

MDA No.: 1414

Title: GLA Oversight Committee's Written Evidence to the Public Bill Committee - Levelling-up and Regeneration Bill

1. Executive Summary

1.1 At the GLA Oversight Committee meetings on 16 June 2022 and 13 July 2022 the Committee resolved that:

That authority be delegated to the Chair in consultation with the Deputy Chairman, and party Group Lead Members to agree any output from the discussion.

1.2 Following consultation with the Deputy Chairman and party Group Lead Members, the Chair agreed the Committee's written evidence, as attached at **Appendix 1**.

2. Decision

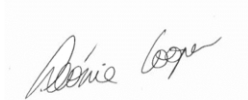
2.1 **That the Committee's written evidence to the Public Bill Committee, concerning the Levelling-up and Regeneration Bill, be agreed.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: Léonie Cooper AM

Date: 5 September 2022

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chair, in consultation with relevant party Lead Group Members and Deputy Chairs, on 6 June 2022 under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the written evidence and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the Committee's written evidence will be formally noted at the GLA Oversight Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services):



Printed Name: Davena Toyinbo

Date: 05/09/2022

Telephone Number: 07521 266519

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Printed Name:

Date:

Telephone Number:

Legal Implications:

The Chair of the GLA Oversight Committee has the power to make the decision set out in this report.

Signature (Legal):



Printed Name: Emma Strain, Monitoring Officer

Date: 05/09/2022

Telephone Number: 07971 101375

Supporting Detail / List of Consultees:

- Susan Hall AM
- Caroline Russell AM
- Caroline Pidgeon MBE AM

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

Lead Officer / Author

Signature: G.Brand

Printed Name: Gino Brand

Job Title: Senior Policy Advisor

Date: 05/09/2022

Telephone Number: 07511 213765

Countersigned by Executive Director:

Signature: *Helen Ewen*

Printed Name: Helen Ewen

Date: 05/09/2022

Telephone Number: 07729 108986

Written evidence submitted by the London Assembly GLA Oversight Committee to the Public Bill Committee - Levelling-up and Regeneration Bill

Executive Summary

- The Committee welcomes the government's re-focus on English devolution, which has been a consistent area of interest and of cross-party agreement for the London Assembly over the last decade. The Committee urges the next Prime Minister to maintain a strong focus on these issues.
- The Committee seeks reassurance that the devolution framework will not limit London's potential for further devolution and asks that government confirms this.
- The Committee eagerly awaits progress and further detail on what shape a "simplified, long-term funding settlement" would take. The Committee would welcome the opportunity to feed into this discussion around fiscal devolution and would be happy to share its findings from the recent investigation into devolution.
- Whilst the Levelling-up and Regeneration Bill rightly focuses on increasing scrutiny functions within combined authorities, it is important that improvements to scrutiny of the Mayor of London, through expanded powers to the London Assembly, are not overlooked.
- The Levelling Up Missions presented in the Bill and the accompanying statements, in accordance with Clause 1 of the Bill, must fairly present the challenges that parts of London are facing, particularly with regard to inequality and poverty.
- Annual reporting for the Levelling Up Missions must include metrics that will support London to 'level up' and reflect the work that will be undertaken by the Levelling Up Advisory Council.
- The creation of Levelling Up Missions and the statutory reporting on the Missions must not impede the ability of local leaders to prioritise what is most important for their areas.
- For levelling up to truly be a success, the Missions must create more growth, jobs and opportunities. Simply moving existing growth and funding from one part of the UK to another is not levelling up.
- It is important to ensure that the Levelling Up Missions do not consider London's current arrangements as the 'ceiling' or 'benchmark' and confirm that the Missions and devolution framework do not limit London's potential for further growth and devolution.
- The planning reforms set out in the Levelling Up and Regeneration Bill must not undermine the powers that the Mayor and GLA currently have.

Introduction

- 1.1 The London Assembly GLA Oversight Committee is currently running an investigation into devolution in London and met on 16 June 2022 and 13 July 2022 to discuss the UK government's Levelling Up White Paper and Bill. The Committee heard from a range of policy experts in this area as well as colleagues within the GLA, whose evidence has helped to inform this response. Whilst the Committee recognises the opportunities that the Bill presents to spread prosperity across the UK, it does have concerns that London could be negatively impacted by some of the proposals.
- 1.2 The Committee is also producing a report looking into the potential impact of the Levelling Up programme in London and the wider aspects of devolution and opportunities for London, which go beyond the remit of the Levelling Up and Regeneration Bill, and would welcome the opportunity to share its findings with government.
- 1.3 The GLA Oversight Committee recognises the progress that the Public Bill Committee has already made on the Levelling Up and Regeneration Bill. The Committee's response focuses primarily on Part 1 of the Bill, as this is most pertinent to its recent investigation. Whilst the Committee recognises that the Public Bill Committee has already debated Part 1 of the Bill, it nevertheless considers it important to raise these points to inform the Public Bill Committee's ongoing work on the Bill.

The Committee welcomes the government's re-focus on English devolution, which has been a consistent area of interest and of cross-party agreement for the London Assembly over the last decade. The Committee urges the next Prime Minister to maintain a strong focus on these issues.

- 1.4 The Committee fully supports the government's stated Levelling Up Mission "by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution". The Committee also fully supports the introduction of a devolution framework, which will ensure consistency and transparency in this area. The Committee was pleased to see that the framework offers "scope to negotiate further powers on a case-by-case basis" and "an opportunity to adopt innovative local proposals to address specific challenges and opportunities".¹ Given that the framework contains many powers that the Mayor of London and the GLA already have, **the Committee seeks reassurance that the devolution framework will not limit London's potential for further devolution and asks that government confirms this.**
- 1.5 The Committee welcomes recognition by government that the current system of regional and local funding is too complicated, and it supports the Levelling Up Mission that commits to giving every part of England "a simplified, long-term funding settlement". With a single pot of funding for the Mayor of London, alongside expanded powers for the London Assembly to ensure adequate scrutiny of how funding is spent, the Mayor could more efficiently deliver positive outcomes for London and be more effective in delivering government's strategic levelling up priorities. **The Committee eagerly awaits progress and further detail on what shape a "simplified, long-term funding settlement" would take. The Committee would welcome the opportunity to feed into this discussion around fiscal devolution and would be happy to share its findings from the recent investigation into devolution.**

¹ [Levelling UP White Paper](#) p. 139

Whilst the Levelling-up and Regeneration Bill rightly focuses on increasing scrutiny functions within combined authorities, it is important that improvements to scrutiny of the Mayor of London, through expanded powers to the London Assembly, are not overlooked.

- 1.6 The London Assembly has long called for powers to Summons information and co-operation from bodies outside the GLA group that are appointed by the Mayor or have a significant London-wide role to play in delivering his strategies², such as the London Ambulance Service and the Port of London Authority.³ This is supported by the Levelling Up, Housing and Communities recent investigation into devolution and would enable more effective scrutiny of the Mayor and of important issues affecting Londoners.
- 1.7 Furthermore, the London Assembly's statutory functions, as set out in section 59 of the GLA Act, should be expanded beyond simply "keep[ing] under review the exercise by the Mayor of the statutory functions exercisable by him".⁴ This should be broadened to allow the London Assembly to investigate important matters affecting London, beyond the Mayoralty, for example with utilities companies such as Thames Water.
- 1.8 Nevertheless, much like the Levelling Up and Regeneration Bill intends to improve scrutiny of combined authorities through changes to the provision of remuneration, the London Assembly would need to be properly resourced to be able to take on this additional responsibility and ensure adequate scrutiny in this area.

² These bodies are: London Waste and Recycling Board, London Pension Fund Authority, Museum of London, NHS London, London Ambulance Service, Environment Agency, Royal Parks Agency and Constabulary, British Waterways, Commission for Architecture and the Built Environment, Arts Council and English Heritage London Advisory Committee, Port of London Authority, Higher Education Funding Council for England, Civil Aviation Authority

³ London Assembly Devolution Working Group, [A New Agreement for London](#) September 2015

⁴ <https://www.legislation.gov.uk/ukpga/1999/29/section/59>

The Levelling Up Missions presented in the Bill and the accompanying statements, in accordance with Clause 1 of the Bill, must fairly present the challenges that parts of London are facing, particularly with regard to inequality and poverty.

- 2.1 Whilst the Levelling Up White Paper does go some way to recognise that disparities are not just seen between regions but also within regions, the Committee does not feel that the White Paper goes far enough to paint the true picture in London.
- 2.2 London has the highest percentage of individuals in low-income households in the UK. London consistently has higher unemployment rates than the rest of the UK and saw the steepest increases in unemployment during the pandemic.⁵
- 2.3 London has greater wealth inequality than the rest of the UK, with the poorest half of households in London owning 4 per cent of the capital's wealth. In comparison, the poorest half in the rest of the UK own 9 per cent.⁶
- 2.4 In London, poverty rates increase from 16 per cent to 28 per cent after taking housing costs into consideration. This increase is much smaller for the rest of England, where poverty rates increase from 17 per cent to 21 per cent after housing costs are accounted for.⁷

Annual reporting for the Levelling Up Missions must include metrics that will support London to 'level up' and reflect the work that will be undertaken by the Levelling Up Advisory Council.

- 3.1 The Committee welcomes the government's move to reporting on progress made in this area to ensure that the government can be held to account. The Committee understands that the GLA is engaging with the Department for Levelling Up Housing and Communities (DLUHC) to ensure that the metrics adequately cover London's challenges. The Committee supports this engagement and hopes to see progress in this area.
- 3.2 The Levelling Up White Paper mentions the disparities and challenges facing London and states that the Levelling Up Advisory Council will consider how to ensure that London's "complex economic geography and socio-economic spectrum" can benefit from Levelling Up.⁸ The metrics used for the Levelling Up Missions are key to ensuring that London continues to grow alongside regions across the UK. To deliver this, the work of the Levelling Up Advisory Council must be reflected in the metrics and must inform the annual reporting of progress.

The creation of Levelling Up Missions and the statutory reporting on the Missions must not impede the ability of local leaders to prioritise what is most important for their areas.

- 4.1 As stated in the Levelling Up White Paper, "levelling up will only be successful if local actors are empowered to develop solutions that work for their communities".⁹ The Committee is concerned about the impact of the statutory reporting of the Levelling Up Missions, which could run the risk of local leaders altering their priorities to the detriment of their local areas, to fit with the government's priorities. This concern is further

⁵ <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/recovery-context/levelling>

⁶ *Ibid.*

⁷ <https://www.trustforlondon.org.uk/data/poverty-before-and-after-housing-costs/>

⁸ DLUHC, *Levelling Up White Paper*, February 2022 p. 144

⁹ *Ibid.* p. 234

highlighted in the White Paper which states “locally-led funds give local leaders the ability to deliver noticeable improvements to communities and foster pride in place, within a framework of strategic priorities determined by the UK government”.¹⁰

- 4.2 Whilst it is important that there is a consistent and strategic approach to growth across the whole of the UK, the Levelling Up Bill must ensure that local leaders are empowered to deliver local priorities. The Missions should be responsive to emerging or changing local priorities, particularly where these are common across a number of regions. The Levelling Up Missions must not negatively impact or change the priorities of local leaders, which would be at odds with the government’s own priorities within the Bill to empower local leaders and support further devolution.

For levelling up to truly be a success, the Missions must create more growth, jobs and opportunities. Simply moving existing growth and funding from one part of the UK to another is not levelling up.

- 5.1 The Committee supports public investment in Research and Development across the UK and the Levelling Up Mission that states “by 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40 per cent, and over the Spending Review period by at least one third.”¹¹ However, the Committee would like reassurance that this increase in public spending outside of London and the South East will not result in a decrease in public funding in London and the South East. Simply moving funding around to a different part of the UK is not levelling up. In 2019-20, prior to the pandemic, London’s net positive contribution to the Treasury was around £36 billion annually. Only two other regions made a net positive contribution with the South East contributing a net £20 billion and the East of England contributing £4 billion.¹² London is therefore critical to the success of the rest of the country, as it contributes far more to central government than it receives from central government, and deserves to continue to benefit from a fair level of public investment.
- 5.2 The Committee also welcomes the goal of increasing cultural investment in historically underfunded areas across the UK. However, the provisions in the Levelling Up approach to cultural investment will negatively impact London, which is facing a loss of up to £70 million of public arts funding by 2026. This includes London’s share of the £43.5 million uplift to Arts Council England (ACE) spending committed in the last Spending Review. This is despite the Department for Culture Media and Sport (DCMS) already having directed ACE to reduce its investment in London by £16 million annually from 2023-2026.

It is important to ensure that the Levelling Up Missions do not consider London’s current arrangements as the ‘ceiling’ or ‘benchmark’ and confirm that the Missions and devolution framework do not limit London’s potential for further growth and devolution.

- 6.1 The Committee recognises that London benefits from a world-class public transport system and that other regions must have the opportunity to develop their own through the mission “by 2030, local public transport connectivity across the country will be significantly closer to the standards of London”.

¹⁰ [Ibid.](#)

¹¹ [Ibid.](#) p. 170

¹² [Country and regional public sector finances - Office for National Statistics \(ons.gov.uk\)](#)

- 6.2 Nevertheless, the Committee is concerned that framing this Mission around London being the benchmark or the ceiling does not take into consideration that London's public transport system must be maintained and continue to see growth and improvement if it is to keep pace with, and further aid, economic recovery in the capital. It will be essential to avoid seeing the current London position as a static model for the future, which limits the scope to review and reform the London picture, where appropriate and necessary to do so.

The planning reforms set out in the Levelling Up and Regeneration Bill must not undermine the powers that the Mayor and GLA currently have.

- 7.1 Whilst the planning and regeneration aspects of this Bill were beyond the scope of the Committee's recent investigation on devolution, the Committee supports the Mayor of London's position with regards to the Bill's planning reforms. The Committee is concerned that the measures set out in the Bill risk undermining the progress that the Mayor and GLA have made in recent years in increasing supply, building more affordable housing, improving design standards and making development more sustainable. The Committee also supports the Mayor's concerns that the proposed Infrastructure Levy could undermine the delivery of infrastructure and social housing.