

District Councils' Network: submission to the Levelling Up and Regeneration Bill Public Bill Committee

1. About the District Councils' Network

- 1.1. The District Councils' Network (DCN) is a cross-party member led network of 183 councils. We are a Special Interest Group of the Local Government Association (LGA), and provide a single voice for district services within the Local Government Association.
- 1.2. District councils in England deliver 86 out of 137 essential local government services to over 22 million people – 40% of the population – and cover 68% of the country by area. District councils are home to 40% of businesses in England and one-third of economic output.
- 1.3. District councils have a proven track record of building better lives and stronger economies in the areas that they serve. Districts protect and enhance quality of life by safeguarding our environment, promoting public health, wellbeing and leisure, whilst creating attractive places to live, raise families and run a business. By tackling homelessness and promoting wellbeing, district councils ensure no one gets left behind by addressing the complex needs of today while helping prevent the social problems of tomorrow.

2. Overview

- 2.1. Districts want to help deliver the levelling up agenda. Districts are keen to play a full, positive role in developing and operating new combined authorities across the country. Districts provide the critical capacity and capability to turn policy into practice at pace and get things done on the ground.
- 2.2. For devolution to fulfil its potential, all local players – district, unitary and county councils, and the wider public sector – must be fully involved. Our strong view is that for Combined County Authorities (CCAs) and other types of combined authority to deliver successfully, districts must be full partners. That is not what the Bill currently offers. This is a missed opportunity.
- 2.3. As drafted, the Bill denies districts an active or meaningful role in CCAs. Districts would not have the right to consent to the formation of a CCA or to be constituent members of a CCA – this contrasts starkly with the provisions in the Local Democracy, Economic Development and Construction Act 2009 (“The 2009 Act”).
- 2.4. The Bill also provides for the functions of district (or county) councils to be exercised by a CCA without their consent. There is no obvious reason why consent shouldn't be a requirement. It would be in line with the principles of sovereignty, and it would provide a much stronger incentive for district councils to commit specific functions to the scope of a CCA.
- 2.5. The District Councils' Network is calling for the Levelling-up and Regeneration Bill to be amended to include:

- (i) **A governance model that enables districts to be full partners. All district councils in the CCA area should have the right to be constituent members of a CCA.**
- (ii) **The majority consent of district councils to be required for the formation of a CCA.**
- (iii) **The consent of all district councils to be required before any statutory functions of district councils can be exercised by a CCA.**

3. Why Districts must be full partners

3.1. As the Levelling Up White Paper acknowledges, levelling up will need to harness an array of interventions and catalyse a range of sectors. The value that districts bring is based on:

3.1.1. **A proven track record of delivery.** Districts use close knowledge of their local place, community and economy, and strong convening power and influence to deliver positive change on the ground. This is demonstrated by: our pivotal role in delivering the Covid response, such as £9bn Covid-19 Business Support Grants; and the proactive approach we're taking to deliver support to Ukrainian refugees, going well beyond housing inspections; the £1.3bn renewal funding we're investing in regenerating our town centres.

3.1.2. **Our clear ability to influence and drive the levelling up outcomes** the Government wants to deliver. We do that as direct service providers, as effective system partners and as recognisable local leaders known in and by our communities. Local places rely on an ecosystem of partners working better together. Districts have important levers to help deliver improved collective economic, social and health outcomes:

- (i) **Districts positively influence economic development and place shaping** – through direct powers and investment e.g. planning, town centres – but also through our influence and convening power e.g. strong links with local businesses and ability to attract inward investment from the private sector to create and reinforce business clusters.
- (ii) **Districts have functions and informal levers to help produce better outcomes in skills, health, and transport** – through direct provision of leisure and recreational services that add to the quality of life, engagement with business on specific skills needs and in parking and active transport measures that will become increasingly important on the journey to net zero.
- (iii) **Districts facilitate hyper local level activity.** This includes the relationship with community organisations and parish councils but also other mechanisms that have proven successful, such as Town Improvement Boards.
- (iv) **Districts shape the strategic regional picture across functional economic areas and wider regions**, translating county level and growth regions such as the Midlands Engine and OxCam Arc into tangible action at the local level.

3.1.3. District councils have consistently demonstrated their ability to work with a broad range of partners - including county and unitary councils - to develop solutions, to catalyse collaboration and to invest in long-term success. Examples include:

- (i) **Economic development and skills:** numerous Town Deal Boards, Hertfordshire Growth Board, Future Oxford Partnership, Greater Nottingham Joint Planning Advisory Board, and Association of South Essex Local Authorities – where Basildon Borough Council and other district councils have

led on creating the new South Essex Technical University with major employers such as Ford and DP World.

- (ii) **Health:** Lincolnshire Wellbeing Service, which helps adults to have confidence, fulfilment and independence; the Leicestershire Lightbulb Project, which is keeping people in their homes and out of care for longer
- (iii) **Environment:** Bodies giving strategic direction to climate action, such as the Notts Environmental Strategy Working Group and Leicestershire Environment Group
- (iv) **Public service delivery and governance:** Public Sector Leaders Boards which bring organisations together to find solutions to strategic problems e.g. in Norfolk, Suffolk.

- 3.2. Districts are the most visible, trusted and accountable level of government. Our doors are open, in town centres across the county, to residents who need advice and support on a range of issues such as benefits and housing. Surveys of local residents have shown that the highest levels of satisfaction for council services are those delivered by districts.
- 3.3. This all adds up to districts being strong place leaders with clear democratic accountability and local political foundation providing true community leadership. This underpins the essential work districts do to make things work in practice at the local level.
- 3.4. The most ambitious county deal proposals are emerging from places, which are actively engaging districts to shape the future alongside county and unitary councils. District councils are showing that we can be trailblazers.

4. Our concerns about the Bill

- 4.1. We are concerned by the provisions in Clause 16 of the Bill, which allow a Combined County Authority to assume the powers of a district authority without its consent. This is wrong on a fundamental level of governance and democracy, and is not likely to be workable in practice.
- 4.2. The Government has sought to give assurances that Clause 16 couldn't be used to reallocate the functions of district (or county) councils against their will. The DCN is not at all convinced that there are meaningful safeguards in the primary legislation to prevent that happening - even if it isn't the current Government's intent.
- 4.3. In particular, the Government has stated that any conferral of district functions on a CCA would require secondary legislation. However, the secondary legislation would require the consent of Parliament and the constituent members of the CCA only. Crucially, the Bill does not provide for district councils to be constituent members of a CCA. Therefore, districts would have no role in scrutinising or consenting to the regulations.
- 4.4. Therefore, we oppose the provisions within Clause 27 that allow for the transfer of powers by regulations without regard to district councils.
- 4.5. We believe that Districts should be full partners and therefore oppose Clauses 42 and 43 which provide for proposals for new Combined County Authorities and the formation of Combined County Authorities respectively without the consent of district councils.
- 4.6. We are not arguing for a single district council or a small number of district councils to have the right of veto over the formation of a CCA. Instead, we are proposing that the collective consent of a majority of district councils should be a requirement.

- 4.7. We are concerned that the present wording of the Bill does not provide for district councils to be constituent members of a Combined County Authority in Clause 8(11). This is at odds with the approach taken for combined authorities in the 2009 Act. It is an unnecessary exclusion. There is no evidence from the operation or governance of existing combined authorities to show that district councils do not or cannot play a positive and constructive role.
- 4.8. The issues of consent and constituent membership are interlinked and reinforce each other. We are seeking a principled and practical solution whereby districts – as well as county and unitary councils – consent to important decisions and play an active role in the governance and operation of CCAs. This is the best way to harness the contribution district councils can and should make and to optimise the collective contribution of all local players.

5. Our proposals for change

- 5.1. Our aim is to unlock the full potential for districts to contribute their positive influence, expertise and delivery capability to devolution deals and new combined authorities. We understand the Government's policy intent is for county deals to have the backing and active support of all local partners, including district councils, and for the whole of England to have a deal if they want one by 2030. Our proposals are entirely in line with that intent. Our aims are the same.
- 5.2. Our proposals are entirely compatible with a smoothly functioning mayoral model and aim to provide an inclusive governance model that would work for a mayor and all local partners. We propose:

5.3. On formation and scope of CCAs:

- 5.3.1. **The consent of district councils should be required for the formation of a CCA.** This should not be on the basis that every district council in the prospective CCA area must give consent. Consent should be assumed unless a simple majority of district councils oppose the proposal.
- 5.3.2. **The consent of all district councils should be required before any statutory functions of district councils can be exercised by the CCA or transferred to a CCA.** This should be on the basis that every district council in the prospective CCA area must give consent.
- 5.3.3. On this point we note that an amendment has been proposed to Clause 16 of the Bill to achieve precisely this effect: *Clause 16, page 13, line 10, at end insert—“(aa) affected local district councils”*. The DCN strongly supports this amendment.

5.4. On governance and decision making:

- 5.4.1. **All district councils in the CCA area should have the right to be constituent members of the CCA and to be represented on its Cabinet, Boards and Committees** – as is the case for combined authorities in the 2009 Act.
- 5.4.2. **We propose that there should be some limits on the voting rights of district councils on CCA Committees and Boards.** This could be achieved by giving full voting rights to district councils on all Boards and Committees with the exception of certain, specified decision areas where districts will have restricted voting rights because the decision does not relate (directly or indirectly) to a statutory function of a district council.

- 5.5. Our proposals for a fuller district role in the formation and the operation of CCAs go together. They're based on the principle that the more a local authority is involved in running and governing a CCA, the more they'll put in at the outset and over the longer term.
- 5.6. It's crystal clear that the 12 missions of the Levelling Up White Paper rely on services delivered by district councils. It's therefore essential that districts are constituent members of any C/MCA to avoid the risk of disenfranchising the very part of local government on which the levelling up agenda relies.

6. Summary of recommendations

- 6.1. Districts should have a full role to play developing and operating new combined authorities across the country.
- 6.2. The omission of districts as full partners from Combined County Authorities will restrict their ambition and hinder their effective operation.
- 6.3. The amendments we are proposing will enhance CCAs and help to deliver the Government's policy intent successfully.
- 6.4. The District Councils' Network is calling for the Levelling-up and Regeneration Bill to be amended to include:
 - (i) **A governance model that enables districts to be full partners. All district councils in the CCA area should have the right to be constituent members of the CCA.**
 - (ii) **The majority consent of district councils to be required for the formation of CCAs.**
 - (iii) **The consent of all district councils to be required before any statutory functions of district councils can be exercised by the CCA.**

7. Further information

For further information about this submission, please contact DCN@connectpa.co.uk and DCN@local.gov.uk