ensures that the provisions in Part 2 of the 1954 Act still apply to tenants, even in situations where they are not in occupation of the premises for a business purpose (e.g. when someone is leasing a premises, just for the purpose of sub-letting it to another tenants or they have not yet taken occupation and do not intend to take occupation or they have temporarily vacated the premises) as long as the terms of the tenancy include the "permitted business use terms".

Paragraph 3: Condition B: tenancy renewal arrangement

1257 Condition B is met if the tenant under the existing tenancy is party to a tenancy renewal arrangement. This means the ban on upward only rent review clauses will also apply to any arrangement under which the grant of a new tenancy can be required, whether it is the landlord or tenant that can impose the requirement (e.g. put options, rights of first refusal etc.).

Paragraph 4: Condition C : tenancy renewal arrangement on or after 17 March 2026

1258 Condition C is met if the tenancy renewal arrangement is entered into on or after 17 March 2026.

Paragraph 5: Condition D: initial rent not known

1259 The Schedule applies only if the rent at the start of the new tenancy (that has resulted from a tenancy renewal arrangement) is unknown or cannot be calculated when the tenancy renewal arrangement is agreed. This matches the rent review definition in Schedule 7A, allowing for stepped rents.

Paragraph 6: Condition E: terms for determining the initial rent

1260 The Schedule applies only if the tenancy renewal arrangement includes terms for setting the initial rent (the "rent determination terms"), even if those terms are agreed elsewhere (e.g. other documents).

Paragraph 7: Condition F: method for determining the initial rent

1261 This paragraph ensures the ban only targets those new tenancies where the initial rent is determined based on certain objective measures.

1262 It defines these terms as having two specific elements. Both elements must be met to be caught by this paragraph and for the ban to apply. This mirrors the definition of a rent review in Schedule 7A at paragraph 5.

1263 Sub-paragraph (2) deals with element 1: there is a "reference amount" rent level and this can be determined by objective measures. This means the ban specifically covers leases where the rent is determined in reference to inflation indexing (subparagraph (2)(a)), open market value (subparagraph (2)(b)), amongst other measures.

1264 Sub-paragraph (5) deals with element 2: the initial rent of the new lease resulting from a tenancy renewal arrangement could be different from the "reference amount" – i.e. that the new passing rent is different.

Paragraph 8: Amount of initial rent to be larger than reference amount

1265 This is the operative paragraph which bans tenancy renewal arrangements that would force a tenant to enter into a new lease at a rental price that is higher than the reference amount.

1266 Subparagraph (1) states that the ban applies only when the rent in the new tenancy (that is entered into as the result of a tenancy renewal arrangement), exceeds the reference amount.

1267 If the mechanism for determining the initial rent contains provisions would produce a rent higher than the reference amount, then those provisions are ignored to ensure the initial rent reflects the reference amount.

1268 This paragraph may be subject to exceptions set out in regulations as permitted by paragraph 9.

Paragraph 9: Exceptions

1269 This paragraph contains a power which enables regulations to be made to create exceptions to paragraph 8. They can be made in relation to the paragraphs generally or to a specific aspect of one of those paragraphs, for example, in relation to paragraph 8(3).

1270 For example, this may include exceptions for when caps and collars exist in a tenancy renewal arrangement, and the parameters for their use.

Paragraph 10: Anti-avoidance

1271 It is possible that landlords will seek to circumvent the ban using other agreements.

1272 This paragraph states that any agreement is invalid if it tries to make the tenant pay for an increase in rent which would otherwise be prevented by operation of the ban.

Paragraph 11: Interpretation

1273 This paragraph gives further guidance on how terms in the Schedule should be interpreted, and where in the Schedule specific terms are defined.

Commencement

1274 Section 108 (Commencement) provides that following provisions come into force on the day on which Royal Assent is given:

- Part 1 – sections 1, 2, 4 (and Schedule 1, apart from paragraphs 18, and 39 and any provisions of that Schedule so far as they relate to any of those paragraphs), 5, 6 (and Schedule 2), 7, 9 (and Schedule 3), 14, 15, 18 and 19;
- Part 2 – sections 21 (and Schedule 6) in respect of mayoral CAs and CCAs, 25 (and Schedule 8), 27 (and Schedule 10), 29 (and Schedule 11), 30, 31 (and Schedule 12), 32 (and Schedule 13), 36 (and Schedule 18), 37 (and Schedule 19), 38 (and Schedule 20), 40 (and Schedule 21), 42, 44 (and Schedule 23), 45, 50 and 52;
- Part 6;
- Other provisions so far as they confer powers to make secondary legislation or are otherwise necessary for enabling the exercise of such a power on or after the day on which Royal Assent is given, except for sections 11 (and Schedules 4 and 5), 26 (and Schedule 29), and sections 70 to 86.

1275 The following provisions come into force two months from the day on which Royal Assent is given:

- Part 1 – sections 3, 8, 10, 13, 16, 17, and 20;
- Part 2 – sections 21 (and Schedule 6) except in respect of mayoral CAs and CCAs, 22, 23, 28, 41 (and Schedule 22), 46, 47 (and Schedule 24), 48 (and Schedule 25), 49, 51 (and Schedule 26), 53, 54 (and Schedule 27), 55, and 56;
- Part 3 – sections 59 (and Schedule 28), 60, 61 (and Schedule 29), 64, 65 and 88 (and Schedule 33).

1276 The remaining provisions in this Act will come into force on such a day or days as the Secretary of State may appoint by regulations. Different days may be appointed for different purposes or areas.

1277 The Secretary of State may make transitional or saving provision in connection with the commencement of any provision in this Act, by regulations, including making different provision for different purposes or areas.

Related documents

1278 The following documents are relevant to the Act and can be read at the stated locations:

- English Devolution White Paper
  https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper

Annex A - Territorial extent and application in the United Kingdom

Provision		England	Wales	Scotland	Northern Ireland
		Extends to England & Wales, and applies to England?	**Extends to England & Wales, and applies to Wales?**	**Extends and applies to Scotland?**	**Extends and applies to Northern Ireland?**
Part 1 (Strategic authorities)	All sections, except section 17	Yes	No	No	No
	Section 17	Yes	Yes	No	No
Part 2 (Functions of strategic authorities and mayors)		Yes	No	No	No
Part 3 (Other measures about local =authorities and PCCs)	All sections, except section 63	Yes	No	No	No
	Section 631	Yes	Yes	No	No
Part 4 (Local Audit)		Yes	No	No	No
Part 5 (Rent reviews in business tenancies)		Yes	Yes	No	No
Part 6 (Final provisions)		Yes	Yes	No	No
Schedules	All Schedules, except Schedules 30 and 37	Yes	No	No	No
	Schedule 30	Yes	In part	No	No
	Schedule 37	Yes	Yes	No	No

Annex B - Hansard References

1279 The following table sets out the dates and Hansard references for each stage of the Act's passage through Parliament.

Stage	Date	Hansard Reference
House of Commons		
Introduction	10 July 2025	
Second Reading	02 September 2025	Vol. 772 Col. 180
Public Bill Committee	16 September 2025 14 October 2025 16 October 2025 21 October 2025 23 October 2025 28 October 2025	Compilation sittings 1 to 12
Report and Third Reading	24 November 2025 25 November 2025	Vol. 776 Col. 64 Vol. 776 Col. 266
House of Lords		
Introduction	27 November 2025	Vol. 850
Second Reading	08 December 2025	Vol. 851 Col. 31
Grand Committee	20 January 2026 27 January 2026 29 January 2026 02 February 2026 04 February 2026 09 February 2026 11 February 2026 05 March 2026	Vol. 852 Col. 58GC Vol. 852 Col. 290GC Vol. 852 Col. 388GC Vol. 852 Col. 458GC Vol. 852 Col. 580GC Vol. 853 Col. 2GC Vol. 853 Col. 122GC Vol. 853 Col. 512GC
Report	24 March 2026 24 March 2026 26 March 2026 13 April 2026	Vol. 854 Col. 1369 Vol. 854 Col. 1451 Vol. 854 Col. 1640 Vol. 855 Col. 27
Third Reading	15 April 2026	Vol. 855 Col. 338
Commons Consideration of Lords Amendments	21 April 2026	Vol. 784 Col. 238
Lords Consideration of Commons amendments and / or reasons	23 April 2026	Vol. 855 Col. 770
Commons Consideration of Lords message	27 April 2026	Vol. 784 Col. 603

These Explanatory Notes refer to the English Devolution and Community Empowerment Act 2026 which received Royal Assent on 29 April 2026 (c. 23)

Stage	Date	Hansard Reference
Lords Consideration of Commons amendments and / or reasons	27 April 2026	Vol. 855 Col. 1020
Commons Consideration of Lords message	28 April 2026	Vol. 784 Col. 848
Lords Consideration of Commons amendments and / or reasons	28 April 2026	Vol. 855 Col. 1137
Royal Assent	29 April 2026	House of Lords Vol. 855

Annex C - Progress of Bill Table

1280 This Annex shows how each section and Schedule of the Act was numbered during the passage of the Bill through Parliament.

Section of the Act	Bill as Introduced in the Commons	Bill as amended in Committee in the Commons	Bill as introduced in the Lords	Bill as amended in Committee in the Lords	Bill as amended on Report in the Lords
Section 1	Clause 1	Clause 1	Clause 1	Clause 1	Clause 1
Section 2	Clause 2	Clause 2	Clause 2	Clause 2	Clause 2
Section 3	Clause 3	Clause 3	Clause 3	Clause 3	Clause 3
Section 4	Clause 4	Clause 4	Clause 4	Clause 4	Clause 4
Section 5	Clause 5	Clause 5	Clause 5	Clause 5	Clause 5
Section 6	Clause 6	Clause 6	Clause 6	Clause 6	Clause 6
Section 7	Clause 7	Clause 7	Clause 7	Clause 7	Clause 7
Section 8	Clause 8	Clause 8	Clause 8	Clause 8	Clause 8
Section 9	Clause 9	Clause 9	Clause 9	Clause 9	Clause 9
Section 10	Clause 10	Clause 10	Clause 10	Clause 10	Clause 10
Section 11					Clause 11
Section 12	Clause 11	Clause 11	Clause 11	Clause 11	Clause 12
Section 13	Clause 12	Clause 12	Clause 12	Clause 12	Clause 13
Section 14	Clause 13	Clause 13	Clause 13	Clause 13	Clause 14
Section 15	Clause 14	Clause 14	Clause 14	Clause 14	Clause 15
Section 16	Clause 15	Clause 15	Clause 15	Clause 15	Clause 16
Section 17	Clause 16	Clause 16	Clause 16	Clause 16	Clause 18
Section 18	Clause 17	Clause 17	Clause 17	Clause 17	Clause 19
Section 19	Clause 18	Clause 18	Clause 18	Clause 18	Clause 20
Section 20	Clause 19	Clause 19	Clause 19	Clause 19	Clause 21
Section 21	Clause 20	Clause 20	Clause 20	Clause 20	Clause 22
Section 22	Clause 21	Clause 21	Clause 21	Clause 21	Clause 23
Section 23	Clause 22	Clause 22	Clause 22	Clause 22	Clause 24
Section 24	Clause 23	Clause 23	Clause 23	Clause 23	Clause 25
Section 25	Clause 24	Clause 24	Clause 24	Clause 24	Clause 26
Section 26			Clause 25	Clause 25	Clause 27
Section 27	Clause 25	Clause 25	Clause 26	Clause 26	Clause 28
Section 28	Clause 26	Clause 26	Clause 27	Clause 27	Clause 29
Section 29	Clause 27	Clause 27	Clause 28	Clause 28	Clause 30
Section 30	Clause 28	Clause 28	Clause 29	Clause 29	Clause 31

Section of the Act	Bill as Introduced in the Commons	Bill as amended in Committee in the Commons	Bill as introduced in the Lords	Bill as amended in Committee in the Lords	Bill as amended on Report in the Lords
Section 31	Clause 29	Clause 29	Clause 30	Clause 30	Clause 32
Section 32	Clause 30	Clause 30	Clause 31	Clause 31	Clause 33
Section 33	Clause 31	Clause 31	Clause 32	Clause 32	Clause 34
Section 34	Clause 32	Clause 32	Clause 33	Clause 33	Clause 35
Section 35	Clause 33	Clause 33	Clause 34	Clause 34	Clause 36
Section 36	Clause 34	Clause 34	Clause 35	Clause 35	Clause 37
Section 37	Clause 35	Clause 35	Clause 36	Clause 36	Clause 38
Section 38	Clause 36	Clause 36	Clause 37	Clause 37	Clause 39
Section 39					Clause 40
Section 40	Clause 37	Clause 37	Clause 38	Clause 38	Clause 41
Section 41	Clause 38	Clause 38	Clause 39	Clause 39	Clause 42
Section 42	Clause 39	Clause 39	Clause 40	Clause 40	Clause 43
Section 43	Clause 40	Clause 40	Clause 42	Clause 42	Clause 44
Section 44	Clause 42	Clause 42	Clause 43	Clause 43	Clause 45
Section 45	Clause 43	Clause 43	Clause 44	Clause 44	Clause 46
Section 46	Clause 44	Clause 44	Clause 45	Clause 45	Clause 47
Section 47	Clause 45	Clause 45	Clause 46	Clause 46	Clause 48
Section 48	Clause 46	Clause 46	Clause 47	Clause 47	Clause 49
Section 49	Clause 47	Clause 47	Clause 48	Clause 48	Clause 50
Section 50	Clause 48	Clause 48	Clause 49	Clause 49	Clause 51
Section 51			Clause 50	Clause 50	Clause 52
Section 52	Clause 41	Clause 41	Clause 41	Clause 41	Clause 53
Section 53	Clause 49	Clause 49	Clause 51	Clause 51	Clause 54
Section 54	Clause 50	Clause 50	Clause 52	Clause 52	Clause 55
Section 55	Clause 51	Clause 51	Clause 53	Clause 53	Clause 56
Section 56	Clause 52	Clause 52	Clause 54	Clause 54	Clause 57
Section 57	Clause 53	Clause 53	Clause 55	Clause 55	Clause 58
Section 58	Clause 54	Clause 54	Clause 56	Clause 56	Clause 59
Section 59	Clause 55	Clause 55	Clause 57	Clause 57	Clause 60
Section 60	Clause 56	Clause 56	Clause 58	Clause 58	Clause 61
Section 61	Clause 57	Clause 57	Clause 59	Clause 59	
Section 62	Clause 58	Clause 58	Clause 60	Clause 60	Clause 62
Section 63	Clause 59	Clause 59	Clause 61	Clause 61	Clause 64
Section 64					Clause 65

Section of the Act	Bill as Introduced in the Commons	Bill as amended in Committee in the Commons	Bill as introduced in the Lords	Bill as amended in Committee in the Lords	Bill as amended on Report in the Lords
Section 65			Clause 62	Clause 62	Clause 66
Section 66					Clause 67
Section 67	Clause 60	Clause 60	Clause 63	Clause 63	Clause 68
Section 68					Clause 69
Section 69					Clause 71
Section 70			Clause 64	Clause 64	Clause 72
Section 71			Clause 65	Clause 65	Clause 73
Section 72			Clause 66	Clause 66	Clause 74
Section 73			Clause 67	Clause 67	Clause 75
Section 74			Clause 68	Clause 68	Clause 76
Section 75					Clause 77
Section 76					Clause 78
Section 77					Clause 79
Section 78					Clause 80
Section 79					Clause 81
Section 80					Clause 82
Section 81					Clause 83
Section 82					Clause 84
Section 83			Clause 69	Clause 69	Clause 85
Section 84			Clause 70	Clause 70	Clause 86
Section 85			Clause 71	Clause 71	Clause 87
Section 86			Clause 72	Clause 72	Clause 88
Section 87					Clause 89
Section 88			Clause 73	Clause 73	Clause 90
Section 89	Clause 61	Clause 61	Clause 74	Clause 74	Clause 91
Section 90	Clause 62	Clause 62	Clause 75	Clause 75	Clause 92
Section 91	Clause 63	Clause 63	Clause 76	Clause 76	Clause 93
Section 92	Clause 64	Clause 64	Clause 77	Clause 77	Clause 94
Section 93	Clause 65	Clause 65	Clause 78	Clause 78	Clause 95
Section 94	Clause 66	Clause 66	Clause 79	Clause 79	Clause 96
Section 95	/	Clause 67	Clause 80	Clause 80	Clause 97
Section 96	Clause 67	Clause 68	Clause 81	Clause 81	Clause 98
Section 97	Clause 68	Clause 69	Clause 82	Clause 82	Clause 99
Section 98	Clause 69	Clause 70	Clause 83	Clause 83	Clause 100

Section of the Act	Bill as Introduced in the Commons	Bill as amended in Committee in the Commons	Bill as introduced in the Lords	Bill as amended in Committee in the Lords	Bill as amended on Report in the Lords
Section 99	Clause 70	Clause 71	Clause 84	Clause 84	Clause 101
Section 100	Clause 71	Clause 72	Clause 85	Clause 85	Clause 102
Section 101	Clause 72	Clause 73	Clause 86	Clause 86	Clause 103
Section 102	Clause 73	Clause 74	Clause 87	Clause 87	Clause 104
Section 103	Clause 74	Clause 75	Clause 88	Clause 88	Clause 105
Section 104					Clause 106
Section 105	Clause 75	Clause 76	Clause 89	Clause 89	Clause 107
Section 106	Clause 76	Clause 77	Clause 90	Clause 90	Clause 108
Section 107	Clause 77	Clause 78	Clause 91	Clause 91	Clause 109
Section 108	Clause 78	Clause 79	Clause 92	Clause 92	Clause 110
Section 109	Clause 79	Clause 80	Clause 93	Clause 93	Clause 111
Schedule 1	Schedule 1	Schedule 1	Schedule 1	Schedule 1	Schedule 1
Schedule 2	Schedule 2	Schedule 2	Schedule 2	Schedule 2	Schedule 2
Schedule 3	Schedule 3	Schedule 3	Schedule 3	Schedule 3	Schedule 3
Schedule 4					Schedule 4
Schedule 5					Schedule 5
Schedule 6	Schedule 4	Schedule 4	Schedule 4	Schedule 4	Schedule 6
Schedule 7	Schedule 5	Schedule 5	Schedule 5	Schedule 5	Schedule 7
Schedule 8	Schedule 6	Schedule 6	Schedule 6	Schedule 6	Schedule 8
Schedule 9			Schedule 7	Schedule 7	Schedule 9
Schedule 10	Schedule 7	Schedule 7	Schedule 8	Schedule 8	Schedule 10
Schedule 11	Schedule 8	Schedule 8	Schedule 9	Schedule 9	Schedule 11
Schedule 12	Schedule 9	Schedule 9	Schedule 10	Schedule 10	Schedule 12
Schedule 13	Schedule 10	Schedule 10	Schedule 11	Schedule 11	Schedule 13
Schedule 14	Schedule 11	Schedule 11	Schedule 12	Schedule 12	Schedule 14
Schedule 15	Schedule 12	Schedule 12	Schedule 13	Schedule 13	Schedule 15
Schedule 16	Schedule 13	Schedule 13	Schedule 14	Schedule 14	Schedule 16
Schedule 17	Schedule 14	Schedule 14	Schedule 15	Schedule 15	Schedule 17
Schedule 18	Schedule 15	Schedule 15	Schedule 16	Schedule 16	Schedule 18
Schedule 19	Schedule 16	Schedule 16	Schedule 17	Schedule 17	Schedule 19
Schedule 20	Schedule 17	Schedule 17	Schedule 18	Schedule 18	Schedule 20
Schedule 21	Schedule 18	Schedule 18	Schedule 19	Schedule 19	Schedule 21
Schedule 22	Schedule 19	Schedule 19	Schedule 20	Schedule 20	Schedule 22
Schedule 23	Schedule 20	Schedule 20	Schedule 21	Schedule 21	Schedule 23

Section of the Act	Bill as Introduced in the Commons	Bill as amended in Committee in the Commons	Bill as introduced in the Lords	Bill as amended in Committee in the Lords	Bill as amended on Report in the Lords
Schedule 24	Schedule 21	Schedule 21	Schedule 22	Schedule 22	Schedule 24
Schedule 25	Schedule 22	Schedule 22	Schedule 23	Schedule 23	Schedule 25
Schedule 26			Schedule 24	Schedule 24	Schedule 26
Schedule 27	Schedule 23	Schedule 23	Schedule 25	Schedule 25	Schedule 27
Schedule 28	Schedule 24	Schedule 24	Schedule 26	Schedule 26	Schedule 28
Schedule 29	Schedule 25	Schedule 25	Schedule 27	Schedule 27	
Schedule 30	Schedule 26	Schedule 26	Schedule 28	Schedule 28	Schedule 29
Schedule 31	Schedule 27	Schedule 27	Schedule 29	Schedule 29	Schedule 30
Schedule 32	Schedule 28	Schedule 28	Schedule 29	Schedule 29	Schedule 31
Schedule 33			Schedule 30	Schedule 30	Schedule 32
Schedule 34	Schedule 29	Schedule 29	Schedule 31	Schedule 31	Schedule 33
Schedule 35	Schedule 29	Schedule 29	Schedule 32	Schedule 32	Schedule 34
Schedule 36	Schedule 30	Schedule 30	Schedule 33	Schedule 33	Schedule 35
Schedule 37	Schedule 31	Schedule 31	Schedule 34	Schedule 34	Schedule 36

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