

ENGLISH DEVOLUTION AND COMMUNITY EMPOWERMENT BILL

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150).

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

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Overview of the Bill

1. The purpose of the English Devolution and Community Empowerment Bill 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 Bill will establish a more consistent and simple model of devolution which can be delivered more quickly than current legislation allows; establishing a standardised framework of devolved powers, duties and functions; reforming the local government sector; and empowering communities.
4. Part 1 of this Bill 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 will be 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 will be three levels of SA which will 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 establish or expand an SA where local leaders have been unable to agree how to access devolved powers for their area. This ministerial power will also allow the Government to direct an SA to have a mayor, to ensure everywhere in England can eventually benefit from mayoral devolution. 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.
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 will 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 will 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 will also be empowered to drive

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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 will have the power to request additional functions, and the Government will 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 included in this chapter include the streamlining of local government reorganisation processes, a duty on local authorities to have effective neighbourhood governance structures 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 back to the supplementary vote system.
 - Chapter 2 introduces a new community right to buy, giving community groups first refusal of the sale of assets of community value, including sports stadiums. This measure applies to assets which have been listed by the local authority as of community value.
 - Chapter 3 concerns the licensing of taxi and private hire vehicles. This chapter will provide the Secretary of State with the power to set national minimum standards for taxis and private hire vehicles, to provide confidence to the public that all taxis and private hire vehicles operating across the country will be subject to the same robust standards.
 - Chapter 4 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 contains 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 clauses 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 Bill, including on regulations, commencement and extent.
11. There are also various Schedules to this Bill, which are introduced by the clauses in this Bill.

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 Paper⁴, 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.
 - 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

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

³ DCMS (2024) [Community Life Survey 2023/24 annual release – GOV.UK](#)

⁴ MHCLG (2024) [English Devolution White Paper - GOV.UK](#)

⁵ See e.g. the analysis in Freedman, S. (2024) [“Public Service Reform and Devolution” — Labour Together](#)

⁶ Institute for Government (2023) [How can devolution deliver regional growth in England?](#) pp.14

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.
16. The English Devolution and Community Empowerment Bill will transfer 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 Bill will introduce 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 will both deepen the devolution settlements of existing combined authorities and combined county authorities, and 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, will itself be given a firmer foundation, restored to being fit, legal, and decent. This Bill will fix the malfunctioning

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

local audit system by establishing a Local Audit Office, which will 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 Bill will also reform 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 Bill will introduce a requirement on all local authorities in England to establish effective neighbourhood governance, to move decision making closer to residents, empowering ward councillors to address the issues most important to their communities at a local level.

- Communities will also be 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 will be banned for commercial leases, to drive growth and avoid vacant and unused properties which too often blight town centres and high streets.

Policies in the Bill

17. The English Devolution and Community Empowerment Bill 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 Bill introduces a new devolution architecture for England, establishing a more consistent and simpler model of devolution which can be delivered quicker than the current legislation allows. This includes measures to introduce the category of “strategic authorities” (SAs), organisations designated by Government which will have responsibility for strategy development and programme delivery over larger functional economic areas. This role will be 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 Bill also establishes a devolution framework, and grants the Government the power to add to or change the powers in the framework. In addition, the Bill will facilitate the goal of universal coverage of devolution in England. This include measures to streamline the process for establishing SAs, and a ministerial power to direct the creation of a new SA, or expansion of or an existing SA, where local leaders in that region have been unable to agree how to access devolved powers for their area. This ministerial power will also allow the Government to direct an SA has a mayor.

- **London** – The Bill will set 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 Bill 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 Bill will also empower the Mayor of London to decide on the sale or long-term lease of Transport for London land, by removing the current requirement for the Secretary of State for Transport's consent.

- **Duties and Powers** – The Bill will set out the specific functions and their voting and governance arrangements that SAs will 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 will be given new powers to license shared e-bike schemes in their areas, to maximise their benefits and minimise negative impacts. The Bill will also introduce measures to facilitate the transfer of police and crime commissioner (PCC) and fire and rescue (FRA) functions to mayors.
- **Strategic Authority Reforms** – The Bill will allow mayors to appoint commissioners to deliver against one or more specific areas of competence, such as transport, for the SA. It will also allow 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 Bill will revert all mayoral and PCC elections back from First Past the Post to the supplementary vote system.
- **Local Government** – The Bill will introduce new measures to strengthen local authorities, including the streamlining of the current local government reorganisation process. The Bill will place a duty on local authorities to have effective neighbourhood governance structures in place, and provisions to prevent the publication of councillor addresses to protect the safety of elected members in local government. The Bill 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 Bill also prevents the creation of any new local authority mayoralties and councils adopting the committee system. The Bill also provides the Secretary of State with the power to set national minimum standards for taxis and private hire vehicles, to provide confidence to the public that all taxis and private hire vehicles operating across the country will be subject to the same robust standards. Finally, the Bill 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 Bill will introduce a new community right to buy, giving community groups first refusal of the sale of assets of community value. The Bill will also introduce 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.

Devolution Structures

18. The current legislation on devolution is 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 is 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 is needed to establish the category of “strategic authorities” – organisations positioned between local authorities and national Government, which will typically be a CA, CCA, or the GLA – that will 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 Bill. These functions will 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 will be well placed to take strategic decisions and design and deliver policies and investment that span multiple local authority areas. SAs will 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, will be 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 Bill will establish three levels of SA, to which different functions will be assigned: foundation, mayoral, and established mayoral. All non-mayoral CAs and CCAs will be foundation SAs, while all mayoral CAs and CCAs will be designated as mayoral SAs. The Secretary of State will be able to designate an individual local authority as a foundation SA. The Secretary of State will also have 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 will set 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 will confer powers to these institutions automatically, moving away from the current piecemeal and bespoke process of conferral to areas via secondary legislation.
24. There are currently eleven CAs and four CCAs, with more due to be established before the Bill receives Royal Assent. The GLA was established separately through the Greater London Authority Act 1999. Over the course of the last decade, CAs and CCAs have been established

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through individual negotiations and area-specific Statutory Instruments (SIs), which has led to inconsistencies between areas across their functions and the governance arrangements of these functions.

25. The process to date 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 will:
 - provide 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 currently exists – giving clarity to residents on what their local leaders are responsible for delivering;
 - support quicker roll-out of devolution, in tandem with other Bill measures, 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 Bill 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 Bill 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 Bill 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 Bill will also introduce 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 Bill 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 Bill will include powers that will 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 will simplify processes for both establishing new CAs and CCAs, and making changes to existing CAs and CCAs. Streamlining will reduce 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 will also include 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 creation of Strategic Authorities

36. The Bill will also create a ministerial power to enable the Secretary of State to mandate the creation of new SAs, or add councils to or provide for a mayor for 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. The power will be used to ensure that the new ministerial power is used to conclude the process where there is majority support, or the formation is essential in completing the roll out of SAs in England.

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. There is currently no power for the Secretary of State to devolve new functions on the GLA via Statutory Instrument, where 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 will be included within the Bill, which will confer functions on the GLA in an equivalent way to CAs and CCAs as far as practicably possible, where they do not currently have them through other means (e.g., the Greater London Authority Act 1999).
39. In addition, the Bill will introduce a power for the Secretary of State to confer new functions on the GLA. It will also provide 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, currently have any express statutory duties or powers related the licensing of hospitality venues.
41. This Bill will provide 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 will be given the power to publish a London-wide licensing policy statement that licensing authorities will be legally required to have regard to when carrying out their licensing functions, while it will also establish the Mayor as a statutory consultee when licensing authorities update their own policies. The Bill 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. Under current legislation, TfL requires Transport Secretary consent to sell or long-term lease land that has been operational during the previous five years. This creates an unnecessary administrative obstacle to TfL releasing land for development for housing or other purposes. The Bill will significantly reduce this obstacle by devolving consenting power for TfL operational land disposals to the Mayor of London. TfL will be required to consult with rail bodies before applying to the Mayor for consent. This will mitigate the risk of unintended impacts on wider rail operations outside TfL's remit.
43. This legislative change will support 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.

Duties and Powers

Mayoral Powers of Competence

44. Currently, mayors of CAs and CCAs do 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.
45. 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

46. The Bill includes measures to legislate for the content of the devolution framework, i.e. the functions that SAs will be 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 will be included in the devolution framework are included below.

Duty to produce a local growth plan

47. Despite existing strengths and latent potential for growth, opportunity is spread unequally and UK GDP per capita remains lower than pre-pandemic levels. Currently, approaches to foster growth vary in different parts of the country. Some places are held back predominantly by their

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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.

48. To address areas' specific challenges and unlock growth, the Bill will create a new duty that will apply to all mayoral strategic authorities, except the Greater London Authority. The duty will require 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 will play a similar role.
49. This new duty will apply to the authority itself, rather than the mayor. It will include 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 will help empower authorities to deliver against long-term growth aims.
50. This measure will also help 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 will 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 will 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

51. 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. Currently, 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.
52. The Bill will introduce 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 will a greater understanding of the roads which the mayors have oversight of. The Bill will also provide 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 will retain ownership and asset management over key route networks within their areas, mayors will have the power to direct them to implement particular schemes or use their powers as highway authorities. This will streamline decision-making and reduce bureaucracy, improving the efficiency of road management with positive impact users' travelling experience.
53. Introducing a requirement to have a key route network and power of direction will help 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

54. 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.
55. 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.
56. Therefore, this Bill 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.
57. Licensing schemes locally will empower 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 will allow schemes to be shaped to meet local needs, ensuring micromobility is an attractive option for journeys, including wider geographical coverage. It will also help mitigate negative impacts such as poor parking and antisocial behaviour, and facilitate the promotion of equitable geographic coverage of micromobility services.

Bespoke health improvement and health inequalities duty

58. There is inconsistency across the country in terms of the areas that currently have a health duty. Local authorities are subject to a health improvement duty under the NHS Act 2006. Currently, CAs and CCAs (mayoral and non-mayoral) have the option of seeking conferral of the local authority health improvement duty, and to date two have had this conferred on them (Greater Manchester Combined Authority and East Midlands Combined County Authority). The Greater London Authority is subject to a duty to have regard to health improvement and health inequalities under the Greater London Authority Act 1999.
59. The Bill will introduce 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 will bring consistency across SAs with each being subject to a health duty that is complementary and specific to the particular organisation type. The Bill 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.
60. 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 will make 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 will support delivery of the Government's health mission in England which will focus 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

61. 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 is currently the only place in England where the mayor can charge a mayoral community infrastructure levy in addition to the local planning authorities.
62. The Bill will extend the ability to charge for mayors to charge MCIL to other SA mayors, providing that they have a spatial development strategy (SDS) in place.

Mayoral development management powers

63. Since the abolition of regional spatial strategies in 2011, London has been the only area in England with a functioning strategic planning framework: the Mayor of London has a duty to prepare a spatial development strategy (the 'London Plan', which has been in place since 2004) and several strategic development management powers, including powers to intervene on applications of potential strategic importance and the power to make mayoral development orders.
64. The Government is committed to reintroducing a strategic planning tier across England. The [Planning and Infrastructure Bill](#) will require mayors of all SAs in areas outside of London to prepare a spatial development strategy for their area. This Bill will then extend the Mayor of London's development management powers to all SA mayors. Together, these reforms will enable mayors to shape the strategic direction of development in their area to support housing and economic growth.
65. Specifically, the development management powers that will be extended to mayoral SAs by the Bill will include:
 - A duty on local planning authorities to consult the mayor on applications of potential strategic importance – which the mayor can then intervene on by either directing a refusal of the application, or taking over and determining the application themselves. The procedure and definition for potential strategic importance will be set out in regulations.
 - 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).
66. The experience in London has demonstrated that the Mayor of London has used these development management powers effectively to support the practical implementation of the London Plan – for instance, by securing appropriate levels of affordable housing on strategic residential developments and ensuring the right development occurs around new stations, such as those on the Elizabeth Line. Without these powers, the spatial development strategy would be less effective as a strategic plan.

Duty to cooperate with the local government pension scheme

67. 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.

68. The Government will introduce requirements on the local government pension scheme and SAs to work with each other to develop such opportunities. This Bill 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 Bill](#).
69. 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 currently 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](#)

70. Under current legislation, transferring PCC or FRA functions to a mayor can only occur where the mayoral area is coterminous with the police force or FRA area. Currently, 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.
71. The overarching intent of the measures in the Bill 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.
72. 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 Bill will allow 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 Bill will ensure that they appoint a deputy mayor for policing and crime for each force area in which they exercise those functions.
73. The Bill will allow 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 Bill will consolidate this process.

Strategic Authority Reforms

[Commissioners](#)

74. The Bill will enable 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 will have the freedom to use a combination of commissioners and elected members to lead on different areas depending on what works best for them.

75. In the majority of CAs, 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 will effectively be 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 will need to be recused, making the commissioner role fundamental to executing the new function.
76. Giving mayors the option to appoint commissioners will enable 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

77. The Bill will enable 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.
78. 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. Currently, members who are portfolio holders cannot be remunerated by the CA or CCA – instead, they can only be remunerated by their constituent council. Currently, the question of allowances to CA or CCA members is dealt with in each of the Statutory Instruments establishing individual CAs or CCAs.

Preventing mayors from simultaneously holding elected office in a UK legislature

79. The Bill will prevent mayors of SAs from simultaneously holding that office after being elected to the House of Commons, Scottish Parliament, Northern Ireland Assembly, or the Senedd. Currently they are able to do this, provided that they are not also the PCC.
80. 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

81. Currently, in mayoral CAs and mayoral CCAs, revenue for the mayoral precept can only be used for mayoral functions set out in legislation, which is a limited subset of the full range of mayoral functions. This means the revenue cannot be used on the full range of functions, often including vital growth levers like bus services and adult skills. Legislating to correct this will raise the value for money of this existing power.

Power to borrow

82. The Bill will confer 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 will also be 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.

83. 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 is only conferred to CAs upon creation for transport functions and it is not conferred at all for CCAs. This means that, under the current legislation, the Secretary of State is 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 is established. The new provision in this Bill streamlines the process.

Budget voting arrangements

84. The Government wants to standardise the governance arrangements for SAs which are CAs and CCAs, including standardising the setting of CA and CCA budgets and transport budgets. Mayoral CA and CCA budgets and transport budget proposals should be approved by a simple majority vote of members, including the mayor. Non-mayoral CA and CCA budgets and transport budgets require the consent of all constituent councils.
85. Currently, the voting arrangements on CA or CCA financial matters are different in each CA or CCA. Some areas require a majority of members to vote in favour to pass a budget, while others require a unanimous vote. Most areas exclude the mayor from the vote.

Supplementary vote

86. The Bill will revert the voting system for electing people to single executive roles back 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.
87. 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.
88. This system was in place for all mayoral and police and crime commissioner polls prior to May 2024.

Local Government

Local government reorganisation

89. The Bill will facilitate 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.
90. The Bill will establish a new route for merging to align with the process for unitarisation. Currently, a merger of single-tier areas can only be done using Section 15 of the Cities and Local Government Devolution Act 2016, which requires the consent of all authorities involved in the merger. The new pathway will align 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 will be submitted by the local areas themselves in response to an invitation or direction, and will not require consent. 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.

91. The Bill 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.
92. To assist with filling the devolution map, the Bill will make 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 will enable 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 Bill 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.
93. The Bill 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

94. Principal local authorities in England may currently 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.
95. 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.
96. 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.
97. Therefore, the Bill prevents the creation of any new local authority mayoralities. Existing local authority mayoralities will be allowed to remain in place.
98. 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.
99. Therefore, the Bill 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 Bill 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

100. 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.
101. The Bill will empower communities to have a voice in local decision by introducing a requirement on all local authorities in England to establish effective neighbourhood governance. The requirement for local authorities to have effective neighbourhood governance will empower ward councillors to take a greater leadership role in driving forward the priorities of their communities. This will help to move decision-making closer to residents, so decisions are made by people who understand local needs. Additionally, developing neighbourhood-based approaches will provide opportunities to organise public services to meet local needs better.

Licensing of taxis and private hire vehicles

102. The current 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.
103. Taxis and PHVs can travel to any part of the country. Whilst taxis can only ply 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 Bill will enable the Secretary of State for Transport to set national minimum standards for taxi and PHV licensing across England. This means all those granted a licence, regardless of which authority issued it, would be subject to the same 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, the licensed trade will have met a set of robust standards. Local authorities would retain the ability to set additional requirements.

Local audit reform

104. The financial accounts of 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.
105. 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.
106. 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.

107.Despite best efforts by existing organisations, local bodies' finance teams and auditors, these weaknesses are inherent to the current system and cannot be simply rectified. Without significant intervention (which requires legislation), the current malfunctioning system would continue to fail, and with it there is a clear risk that the backlog would reoccur. This would continue to undermine transparency and accountability. It would also heighten the risk that the Whole of Government Accounts would continue to be disclaimed.

108.To meet this challenge, the Bill will overhaul the local audit system. The new Local Audit Office (LAO) will radically simplify the system and bring crucial functions together under a single organisation with a clear remit. The LAO will be responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It will also support and enable 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.

109.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.

110.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.

111.In addition, there are over 10,000 smaller authorities (such as town and parish councils) which are subject to a limited reporting and assurance regime and will be 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.

Communities

Community right to buy

112. The Bill will introduce a community right to buy which will replace the current community right to bid policy introduced in the Localism Act 2011. The existing policy has been criticised by community stakeholders and the Housing, Communities and Local Government Select Committee as insufficient at bringing assets into community ownership.
113. The Government committed to introducing community right to buy in the King's Speech in July 2024. This requires amendments to the Localism Act 2011 and new measures through primary legislation. Provisions in the Bill introduce a right of first refusal, granting community groups greater powers to purchase assets of community value at a negotiated or market value price within a 12-month moratorium period from the point of listing for sale. Asset owners can request a review and termination of the right to buy at the six-month point.
114. The policy will impact asset owners by delaying sales due to the extended moratorium period and 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.
115. The current community right to bid allows community groups to nominate buildings or land as assets of community value and trigger a six-month moratorium if the asset is put up for sale. However, this policy has been criticised for not providing sufficient powers to bring assets of community value into community ownership:
- The current policy does not provide guarantee of purchase to community groups who could raise the funds;
 - The current six-month moratorium is often an unfeasible timeframe for the community to organise and raise the necessary funds;
 - The definition of an asset of community value is too narrow, limiting the scope of assets that can be registered; and
 - Community groups do not have access to an appeals process to contest the local authority's decision not to list their nominated asset.

Sports stadiums

116. 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 sports grounds of over 6000 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.
117. 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 places grounds at risk of redevelopment if the freehold owner decides to sell the asset.
118. To address this, the English Devolution Bill introduces a new type of asset of community value – the sporting asset of community value – will be established. 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 Bill 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, training facilities.

Removal of upwards only rent reviews

119. 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 will be 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.
120. 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.
121. 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.
122. The Bill will ban 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 contribute to thriving high streets and economic growth.

Legal background

123. 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
- 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

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- 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
- Parliamentary Commissioner Act 1967
- Pension Schemes Act 2025
- Pensions (Increase) Act 1971
- Planning Act 2008
- Planning and Compulsory Purchase Act 2004
- Planning and Infrastructure Bill
- 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

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- 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 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
- 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

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

Territorial extent and application

125. Clause 91 of this Bill sets out the territorial extent of the Bill, that is the jurisdictions in which the Bill forms part of the law. The extent of a Bill can be different from its application. Application is about where a Bill produces a practical effect rather than where it forms part of the law.

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126.The provisions in this Bill extend to England and Wales only.

127.The provisions in this Bill apply to England only, except for:

- Clause 16 (Members of legislatures disqualified for being a mayor of a strategic authority) which applies to England and Wales;
- Clause 61 (Mayors and Police and Crime Commissioners: supplementary vote system) which applies to England and Wales. Paragraphs 3 to 5 in the related Schedule 28, which concern the election of police and crime commissioners, also apply to England and Wales;
- Clause 85 (Rent reviews and arrangements for new tenancies), and the related Schedule 34, which apply to England and Wales.

128.Amendments and repeals made by the Bill have the same extent as the provision being amended or repealed, except clause 23 (regulation of provision of micromobility vehicles) and the related Schedule 5 which extend to England and Wales only.

129.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 Bill

Part 1: Strategic authorities

The strategic authorities

Clause 1: Strategic authorities

Effect

130. This clause provides the definitions for a new category of authority in England, known as the “strategic authority” (SA).

131. 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.

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

The areas of competence

Clause 2: Areas of competence

Effect

133. This clause lists the seven “areas of competence” which strategic authorities (SAs) will have. These provide the broad thematic areas which functions of SAs are categorised under, as well as the areas from which Government can provide new functions for SAs in the future. They also define the matters on which mayors can convene meetings with local partners (see clause 21) and collaborate with neighbouring mayors (see clause 22).

Single foundation strategic authorities

Clause 3: Single foundation strategic authorities

Effect

134. This clause 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.

135. 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.

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

137. Subsection (5) introduces Schedule 23 of this Bill, which outlines the powers to confer functions on single foundation strategic authorities by regulations.

Combined authorities and CCAs

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

Effect

138. This clause introduces Schedule 1 of this Bill. 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).
139. 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 will be able to be established, and existing CAs or CCAs changed (including providing for a mayor) through ‘locally-led’ and ‘Secretary of State-led’ routes. There will also be new enabling provisions for the Secretary of State to carry out these processes without local consents.

Clause 5: Combined authorities and CCAs: functions generally

Effect

140. Once this Bill comes into force, there will be various ways that a combined authority (CA) or combined county authority (CCA) could be conferred its functions. This clause 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.
141. 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 clause 50 of this Bill are understood to confer functions on a CCA.
142. 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 clause 50 of this Bill are understood to confer functions on a CA.

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

Background

143. 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

144. This clause 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.
145. 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.

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146. 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.
147. 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.
148. 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.
149. 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 23 of this Bill.
150. Section 13B provides that vacancies or defective appointments of members do not invalidate the proceedings of the CCA.
151. Subsection (5) amends the 2009 Act by inserting new sections 104CA and 104CB.
152. 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.
153. Section 104CA(4) 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.
154. 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.
155. 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 23 of this Bill.
156. Section 104CB of the 2009 Act provides that vacancies or defective appointments of members do not invalidate the proceedings of the CA.
157. Subsection (7) introduces Schedule 2 of this Bill, 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.

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

Background

158. 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

159. This clause allows for a general function (i.e. one conferred on two or more CAs or CCAs such as through primary legislation or clause 50 of this Bill) to be modified so that it is clear how it should be exercised by an individual CA or CCA.
160. 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.
161. 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.

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

Effect

162. This clause 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.
163. 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.
164. 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.
165. 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.
166. 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.
167. 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.
168. 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.

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169. 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.
170. 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.
171. 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.
172. 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.

Clause 9: Appointment of commissioners by mayors

Effect

173. This clause 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 clause 2 of this Bill.
174. Inserted subsections (1) and (4) provide that a mayor may appoint up to seven “commissioners” to act as leads in relation to the seven “areas of competence” as listed in clause 2 of this Bill. 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.
175. Subsections (2) and (5) insert sections into the 2009 and 2023 Acts that allow the mayor to arrange for commissioners to exercise functions.
176. 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.
177. Subsection (7) introduces Schedule 3 of this Bill, which provides further practical detail on the role of commissioners.

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

Background

178. 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). The Secretary of State has not yet exercised these powers to allow CAs or CCAs to pay their members for their work. Up until the introduction of this Bill, every statutory instrument establishing a CA or CCA has contained a paragraph stating that no remuneration is to be payable to members other than for travel and subsistence.

Effect

179. This clause 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. Separate consequential amendments will remove the paragraphs in each establishment statutory instrument that prevent CAs and CCAs from paying their members other than for travel and subsistence.
180. The process for arranging the payment of allowances, provided for in subsections (1) and (2) of the inserted sections, will largely follow 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 an independent remuneration panel. Under subsection (3), CAs and CCAs must publish reports containing the amounts paid.
181. 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).
182. Subsection (6) of the inserted provisions has the effect that where a member is paid an allowance by both the CA or CCA and the constituent council for the same special responsibility, the member is never paid less than the larger of the allowances they have agreed with either the CA or CCA or the constituent council, and is not paid two full allowances.
183. 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.

Clause 11: Mayoral combined authorities and CCAs: precepts

Background

184. 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

185. This clause 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 .
186. 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 Bill.
187. 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.
188. 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.

Clause 12: Power to borrow

Background

189. 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

190. This clause 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.

Clause 13: Levies

Background

191. 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

192. This clause 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).

193. The clause 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).

Clause 14: Combined authorities and CCAs: minor amendments

Background

194. Clause 1 of this Bill 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

195. 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.

196. 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

Clause 15: Additional functions of the GLA

Background

197. 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.
198. 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.
199. 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, with the Mayor's approval. These bodies include, amongst others, the Deputy Mayor, a member of staff of the GLA, and Transport for London.

Effect

200. The 1999 Act is amended to reflect that the Secretary of State will have powers, introduced in clause 50 of this Bill, which will enable them to confer additional functions on the GLA, the Mayor of London and the GLA's functional bodies on a permanent or pilot basis.
201. Functions conferred on the GLA by this Bill or, in future, by the powers provided to the Secretary of State by clause 50 of this Bill shall be exercisable in line with sections 35 and 38 of the 1999 Act unless otherwise stated.

Mayors

Clause 16: Members of legislatures disqualified for being a mayor of a strategic authority

Effect

202. This clause disqualifies a person from being a mayor of a strategic authority if they are an elected member of a legislature in the United Kingdom.
203. 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.
204. 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.
205. 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 new section drafted, but relating 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 inserted Schedules.

Clause 17: Functions of mayors of combined authorities or CCAs

Background

206. 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

207. This clause ensures that when functions are conferred on a mayor of a CA or CCA by primary legislation or by regulations made under this Bill, 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.

208. 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.

209. 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.

Clause 18: The “general functions” of mayors

Background

210. 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.

211. 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.

212. 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

213. This clause 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.

214. This clause 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

Clause 19: Report under section 1 of the Cities and Local Government Devolution Act 2016

Background

215. 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.

216. Currently, the report covers 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

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

218. 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

Clause 20: Extension of general power of competence to strategic authorities

Background

219. 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

220. This clause introduces Schedule 4 of this Bill, 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 mayoral combined county authorities (CCAs) and their mayors.

Clause 21: Power of mayors to convene meetings with local partners

Effect

221. This clause provides the mayors of strategic authorities (SAs) with the power to convene stakeholders who operate within the SA's geographical area on matters relating to their areas of competence (see clause 2 of this Bill). The clause places a corresponding duty on those

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stakeholders to respond to a request when a mayor notifies them of their intention to convene such a meeting.

222.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) – enabling the mayors of strategic authorities (SAs) to use the mayoral power to convene meetings with local partners.

223.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.

224.The definition of “relevant local matter” is described 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 one or more of the “areas of competence”; and which is taking place within the geographical boundaries of a mayoral SA.

225.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.

226.Insertions 17B(3) of the 2023 Act, 103B(3) of the 2009 Act and 40B(3) of the 1999 Act also sets 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.

Clause 22: Duty of mayors to collaborate

Effect

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

228.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 clause provides that a request for collaboration must be in respect of a matter that relates to one or more of the areas of competence (see clause 2 of this Bill), 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.

229.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).

230.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.

231.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.

232.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

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collaboration with multiple mayors, under the same formal process (provided that geographical “neighbour tests” are met in each case).

233. 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

Clause 23: Regulation of provision of micromobility vehicles

Background

234. Currently, local authorities do 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

235. This clause introduces Schedule 5 of this Bill, which inserts new provisions into the Road Traffic Regulations Act 1984 (the 1984 Act) at Part 2A and Schedule 3A. Schedule 5 provides that combined 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 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.

Clause 24: Arrangements to carry out works on highways

Background

236. 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

237. This clause introduces Schedule 6 of this Bill, 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.

Clause 25: Charges payable by undertakers executing works in maintainable highways

Background

238. 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.

239. 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.
240. 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 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.
241. 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.
242. 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

243. This clause introduces Schedule 7 of this Bill, which transfers from the Secretary of State for Transport to mayors of Strategic Authorities the power to approve local highway authorities, within their areas, to charge as part of lane rental schemes. Where areas are not covered by a Mayoral Strategic Authority, the Secretary of State for Transport will continue to be the responsible person for approving charges for lane rental schemes.

Clause 26: Civil enforcement of traffic contraventions

Background

244. 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

245. This clause introduces Schedule 8 of this Bill, 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.

Clause 27: Restrictions on disposal of land by Transport for London

Background

246. 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

247. This clause 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.

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248. The general power of the Mayor of London to consent to those disposals will largely follow 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, will be 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.
249. The Mayor of London will only have 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 will retain the power to consent to disposals of any other land.
250. The Secretary of State will also have 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).

Clause 28: Key route network roads

Background

251. Key route networks are a network of some of the most important local roads in an area. Currently, combined authorities (CAs) and combined county authorities (CCAs) have 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.
252. Currently, 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

253. This clause introduces Schedule 9 of this Bill, which amends the 2009 Act and the 2023 Act to require mayors of combined authorities and combined county authorities to prepare a proposed designation of a key route network in their area, and to publish and maintain a record of such a network.
254. Schedule 9 also 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. There will also be 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.

Clause 29: Constituent councils to act in accordance with local transport plans etc

Background

255. 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.

256. 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.

257. 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 does not apply to other types of local council that are constituent councils of CAs or CCAs, meaning that there is currently an inconsistency in how the statutory duty applies to constituent councils.

Effect

258. This clause 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.

259. This measure will ensure 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.

Clause 30: Local transport authorities and other transport functions

Background

260. 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.

261. 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

262. This clause introduces Schedule 10 of this Bill, which amends the 2000 Act and 1985 Act to provide that CAs and 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.

263. 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

Clause 31: Adult education

Background

264. 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 Act as being 19 years or older). These functions are currently held by the Secretary of State by virtue of the 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.

265. 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 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

266. This clause introduces Schedule 11 of this Bill. Part 1 of Schedule 11 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.

267. Some duties that are conferred in Part 1 of Schedule 11 will be 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.

268. Other duties and funding powers conferred in Part 1 of Schedule 11 will be 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.

269. Part 2 of Schedule 11 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 over 19 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 over 19 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

Clause 32: Planning applications of potential strategic importance

Background

270. 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

271. This clause introduces Schedule 12 of this Bill, which provides that the powers which are currently 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.
272. Schedule 12 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.

Clause 33: Development orders

Background

273. 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

274. Subsection (1) introduces Schedule 13 of this Bill, 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 13 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.
275. Subsection (2) introduces Schedule 14 of this Bill, 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 12 and 13 of this Bill.

Clause 34: Power to charge community infrastructure levy

Background

276. 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.

277. In England, the following authorities can currently 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

278. This clause introduces Schedule 15 of this Bill, 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 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.

Clause 35: Acquisition and development of land

Background

279. 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.

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

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

Effect

282. This clause introduces Schedule 16 of this Bill, 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.

283. Schedule 15 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.

Clause 36: Housing accommodation

Background

284. 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

285. This clause introduces Schedule 17 of this Bill, which amends the 1985 Act. The effect is to confer housing and land functions of local authorities onto strategic authorities outside London.

Clause 37: Mayoral development corporations

Background

286. 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. Currently, the remit of a mayoral development corporation is to secure the regeneration of its area. Measures in the [Planning and Infrastructure Bill](#) seek to expand this to include development, so mayoral development corporations can deliver new settlements, including on greenfield sites, in addition to urban regeneration.

287. 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.

288. 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. Currently, some mayoral CAs and mayoral CCAs do not have mayoral development corporation powers.

Effect

289. This clause introduces Schedule 18 of this Bill, 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.

Economic development and regeneration

Clause 38: Assessment of economic conditions

Background

290. 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

291. This clause introduces Schedule 19 of this Bill, 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 will be exercised concurrently by the CAs and CCAs and their constituent councils.

Clause 39: Local growth plans

Effect

292. This clause introduces Schedule 20 of this Bill 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 clause 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.

Clause 40: Local Government Act 2003: expenditure grant

Background

293. 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

294. This clause 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.

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

296. Subsection (3) inserts a new section to the 2003 Act, setting out the power for mayors of 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 the mayors of 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.

Clause 41: Encouragement of visitors and promotion of visitors

Background

297. 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.

298. 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

299. This clause 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 will be exercised concurrently by the CAs and CCAs and their constituent councils.

Clause 42: Co-operation with local government pension schemes

Background

300. The [Pension Schemes Bill](#) 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

301. This clause provides for duties on SAs which will be reciprocal to those requirements on administering authorities under the Pension Schemes Bill. This clause 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.

302. 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 Bill if the fund “participates” in the pool, as defined in section 107ZC(4).

303. 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.

Clause 43: Miscellaneous local authority functions

Background

304. 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.

305. 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.

306. 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.

307. 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

308. This clause introduces Schedule 21 of this Bill, 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 20 also confers the power at section 113 of the 1972 Act on the Greater London Authority.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

Health, well-being and public service reform

Clause 44: Health improvement and health inequalities duty

Background

309. 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

310. This clause 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 clause also makes corresponding provision in relation to the mayor of a mayoral CA or mayoral CCA.

311. This clause 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

Clause 45: Functions of police and crime commissioners

Background

312. 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.

313. 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, are currently obliged to appoint a deputy.

314. 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. There are currently 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).

315. Legislation currently doesn’t allow for transfers of PCC functions to a mayor in respect of two or more police areas, which prevents the Secretary of State from transferring PCC functions in regions where a CA or CCA is coterminous with more than one police force.

Effect

316. This clause 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.
317. 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).
318. 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.
319. It will still be 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.
320. 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.
321. 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 will retain the responsibility for the core functions set out in Section 18(7) of the 2011 Act.

Clause 46: PCCs and police areas

Background

322. 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.
323. 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

324. 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.
325. 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).
326. Subsection (3) introduces Schedule 22 to this Bill, 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.

327. 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.
328. 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.
329. 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.
330. Subsection (4) amends sections 32 and 34 of the 1996 Act. The amendments will 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.

Clause 47: Functions of fire and rescue authorities

Background

331. 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

332. This clause 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.
333. 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.
334. 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.
335. 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 section 1A(2), section 2 or section 4 of the 2004 Act.
336. 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.
337. New section 1A(9) allows the Secretary of State to make regulations under section 54 of this Bill 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.

338.Subsection (6) of Clause 47 introduces Schedule 23 of this Bill which contains further provision about fire and rescue services.

Clause 48: Mayor with PCC and fire and rescue functions

Background

339.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

340.This clause 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.

Clause 49: Sharing of information

Background

341.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.

342.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

343.This clause 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.

Licensing functions of the Mayor of London

Clause 50: Licensing functions of the Mayor of London

Background

344.The Licensing Act 2003 (the 2003 Act) provides the statutory framework for regulating the sale and supply of alcohol, the provision of regulated entertainment and the sale of late-night refreshment in England and Wales.

345.Neither the Mayor of London nor the Greater London Authority (GLA) currently have any express statutory duties or powers under the 2003 Act. This means that they do not have a statutory power to set a licensing policy to which licensing authorities (as defined in the 2003 Act) must have regard. They are also not included in the list of bodies a licensing authority is required to consult before it develops or updates its own statement of licensing policy.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

Effect

346. This clause introduces Schedule 24 of the Bill, which amends the 2003 Act in order to establish new licensing functions for the Mayor of London.

Requests by mayors for established mayoral strategic authorities

Clause 51: Requests by mayors of EMSAs for changes

Effect

347. This clause 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 their areas of competence.

348. 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.

349. 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.

350. 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

Clause 52: Powers to make regulations in relation to functions of strategic authorities and mayors

Background

351. 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).

352. 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 is no legislation that currently provides for conferring functions on the Greater London Authority (GLA), Mayor of London or one of the GLA functional bodies by secondary legislation.

Effect

353. This clause introduces Schedule 25 of this Bill, which gives powers to the Secretary of State to make regulations relating to the functions of categories of strategic authorities (SAs).

354. The provisions in this Schedule will 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.

355. The provisions in this Schedule will 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.

Clause 53: Health service functions: application of existing limitations on devolution

Background

356. 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

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

Supplementary provision relating to extension of functions

Clause 54: Incidental etc provision

Background

358. 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.

359. 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

360. 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 clause 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.

361. The Secretary of State can make additional such 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.

362. Regulations made under this clause 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.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

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

Clause 55: Transfer of property, rights and liabilities

Background

364.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.

365.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

366.This clause 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.

367.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 clause.

Protection of functions

Clause 56: Prohibition of secondary legislation removing functions

Background

368.Functions may be conferred on strategic authorities (SAs) by this Bill, other legislation and by regulations introduced under clause 52 of this Bill.

Effect

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

370.Subsection (2) provides that the provisions in this clause do not apply to functions conferred on SAs under clause 50 of this Bill as part of a pilot scheme.

371.Subsections (3) and (4) provide that the provisions in this clause 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

Clause 57: Single tiers of local government

Background

372. 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.

373. 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.

374. 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 authorities⁷ and includes a consent requirement from all councils involved in the proposal.

Effect

375. This clause introduces Schedule 26, 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.

376. Schedule 26 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.

377. Schedule 26 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.

Clause 58: Certain functions of shadow authorities for single tiers of local government

Background

378. Section 11 of the Local Government and Public Involvement in Health 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

379. This clause 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

Clause 59: Local authority governance and executives

Background

380. 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

381. This clause introduces Schedule 27 of this Bill, 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 mayoralities and the adoption of the committee system by councils.

Clause 60: Local authorities: effective neighbourhood governance

Effect

382. This clause 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.

Elections

Clause 61: Mayors and Police and Crime Commissioners: supplementary vote system

Background

383. Under current legislation, 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 are 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 the voting system implemented on the introduction of both P(F)CC and mayoral elections.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

Effect

384. This clause introduces Schedule 28 of this Bill, 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.

Councillors

Clause 62: Publication of addresses of members etc in authority registers

Background

385. 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

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

387. This clause 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.

388. This clause 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: Assets of community value

Clause 63: Community right to buy assets of community value and protection of sporting assets

Background

389. 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 buildings or land to their local authority, who will then decide whether it meets the definition of an asset of community value and, if so, 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 currently been commenced in England but not in Wales.

Effect

390. This clause introduces Schedule 29 of this Bill, 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 will provide new powers for community groups in England who

wish to purchase local assets that are important to them. The provisions for Wales will remain the same.

391. Schedule 29 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 clause provide for the automatic and indefinite listing of sporting assets of community value. This clause 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 3: Licensing of taxis and private hire vehicles

National minimum standards

Clause 64: “National minimum standard” and “regulated licence”

Effect

392. This clause defines the terms “national minimum standards” and “regulated licence” in relation to Chapter 3 of Part 3 of this Bill.

393. Subsection (1) explains that “National minimum standards” are standards to be prescribed by the Secretary of State for Transport and applied by licensing authorities before a “regulated licence” is to be granted, retained or renewed.

394. Subsection (2) sets out that “Regulated licences” will include all licences issued for taxi and private hire vehicle services in England, whether to a driver, vehicle or private hire vehicle operator.

Clause 65: Standards relating to the grant of a regulated licence

Effect

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

396. 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 would enable the Secretary of State to prohibit a licence being issued if an applicant has a conviction for a specified offence.

397. Subsection (3) provides 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 it is possible to do so) to meet the standard so that a licence may be issued.

398. Subsections (4) and (5) would enable existing appeal routes to be used for those applicants refused a licence under the regulations.

Clause 66: Standards relating to the suspension or revocation of a regulated licence

Effect

399. Subsection (1) enables the Secretary of State for Transport to make regulations to set “national minimum standards” which must be maintained for a “regulated licence” to continue in force

until the expiry of the licence period. The regulations will stipulate what action a licensing authority must or may take if it is not satisfied that a standard had been adhered to.

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

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

Clause 67: Standards relating to the renewal of a regulated licence

Effect

402. Subsection (1) enables the Secretary of State for Transport to make regulations to set “national minimum standards” that must be met for a “regulated licence” to be renewed.

403. Under subsection (2) for each standard the Secretary of State may set out, in regulations, whether an authority must or may refuse to renew a licence if the authority is not satisfied that the standard is met; and under subsection (3) whether the authority must or may give an applicant the ability to remedy the failure to meet the standard so that a licence can be issued or renewed.

404. Subsections (4) and (5) would enable existing appeal routes to be used for applicants refused a renewed licence under these regulations.

Clause 68: Further provision about standards

Effect

405. This clause makes further provision about the nature of “national minimum standards” that can be prescribed in regulations.

406. 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 minimum standards could relate to applicants, licence holders, types of vehicles, training requirements or vehicle equipment.

407. Subsection (3) gives the Secretary of State power to prescribe that national minimum standards be applied retrospectively to existing as well as new licences. This will prevent a two-tier system where existing licences are subject to standards which are different from new licences, with the aim of creating consistency and legal certainty across all taxi and private hire vehicle licences in England at the earliest opportunity.

Clause 69: Guidance

Effect

408. This clause 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 in regulations made under the powers conferred by this chapter. Once published, licensing authorities will be required to have regard to this guidance and any revisions to it. The Secretary of State would also have the power to revise or revoke guidance.

Clause 70: Relationship with existing licensing legislation

Effect

409. This clause explains the relationship between the Bill provisions on taxi and private hire vehicle licensing and existing taxi and private hire vehicle legislation.
410. Subsection (1) clarifies that regulations made under this legislation will not prevent licensing authorities from exercising their existing powers as they do currently, so long as they are compatible with the national minimum standards that are set.
411. Subsections (2) to (7) have the effect of amending existing taxi and private hire vehicle legislation to clarify that it will in future be subject to requirements set out in regulations prescribing national minimum standards.

Clause 71: Regulations

Effect

412. Subsection (1) requires the Secretary of State to consult appropriate persons before making regulations that set out the national minimum standards.
413. Under subsection (3) the first time the regulations are made they would be subject to the affirmative parliamentary procedure, while subsequent regulations would be subject to the negative resolution procedure under subsection (5).
414. Subsections (2) and (4) enable the regulations to amend or repeal existing Acts of Parliament (whenever passed), subject to the affirmative parliamentary procedure.

Clause 72: Interpretation

Effect

415. This clause defines certain expressions and terms used in Chapter 3 of Part 3 of the Bill, related to the setting of “national minimum standards” in taxi and private hire vehicle licensing.

Chapter 4: National Park Authorities and the Broads Authority

The general power of competence

Clause 73: Extension of general power of competence to English National Park Authorities and the Broads Authority

Background

416. 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

417. This clause introduces Schedule 30 of this Bill, 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

Clause 74: Establishment of Local Audit Office

Background

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

Effect

419. This clause inserts new Part 1A into the 2014 Act, and introduces Schedule 31 of this Bill which inserts new Schedule 1A into the 2014 Act. These provisions will 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.

420. The LAO will conduct its functions as set out in clauses 74-78, which include setting fees, appointment of auditors to eligible bodies, setting the code of audit practice and overseeing a regulatory framework.

421. 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.

Clause 75: Local audit providers: registration and public provision

Background

422. Currently, Schedule 5 to the Local Audit and Accountability Act 2014 (the 2014 Act) sets 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

423. This clause inserts Part 2A into the 2014 Act, and introduces Schedule 32 of this Bill 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.

424. 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.

425. 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.

426. 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.

Clause 76: New appointment arrangements for non-NHS audits

Background

427. Currently, Part 3 of the Local Audit and Accountability Act 2014 (the 2014 Act), along with Schedules 3 and 4 to that Act, prescribes 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.

428. Schedule 33 of this Bill disapplies much of Part 3 of the 2014 Act in relation to relevant authorities that are not NHS bodies.

Effect

429. This clause 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.

430. 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.

431. 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.

Clause 77: Audit providers to nominate lead partner

Background

432. Currently, audit firms eligible to deliver local audits must have a key audit partner who is 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 must 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).

433. Schedule 33 of this Bill removes existing section 18 of and Schedule 5 to the 2014 Act.

Effect

434. The removal of section 18 and Schedule 5 of the 2014 Act means the key audit partner requirements will 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 will be required to be approved as eligible by a registration body, but the requirement for these decisions to be compliant with statutory guidance will be removed.

Clause 78: Code of audit practice

Background

435. Currently, the Comptroller and Auditor General has 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.
436. Schedule 6 of 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

437. This clause 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).
438. 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 clause).
439. Paragraph 65(5) amends the list of bodies who must be consulted on a new code.
440. Paragraph 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).

Clause 79: Audit committees

Background

441. The Local Audit and Accountability Act 2014 (the 2014 Act) sets the key legislative framework for the current local audit system. The Act does not 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

442. This clause 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.
443. 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.
444. 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.

445. 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.
446. 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.
447. Subsection (6) directs that at least one member of an audit committee is an independent person.
448. Subsection (7) asserts that the Secretary of State may issue regulations about the payment of allowances, expenses, gratuities and pensions to audit committee members.
449. Subsection (9) requires that an authority must have regard to any guidance issued by the Secretary of State in relation to audit committees.
450. Subsection (10) specifies that references to a "committee" apply to any sub-committee of an audit committee.

Clause 80: Review of audit and reporting arrangements at Secretary of State's request

Background

451. 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.
452. 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

453. This clause 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.
454. 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.
455. Subsection (7) requires the Secretary of State to publish a summary of any findings of a review reported to them by the LAO.

Clause 81: Smaller authorities: change of terminology

Background

456. Smaller authorities are currently defined in Section 6 of the Local Audit and Accountability Act 2014 (the 2014 Act). 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. The Bill also repeals Schedule 5 of the 2014 Act, which sets out regulations through which financial thresholds for larger and smaller authorities' audit regimes are set.

Effect

457. 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 will allow 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.

Clause 82: Power to provide for smaller authority treatment in previous years where audit outstanding

Background

458. Smaller authorities are currently defined in Section 6 of the Local Audit and Accountability Act 2014 (the 2014 Act). 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

459. This clause 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 will ensure 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.

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

461. 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.

462. 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.

463. 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.

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

465. 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.

Clause 83: Amendment paving way for separation of LGPS accounts

Background

466. Currently, section 20(3) of the Local Audit and Accountability 2014 (the 2014 Act) mandates 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

467. This clause 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 current subsection to keep the pension fund accounts with the relevant administering authority's other accounts.

468. 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.

Clause 84: Minor and consequential amendments

Effect

469. This clause introduces Schedule 33 of this Bill, which makes consequential amendments to the Local Audit and Accountability Act 2014 in connection with Part 4 of this Bill.

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

Clause 85: Rent reviews and arrangements for new tenancies

Background

470. 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.

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

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

Effect

472. This clause 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 34 of this Bill.

Part 6: Final Provisions

Clause 86: Interpretation

Effect

473. This clause clarifies the meaning of several terms used frequently throughout this Bill.

Clause 87: Saving of orders and regulations relating to combined authorities and CCAs

Effect

474. This clause sets out that provision made by Part 1 or 2 of this Bill does not affect the relevant existing subordinate legislation relating to combined authorities (CAs) and combined county authorities (CCAs). Specifically, the provision made by Part 1 or 2 of the Bill does not impliedly amend, modify or revoke the subordinate legislation, and so Parts 1 and 2 of the Bill do not affect any contrary subordinate legislation as defined by subsection (4), and has effect subject to that contrary subordinate legislation.

Clause 88: Power to make consequential provision

Effect

475. This clause confers a regulation-making power for the Secretary of State to make consequential amendments which arise from this Bill.

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

477. 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.

Clause 89: Regulations

Effect

478. This clause provides that all regulations made under this Bill 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 purposes.

479. Subsections (3) to (5) clarify the parliamentary procedures regulations made under this Bill must follow.

480. Subsection (6) provides that any statutory instrument laid under this Bill will not be treated as hybrid instruments; and that this clause does not apply to clause 92(7) of this Bill.

Clause 90: Financial provision

Effect

481. This clause authorises expenditure arising from the Bill which is either new or increases expenditure under other Acts.

Clause 91: Extent

Effect

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

Clause 92: Commencement

Effect

483. This clause provides for the commencement of provisions in this Bill. See the commencement section of these explanatory notes for further detail.

Clause 93: Short title

Effect

484. This clause is self-explanatory.

Schedules

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

Part 1: Combined authorities

Background

485. 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).

486. 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 105A which provides for a public authority function to be conferred onto a CA by order, with section 105B of that Act setting out the procedural requirements for a section 105A order.
- 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 enables the Secretary of State to by order provide for there to be a mayor for the area of a CA, with section 107B setting out requirements in connection with orders under section 107A.
- 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 133D 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

- 487.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.
- 488.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.
- 489.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.
- 490.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.
- 491.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.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

- 492.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.
- 493.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.
- 494.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.
- 495.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.
- 496.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;
 - a proposal has been prepared by Secretary of State under section 112C; or,
 - a Secretary of State-led proposal has been consented to by the constituent councils and the CA.
- 497.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.
- 498.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.
- 499.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.
- 500.Paragraph 16 inserts new section 109B (Proposal for a new combined authority (Secretary of State directed)) into the 2009 Act which provides a new route for the Secretary of State to establish a

new CA without the consent of the proposed constituent councils if the conditions set out in this section are met:

- no relevant proposals, as defined by section 109B(4), have been submitted to the Secretary of State in relation to any of the local government areas (or parts of those areas) that would comprise the proposed area; 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 consider the statutory test in section 110(6) of the 2009 Act prior to making the proposal; and,
- the Secretary of State must notify the relevant constituent councils of the proposal (and any other persons Secretary of State considers appropriate) and specify the period during which those notified of the proposal may make representations in writing.

501.Paragraph 17 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 clause 2 of this Bill;
- 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).

502.Paragraph 18 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.

503.Paragraph 19 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.

504.Paragraph 19 also inserts new section 112C (Proposal to provide for mayor for combined authority (Secretary of State directed)) into the 2009 Act which enables the Secretary of State to prepare a proposal for there to be a mayor for an existing CA without the consent of the constituent councils and CA if the following conditions are met:

- the CA must have been established at least 18 months before Secretary of State starts to prepare the proposal;
- the Secretary of State must either have not received a relevant proposal in relation to a mayor being added for the CA, or if such a proposal has been received, the Secretary of State does not consider it to be viable;
- the Secretary of State must have regard to whether the statutory test in section 110(7) of the 2009 Act would be met; and,
- the Secretary of State must notify the constituent councils of the CA and such other persons they consider appropriate and specify a period of time for those notified of the proposal to make representations about the proposal.

505.Paragraph 20 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 a proposal is made under section 112C or where the order is made in accordance with section 107B(3).

506.Paragraph 21 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 proposal submitted under section 112A for which the Secretary of State must consult such persons they consider it necessary to consult; or,
 - 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,
 - 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.

507.Paragraph 21 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.

508.Paragraph 22 amends section 133D 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

509.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).

510.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.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

- 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

- 511.Paragraph 24 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.
- 512.Paragraph 25 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.
- 513.Paragraph 26 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.
- 514.Paragraph 27 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.
- 515.Paragraph 28 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.
- 516.Paragraph 29 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.
- 517.Paragraph 30 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.
- 518.Paragraph 31 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.
- 519.Paragraph 32 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.
- 520.Paragraph 33 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.
- 521.Paragraph 34 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.

522.Paragraph 35 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;
- a proposal has been prepared by Secretary of State under section 47B;
- a Secretary of State-led proposal has been consented to by the constituent councils and the CCA.

523.Paragraph 36 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.

524.Paragraph 37 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.

525.Paragraph 38 inserts a new section 45A (Proposal for a new CCA (Secretary of State directed) to the 2023 Act to provide a new route for the Secretary of State to make an order to establish a new CCA without the consent of the proposed constituent councils if the following conditions are met:

- no relevant proposals, as defined by section 45A(4), have been submitted to the Secretary of State in relation to any of the local government areas (or parts of those areas) that would comprise the proposed CCA; 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 consider the statutory test set out in 46(6) prior to making the proposal;
- the Secretary of State must notify the relevant constituent councils of the proposal and any other persons the Secretary of State considers appropriate and specify the period during which those notified of the proposal may make representations in writing.

526.Paragraph 39 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 clause 2 of this Bill;

- 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, implement a proposal of which notice has been given under section 45A of the 2023 Act and that Secretary of State must consider any representations received during the relevant period; 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).

527.Paragraph 40 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.

528.Paragraph 41 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.

529.Paragraph 41 inserts new section (47B Proposal to provide for mayor for CCA (Secretary of State directed)) into the 2023 Act which enables the Secretary of State to provide for there to be a mayor for the area of a CCA without the consent of the constituent councils and CCA if the following conditions are met:

- the CCA must have been established at least 18 months before Secretary of State starts to prepare the proposal;
- the Secretary of State must either have not received a relevant proposal in relation to a mayor being added for the CCA;
- the Secretary of State must have regard to whether the statutory test in section 46(6) of the 2023 Act, would be met;
- the Secretary of State must notify the 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.

530.Paragraph 42 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 the proposal was made under section 47B of the 2023 Act or where the order is made in accordance with section 28(3).

531.Paragraph 43 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.

532.Paragraph 43 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.

533.Paragraph 43 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.

534.Paragraph 44 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

535.The [Planning and Infrastructure Bill](#) will insert provisions relating to spatial development strategies into the Planning and Compulsory Purchase Act 2004 (the 2004 Act). The provisions in the Planning and Infrastructure Bill will create a universal 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.

536.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).

537.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

538.Paragraph 2 amends section 12A of the 2004 Act (which is to be inserted by the Planning and Infrastructure Bill) 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.

539.Paragraphs 3 and 4 amend sections 12L and 12X of the 2004 Act (which will be inserted by section 52 of the Planning and Infrastructure Bill) to set out how spatial development strategies will be adopted by CAs and CCAs.

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

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

541. 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.

542. 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

543. 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

544. 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 Bill require that the mayor consents for the function to be discharged in this way.

545. 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

546. 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 Bill, with Schedule 2A applying to combined county authorities (CCAs) and Schedule 5BA applying to combined authorities (CAs).

547. 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.

548. 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.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

- 549.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.
- 550.Paragraph 2(5) means that if a commissioner's appointment is deemed as no longer valid, it does not necessarily invalidate work done by that commissioner prior to that determination.
- 551.Paragraph 4 of each inserted Schedule provides that a commissioner may support the mayor in only one of the areas of competence as listed at clause 2 of this Bill, however, this should not prevent them from incidentally working on another, or working outside of the assigned area of competence.
- 552.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.
- 553.Paragraph 5 of each inserted Schedule provides that if a mayor appoints a commissioner in relation to an area of competence, where there is already a commissioner serving under that area, such an appointment would be invalid.
- 554.Paragraph 6(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.
- 555.Paragraph 6(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.
- 556.Paragraph 7 of each inserted Schedule places limitations on the mayor's ability to delegate functions.
- 557.Paragraph 7(2) of the inserted Schedule lists the functions that the mayor may not arrange for a commissioner to exercise.
- 558.Paragraph 7(3) states that a mayor must obtain the consent of the CCA/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.
- 559.Paragraph 7(4) and 7(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.
- 560.Paragraph 7(6) lists the fire and rescue functions which cannot be exercised by a commissioner.
- 561.Paragraph 8 of both inserted Schedules provides that a CA or CCA can pay an allowance to commissioners in accordance with a scheme drawn up by the CA or CCA, after considering the recommendations of a relevant remuneration panel report. Allowances must not exceed the amounts specified in the report.
- 562.Paragraph 8(3) provides that CAs and CCAs must publish reports on allowances paid, including the amount of those allowances.
- 563.The Secretary of State is expected to name in regulations the relevant remuneration panel responsible for recommending allowances payable to commissioners, as per paragraph 8(4).
- 564.Paragraph 9 of the Schedule sets out the ways in which the appointment of a commissioner can end.

- 565.Paragraph 10 of both inserted Schedules 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.
- 566.Paragraph 11(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.
- 567.Paragraph 11(2) of each inserted Schedule provides options for the different employment arrangements that may occur in the hiring of commissioners.
- 568.Paragraph 12 of each inserted Schedule provides that the Secretary of State may issue guidance about the selection or appointment of commissioners. This includes guidance on the approval process for delegating powers, the reports produced by remuneration panels on allowances, and the making of recommendations to terminate the appointment of a commissioner.

Schedule 4: Extension of the general power of competence

Background

- 569.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

- 570.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.
- 571.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.
- 572.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.
- 573.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.
- 574.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.
- 575.Paragraph 7 amends section 8 so that the correct legal definitions are included in the 2011 Act in regards to: combined authority; combined county authority; mayor; mayoral combined authority; and mayoral combined county authority.
- 576.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 5: Providers of micromobility vehicles

Background

577. Currently, local authorities do 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

578. This Schedule inserts new provisions into the Road Traffic Regulations Act 1984 (the 1984 Act) at Part 2A and Schedule 3A. Schedule 5 provides that combined 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 – Licensing of providers of micromobility vehicles in England

579. Paragraph 1(2) of Schedule 5 of this Bill inserts a new Part 2A into the 1984 Act.

580. 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.

581. 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.

582. 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.

583. 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.

584. 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.

585. Section 22G(1) provides exemptions on the face of the Bill 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.

586. 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 clause can be found at Schedule 3A.

587. 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. Clause 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.

588. 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. Clause 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.
589. 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.
590. 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.
591. 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.
592. 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.
593. 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

594. Paragraph 1(3) of Schedule 5 of this Bill 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.
595. Paragraph 1 of Schedule 3A introduces what this Schedule will cover in regulations under clause 22H in Part 2A of the 1984 Act.
596. 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.
597. 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.
598. 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.
599. 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.

600.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.

601.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.

602.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.

603.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.

604.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.

605.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.

606.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

607.Paragraph 1(3) of Schedule 5 of this Bill 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

608.Paragraph 2 of Schedule 5 of this Bill 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 6: Arrangements to carry out works on highways

Background

609.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. The current legal position is that, 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.

610.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

611.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.

612.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.

613.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.

614.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.

615.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.

616.Paragraph 2(2) provides that CAs and CCAs can enter into agreements with other authorities or strategic highways companies to undertake certain highways works.

617.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 7: Charges payable by undertakers executing works in maintainable highways

Background

618.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.

619.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.

620.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 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.

621.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.

622.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

623.This Schedule transfers from the Secretary of State for Transport to mayors of Strategic Authorities the power to approve local highway authorities, within their areas, to charge as part of lane rental schemes. Where areas are not covered by a Mayoral Strategic Authority, the Secretary of State for Transport will continue to be the responsible person for approving charges for lane rental schemes.

624.Paragraphs 2 amends section 74B of the 1991 Act. New subsections (2) to (5) amend sections 74A and 74B of the 1991 Act to set out when that power to approve is separately exercisable by each 'appropriate person'. Those persons are the Secretary of State for Transport, the Mayor of London,

the mayor for the area of a combined authority (CA) and the mayor for the area of combined county authority (CCA).

625. New subsections (4) and (5) empower mayors of mayoral CAs and mayoral CCAs to approve local highways authorities within their areas.
626. New subsection (3) makes the Mayor of London the person empowered to approve Transport for London or a local highway authority whose areas are within Greater London.
627. New subsection (2) makes the Secretary of State the appropriate person to approve lane rental applications from all other local highways authorities, where a mayor is not the appropriate person for those areas.
628. New subsection (6) 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.
629. New subsection (7) provides that an order to approve a lane rental scheme made by the Secretary of State will be made by statutory instrument. Paragraph 2(10) 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(9) ensures that orders made by the Secretary of State remain valid despite the transfer of approval powers to the relevant authority.
630. New subsection (8) 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.
631. New subsection (11) 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 “2025 Act commencement”.
632. Paragraphs 3 and 4 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 highway authorities carrying out works for road purposes are subject to charges in the same way as undertakers carrying out street works.

Schedule 8: Civil enforcement of traffic contraventions

Background

633. 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

634. 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.
635. 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

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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.

636.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 9: Key route network roads

Part 1: Designation and directions

Background

637.Key route networks are a network of some of the most important local roads in an area. Currently, combined authorities (CAs) and combined county authorities (CCAs) have 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.

638.Currently, 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

639.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 will also remove 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.

640.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.

641.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.

642.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.

643.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

644.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.

645.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.

646.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.

647.Paragraphs 3 and 4 of Schedule 8 amend section 22 of the 2023 Act 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.

648.Paragraph 5 of Schedule 8 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 CA, or 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 a CA, or 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

649. Local authorities currently 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

650. 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.

651. 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.

652. Paragraph 10 removes the existing duty of constituent councils of a mayoral CA or mayoral CCA to make reports on key route network roads.

Schedule 10: Local transport authorities and other transport functions

Background

653. 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.

654. 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

655. 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

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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.

656. 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.

657. 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.

658. 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.

659. 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.

660. 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.

661. 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.

662. 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.

663. 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.

664. 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.

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- 665.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.
- 666.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.
- 667.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.
- 668.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.
- 669.Paragraph 19A 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.
- 670.Paragraph 20 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 11: Education

Part 1: Adult education

Background

- 671.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 Act as being 19 years or older). These functions are currently held by the Secretary of State by virtue of the Act, except where powers have been transferred to the Mayor of London for the Greater

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London Authority (GLA), existing combined authorities (CAs) and combined county authorities (CCAs), and single local authorities with existing devolution agreements.

Effect

672. 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.
673. 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 and 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.
674. 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 and 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.
675. 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 and 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.
676. 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 over 19 (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.
677. 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.
678. 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.

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- 679.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.
- 680.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.
- 681.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.
- 682.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.
- 683.Paragraph 12 amends section 121 of the 2009 Act to include definitions for different types of SA in the amended sections.
- 684.Paragraph 13 amends section 122 of the 2009 Act to allow appropriate information sharing between bodies and persons or 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

- 685.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

- 686.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.

- 687.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.
- 688.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 over 19 with an education, health and care plan and to encourage employers to participate in the providing of education and training for those groups.
- 689.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.
- 690.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 Bill is commenced. A Strategic Authority created after commencement of the Bill (save for single local authority areas which will already hold these duties) should automatically receive these duties once they are established.

Schedule 12: Planning applications of potential strategic importance

Background

- 691.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

- 692.This Schedule provides that the powers which are currently 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.
- 693.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. The effect of this measure will enable 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.
- 694.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.
- 695.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

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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.

696.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.

697.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 13: Development orders

Background

698.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.

699.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.

700.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

701.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.

702.Paragraph 1(2) to 1(7) permit any relevant mayor (including mayors of CAs and CCAs) to make mayoral development orders.

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- 703.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.
- 704.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.
- 705.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.
- 706.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.
- 707.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 14: Amendments relating to changes to mayoral development powers

Effect

- 708.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 Act to reflect the provisions inserted into the Town and Country Planning Act 1990 by Schedules 11 and 12 of this Bill.

Schedule 15: Community infrastructure levy

Background

- 709.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.

710. In England, the following authorities can currently 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

711. 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.

712. 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.

713. 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.

714. 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.

715. 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 16 and 17: Acquisition and development of land, and Housing accommodation

Background

716. 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.

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

718. 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.

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

Effect

720. 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.

721. All these functions will be exercisable by the SAs concurrently with the existing body that holds them (i.e. Homes England or local authorities).

722. Schedule 16 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.

Functions of Homes England

723. The functions of Homes England from the 2008 Act that will be conferred on SAs outside London include the:

- power to provide and facilitate provision of housing or other land (Schedule 16, paragraph 3(a));
- powers to regenerate, develop or bring about more effective use of land or facilitate that (Schedule 16, paragraph 3(b));
- powers to provide or facilitate the provision of infrastructure (Schedule 16, 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 16, paragraph 3(d));
- powers to acquire land by agreement and compulsorily (Schedule 16, paragraph 4);
- powers to give financial assistance to any person, subject to consent of the Secretary of State (Schedule 16, paragraph 8).

724. The same restrictions that apply to Homes England's disposal of land will be applied to SAs outside London (Schedule 16, 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 also will not be 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.

725. The rules which govern how Homes England uses its land acquisition powers will also apply to SAs outside London (Schedule 16, paragraphs 10, 11 and 12).

726. SAs outside London will only be able to exercise the above functions in line with the objects of Homes England (Schedule 16, paragraphs 2 and 8(3)). This is in line with how these functions have been conferred on SAs previously.

Functions of local authorities

727. The functions of local authorities from the 1990 Act that will be 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 16, paragraph 14);
- powers to acquire land by agreement (Schedule 16, 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 16, 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 16, paragraph 18);
- powers to appropriate land held for planning purposes (Schedule 16, 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 16, paragraph 21);
- powers to develop land held for planning purposes and maintain any buildings on it (Schedule 16, paragraph 22).

728. The functions of local authorities from the 1985 Act that will be 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 17, paragraph 2);
- Powers to provide housing accommodation (Schedule 17, paragraph 3);
- powers to provide laundry, meal and refreshment facilities in connection with the provision of housing (Schedule 17, 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 17, paragraph 5);
- powers to acquire housing or land in connection with the provision of housing by agreement and compulsorily (Schedule 17, paragraph 6);
- a duty to make buildings they own suitable for housing as soon as possible after acquisition or necessary works (Schedule 17, paragraph 7).

729. Requirements that apply to local authorities when using or developing consecrated land, burial grounds and open spaces will also be applied to CAs and CCAs (Schedule 16, paragraphs 23 and 24).

Compulsory purchase powers

730. SAs will be given three different compulsory purchase powers under:

- section 9(2) of the 2008 Act (Schedule 16, paragraph 4);

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- section 226(1) of the 1990 Act (Schedule 16, 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 17, paragraph 6).

731. 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.

London

732. Part 3 of Schedule 16 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 17: Mayoral development corporations

Background

733. 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. Currently, the remit of a mayoral development corporation is to secure the regeneration of its area. Measures in the [Planning and Infrastructure Bill](#) seek to expand this to include development, so mayoral development corporations can deliver new settlements, including on greenfield sites, in addition to urban regeneration.

734. 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.

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735. 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. Currently, some mayoral CAs and mayoral CCAs do not have mayoral development corporation powers.

Effect

736. 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.

737. 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 clause 6 of this Bill, 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.

738. Paragraph 5 allows mayors to alter the boundaries of a mayoral development area to exclude any area of land, subject to consultation requirements.

739. 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.

740. 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 will also allow 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.

741. 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.

742. 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.

743. 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.

744. 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.

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745.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.

746.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.

747.Paragraph 20 amends the Local Government Act 2003, specifying how powers to make grants to local authorities under section 31 of the Act will apply to mayoral development corporations outside London.

Schedule 19: Assessment of economic conditions

Background

748.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

749.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.

750.Paragraph 1(5) enables a CA or CCA to revise its assessment, or any part or aspect of it, at any time.

751.Paragraph 1(6) substitutes the reference to “principal authorities” in the 2009 Act to “relevant authorities” so that it includes CAs and CCAs.

752.Paragraph 1(7) places a duty on a relevant authority to consult such persons it considers appropriate.

753.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.

754.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 20: Local growth plans

Effect

755.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

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clause 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.

756.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.

757.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.

758.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.

759.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.

760.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.

761.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 21: Miscellaneous local authority functions

Background

762.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.

763.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.

764.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.

765.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

766.This clause introduces Schedule 20 of this Bill, 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 20 also confers the power at section 113 of the 1972 Act onto the Greater London Authority (GLA).

767.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.

- 768.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.
- 769.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.
- 770.Paragraph 4 amends section 88 of the 1985 Act. It provides that CAs and CCAs can undertake research and share their findings.
- 771.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.
- 772.Paragraph 4(2) also sets out that CAs and CCAs exercise those functions in relation to the area of a CA or CCA.
- 773.Paragraph 4(3) provides that CAs and CCAs may be required to provide relevant information to the appropriate minister.

Schedule 22: Functions of Police and Crime Commissioners

Background

- 774.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.
- 775.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 currently also applies to mayors who exercise PCC functions, who can appoint a deputy mayor for policing and crime to exercise their policing functions. Neither PCCs nor mayors with PCC functions are currently obliged to appoint a deputy.
- 776.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. There are currently 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).
- 777.Clause 44 of this Bill 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

- 778.This Schedule sets out new Schedule 10A to 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.

779.Paragraph 8 of new 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.

780.New paragraph 64 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 23: Fire and rescue services

Background

781.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

782.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)(b), (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 (12) makes section 2 subject to section 1A.

783.Paragraph 3 adds in a new section 4(8). Section 4 deals with merged FRAs under the Fire Services Act 1947. Section 4(8), like the new section 2(12), makes section 4 subject to section 1A.

784.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 paragraph 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

785. Part 2 of Schedule 23 amends section 38 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 24: Licensing functions of the Mayor of London

Background

786. The Licensing Act 2003 (the 2003 Act) provides the statutory framework for regulating the sale and supply of alcohol, the provision of regulated entertainment and the sale of late-night refreshment in England and Wales.

787. Neither the Mayor of London nor the Greater London Authority (GLA) currently have any express statutory duties or powers under the 2003 Act. This means that they do not have a statutory power to set a licensing policy to which licensing authorities (as defined in the 2003 Act) must have regard. They are also not included in the list of bodies a licensing authority is required to consult before it develops or updates its own statement of licensing policy.

Effect

788. This Schedule amends the 2003 Act in order to establish new licensing functions for the Mayor of London.

789. Paragraph 2 of the Schedule inserts new subsections (4) and (5) into section 4 of the 2003 Act, placing a duty on London licensing authorities – as defined in new section 4(5) of the 2003 Act – to 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.

790. Paragraph 3 of the Schedule inserts new subsection (3A) into section 5 of the Licensing Act 2003, which places a duty on all London licensing authorities to consult the Mayor of London before determining or revising their own statement of licensing policy.

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- 791.Paragraph 4 of the 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)), and allows the Mayor to replace that policy during the five-year period by determining and publishing a new one (new section 8A(2)).
- 792.New section 8A(3) creates a duty on the Mayor to consult each London licensing authority, the Secretary of State and other relevant bodies when determining the licensing policy (new section 8A(3)) and new section 8A(11) allows for consultation in respect of the policy for the first five-year period to be carried out before the duty to consult comes into force.
- 793.New section 8A(4) requires the Mayor to keep the policy under review and, where appropriate, to revise the policy. Before any such revisions are made, the Mayor must consult the persons set out in new section 8A(3) and must then publish either a statement of the revisions made to the policy or the revised policy in full (new section 8A(6)).
- 794.New section 8A(7) and (8) provide that, when the Mayor determines a policy under new section 8A, they are required to have regard to the primary importance of promoting the licensing objectives (as set out within section 4(2) of the 2003 Act), any requirements imposed on licensing authorities when carrying out their licensing functions, and any cumulative impact assessments published by London licensing authorities.
- 795.New section 8A(10) enables the Secretary of State to make regulations about the determination and revision of policies, and the preparation and publication of policy statements, under new section 8A.
- 796.New section 8A(12) defines “relevant licensable activities” as retail sale of alcohol, regulated entertainment, and late-night refreshment. and new section 8A(13) provides a definition of “five-year period” for the purposes of the section.
- 797.Paragraph 5 of the Schedule allows the Secretary of State to repeal the new provisions as inserted into the 2003 Act by paragraphs 2 to 4 of the Schedule by regulations. This power expires at the end of the five-year period starting with the day on which the Schedule comes into force.
- 798.Paragraph 6 of the Schedule enables the Secretary of State to make regulations to confer on the Mayor of London the function of determining relevant licence applications in certain circumstances, and defines a “relevant licence application” for that purpose.

Schedule 25: Powers to make regulations in relation to functions of strategic authorities and mayors

Part 1: Conferral and modification of functions

Background

- 799.Prior to the changes being made by this Bill, 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.
- 800.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).

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801.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).

802.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. Clause 53 of this Bill provides for those limitations to be extended to the conferral of functions using clause 52 of this Bill.

803.Clause 17 of this Bill 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

804.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.

805.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 clause 17 of this Bill, such functions will then be exercisable by the mayor on behalf of the CA or CCA.

806.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 functions in relation to the areas of competence (see clause 2 of this Bill).

807.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 some extent to a matter within any area of competence.

808.Signposts are included in Part 1 to the limitations imposed by section 18 of the 2016 Act (as amended by clause 53 of this Bill) in relation to the conferral of health service functions under these powers.

Part 2: Movement of functions between mayors and strategic authorities

Background

809.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 this Bill. The 2009 and 2023 Acts allow regulations to provide for CA or CCA functions to be made exercisable only by the mayor.

810.New functions may also be conferred under Part 1 of Schedule 25 on categories of CAs and CCAs, or on categories of mayors of CAs and CCAs.

811.Functions conferred by the 2009 and 2023 Acts, or under Part 1 of Schedule 25 can also specify whether the function is to be exercised solely by the CA or CCA, or mayor of the CA or CCA, or concurrently or jointly with other authorities.

812.Clause 17 of this Bill 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.

813.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

- 814.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.
- 815.Paragraph 5(3) 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. 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.
- 816.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.
- 817.Paragraph 6(3) 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. 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.
- 818.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.
- 819.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

- 820.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.
- 821.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

- 822.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 strategic authorities, except in relation to voting arrangements.
- 823.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 they are exercisable by the mayor, except in relation to voting arrangements.
- 824.Paragraph 11(1) sets out some of the different types of provisions on how a function is exercised that can be made under Part 3 of this Schedule – for example requiring consents 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, jointly etc with a person who can exercise the function already.

Part 4: Voting on decisions

Background

825.Clause 6 of this Bill 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

826.Paragraph 12 allows the Secretary of State to make regulations providing for different voting arrangements than the default voting arrangements in clause 6 of this Bill 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

827.Paragraph 13 includes provision to abolish a public authority if, due to the conferral of its functions on SAs, it no longer has any functions.

828.Paragraph 14 provides that functions being conferred on SAs via provisions in this Schedule do not apply if it would mean the SA would be regulating itself.

829.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.

830.Paragraph 16 enables a function 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.

831.Paragraph 17 enables regulations made under this Schedule to amend, apply, modify, revoke or repeal other legislation, including primary legislation.

Part 6: Pilot schemes

Effect

832.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.

833.Paragraphs 18, 19 and 20 set out the conditions for a pilot programme taking place. Paragraph 18 outlines 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. Paragraph 19 stipulates the pilot programme may only take place if the affected SA has provided their consent. Paragraph outlines that pilot programmes can either take place with a specific SA, or a category of SA.

834.Paragraphs 21 and 22 outline the process for pilot programmes. Paragraph 21 stipulates that SAs 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 22 outlines the process which the Secretary of State must follow when a pilot programme comes to an end.

Part 7: Making of regulations

Effect

835.Paragraph 25 provides for all regulations under this Schedule must be made in Parliament using the affirmative resolution procedure, apart from regulations for establishing pilot programmes which can be made using the negative resolution procedure.

Schedule 26: Arrangement relating to single tiers of local government

Background

836.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.

837.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.

838.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

839.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.

840.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.

841.Section 2A(2) and 2A(3) defines a relevant principal authority and eligible area for the purposes of that section.

842.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.

843.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.

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- 844.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.
- 845.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 6 of the 2007 Act so the accompanying procedure also applies.
- 846.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.
- 847.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.
- 848.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.
- 849.It should be noted that none of the provisions in this Schedule apply to London boroughs.

Schedule 27: Local authority governance and executives

Background

- 850.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

- 851.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 mayoralities and new committee system councils.

- 852.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.
- 853.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.
- 854.Paragraphs 3 and 4 prevent the creation of any new mayoralities, 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 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.
- 855.Paragraph 5 removes references to "prescribed arrangements", a form of governance which has never been implemented.
- 856.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 28: Mayors and PCCs: supplementary vote system

Background

- 857.Under current legislation, 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 are 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 the voting system implemented on the introduction of both P(F)CC and mayoral elections.
- 858.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.
- 859.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

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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

860. 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.

861. 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.

862. 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.

863. 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.

864. 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.

865. 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

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(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 29: Assets of community value

Part 1: Community right to buy and sporting assets of community value (England)

Background

866. 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 buildings or land to their local authority, who will then decide whether it meets the definition of an asset of community value and, if so, 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 currently has been commenced in England but not in Wales.

Effect

867. This Schedule 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 will provide new powers for community groups in England who wish to purchase local assets that are important to them. The provisions for Wales will remain the same.

868. This Schedule 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 clause provide for the automatic and indefinite listing of 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

869. 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.

870. Subsection (3) requires that local authorities create a new category for land designated with sporting asset of community value status.

871. Listed assets will be removed from the list after five years (unless already removed) with a power for the Secretary of State to amend that period by regulations (subsection (4) and (5)).

872. 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.

873. 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

874. 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)).

875. 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.

876. 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".

877. 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

878. This is a new provision. Section 86C will set out the conditions that must be met for land to be considered eligible for designation as a sporting asset of community value.

879. 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

880. 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.

881. 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

882. 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.

883. Subsection (2) defines community nominations as nominations made by a parish council or a voluntary or community body with a local connection.

884. 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

885. This new section replicates the provisions of section 90 of the 2011 Act.

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886.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)).

887.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

888.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.

889.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.

890.When notifying parties about the removal of an asset, the reasons for removal must be given (subsection (4)).

891.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

892.This is a new provision which establishes the process for designating sports grounds and their supporting facilities as sporting assets of community value.

893.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.

894.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.

895.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

896.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.

897.The 2011 Act does not currently 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

898.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.

899.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.

900.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)).

901.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

902.This new section replicates the provisions in section 93 in the 2011 Act.

903.This section requires local authorities also to maintain a list of assets that have been nominated unsuccessfully through the community nomination process (subsection (1)).

904.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.

905.The local authority can determine the form and content of the list (subsection (4)).

86J: Publication and inspection of lists

Effect

906.This new section replicates the provisions in section 94 of the 2011 Act.

907.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)).

908.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

909.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. Currently, 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

910. 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.

911. 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.

912. 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

913. This section replicates the provisions in section 96 of the 2011 Act.

914. 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

915. 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.

916. 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)).

917. 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.

918. 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.

919. 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

920. 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.
921. 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.
922. Subsection (1)(b) enables an alternative community group to purchase the asset in the event that there is no preferred community buyer.
923. 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

924. 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.
925. 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)).
926. 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)).
927. 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.
928. 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)).
929. 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

930. 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 will be 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

931. 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)).

932. 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.

933. 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

934. 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.

935. 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.

936. 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.

937. 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)).

938. Subsection (6) provides definitions for the key terms used in this section.

86S: Negotiation of price and agreed offer

Background

939. 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

940. 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.

941. Subsection (2) requires the local authority to organise a meeting between the asset owner and the community buyer as far as reasonably practicable.

942. 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.

943. 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

944. 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

945. The new provision will mean 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.

946. 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.

947. 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)).

948. 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)).

949. Subsection (9) sets out that the cost of the independent valuation must be met by the local authority.

950. Subsection (10) provides definitions for the key terms used in this section.

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

86U: Progress requirements

Background

951. 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

952. This section replaces the provision for a six-month moratorium period with an extended 12-month first and second review 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. This will protect the rights of owners where the community buyer has no realistic prospect of purchasing the asset.

953. 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)).

954. Subsection (1A) inserts an additional 16-week review period for sporting assets of community value accommodating over 10,000 spectators.

955. Subsection (2) 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 review period (six months after the owner gives notice of their wish to sell the asset). 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 (5)) and notify the owner and community buyer of their decision as soon as reasonably practicable.

956. A request for a review must be made at least two weeks before the end of this initial six-month review period (subsection (3)).

957. Subsection (4) requires the local authority, in all cases, to determine whether the community buyer has met the progress requirements at the end of the second review period (12 months after the owner gives notice of their wish to sell the asset) and notify the owner and community buyer of the determination as soon as reasonably practicable.

958. Subsection (7) defines the first and second review periods.

96V: Validity of acts

Effect

959. 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

960. 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

961. Currently, 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

962. This section will create 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.

963. 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.

964. Subsection (3) sets out the information that the guidance may include, including the types of assets that are considered to be of community value.

965. 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 Bill come into force.

966. Subsection (6) enables the Secretary of State to make changes to the guidance issued under the new section.

967. Subsection (7) requires the Secretary of State to publish the guidance.

86Y: Local land charge

Effect

968. 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

969. 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

970. 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

971. 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.

972. 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.

973. 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)).

974. 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

975. This section replicates the provision in section 105 of the 2011 Act, by this Chapter binding the Crown.

86Z4: Meaning of “local authority”

Effect

976. 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

977. The section defines “owner” for the purposes of this Chapter.

978. For any listed land the owner will be either the freeholder or the qualifying leaseholder most distant from the freeholder (subsections (2) to (4)).

979. A qualifying leasehold estate must have been granted for at least 25 years (subsection (5)).

980. Powers are included for the Secretary of State to amend both definitions (subsection (6)).

86Z6: Interpretation of Chapter: general

Effect

981. This new section defines the key terms used throughout new section 86A to 86Z6.

982. The definition of “land” needs to be read alongside the definition of “land” set out in Schedule 1 to the Interpretation Act 1978.

Part 2: Minor and consequential amendments relating to Part 1

Background

983. 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

984. Part 2 of this Schedule amends the 2011 Act so that the original provisions relate only to Wales and not to England. Paragraphs 2 to 19 update the provisions in the 2011 Act so that they only apply to Wales.

Schedule 30: Extension of general power of competence to English National Park Authorities and the Broads Authority

Background

985. 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

986. 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.

987. 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.

988. 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.

989. 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.

990. 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.

991. 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.

992. Paragraph 7 amends section 8 so that the correct definition of a National Park Authority in England is included in the Act.

Schedule 31: The Local Audit Office

Background

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

Effect

994. This Schedule inserts new Schedule 1A into the 2014 Act. Alongside clause 74 of this Bill, the provisions in this Schedule will 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.

995. 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

996. 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

997. 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

998. 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

999. 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

1000. 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

1001. 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

1002. 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

1003. 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

1004. 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

1005. 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

1006. 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

1007. The Local Audit Office's seal must 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

1008. 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

1009. 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

1010. 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

1011. 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

1012. 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

1013. 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

1014. 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

1015. This section provides for the amendment of existing relevant legislation to include references to the LAO.

Schedule 32: Local audit: registration bodies, registered providers and qualifications

Background

1016. Currently, Schedule 5 to the Local Audit and Accountability Act 2014 (the 2014 Act) sets 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

1017. This Schedule inserts new Schedules into the 2014 Act to make provisions further to those in clause 75 of this Bill on the eligibility and regulation of local auditors.
1018. 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.
1019. 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).
1020. 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 current 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.
1021. 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.
1022. 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.

1023. 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.
1024. 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.
1025. 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.
1026. 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 33: Local audit: minor and consequential amendments

Background

1027. Part 4 of this Bill 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 Act, which will remain largely unchanged. To reflect this, it is necessary to amend the Local Audit and Accountability Act 2014 (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

1028. This Schedule makes consequential amendments to the 2014 Act in connection with Part 4 of this Bill. 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 34: Business tenancies: rent reviews and arrangements for new tenancies

Background

1029. 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.

1030. None of these Acts provides substantial legislation to define the parameters for rent review provisions in commercial leases in England and Wales.

1031. 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.

1032. Without clear review parameters, landlords often include "upward only rent review" clauses in leases. These clauses ensure rent may only increase or stay the same, protecting landlords and their investors from market downturns. However, these clauses can force tenants to pay inflated rents during recessions and market downturns.

Effect

1033. Schedule 34 inserts new Schedule 7A into the 1954 Act. The 1954 Act will now prohibit the use of upward only rent review provisions in commercial leases in England and Wales.

1034. Schedule 34 also inserts new Schedule 7B into the 1954 Act. The 1954 Act will now require that 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.).

1035. Paragraph 3 of Schedule 34 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"

1036. This paragraph sets out the definition of a 'business tenancy' for the purpose of this Schedule. 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. 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"

1037. This paragraph sets out the definition of a 'business tenancy with a rent review' for the purpose of this Schedule.

1038. 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

1039. 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 the grant or variation is not made under a contract entered into before the Schedule comes into force, for example, under an agreement for lease.

Paragraph 4: Tenant to have power to trigger a rent review

1040. 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

1041. 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

1042. 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).

1043. It also reinforces that the Schedule only applies to tenancies granted or varied after the Schedule comes into force.

Paragraph 7: Rent review terms that “do not specify new passing rent”

1044. 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

1045. 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.

1046. 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”.

1047. The combined effect of 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

1048. This is the operative paragraph which bans upwards only rent review clauses.
1049. 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.
1050. 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)).
1051. This paragraph may be subject to exceptions set out in regulations as permitted by paragraph 10.

Paragraph 10: Exceptions

1052. 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.
1053. 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.
1054. 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

1055. 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).
1056. 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

1057. 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).
1058. The rent review terms are to be agreed by the landlord and tenant in that sub-tenancy or determined in another agreed manner.
1059. A superior tenancy can still be varied or modified by the parties to it.

Paragraph 13: Interpretation

1060. This paragraph applies for the purpose of this Part of the Schedule.
1061. 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.
1062. ‘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

1063. It is possible that landlords will seek to circumvent the ban using other agreements outside of the lease.
1064. 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

1065. 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

1066. The Schedule applies at a particular time if, at that time, conditions A to F are met.

Paragraph 2: Condition A: a business tenancy

1067. This paragraph sets out that the definition of a ‘business tenancy’ for the purpose of this Schedule.
1068. 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.
1069. 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

1070. 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.).

These Explanatory Notes relate to the English Devolution and Community Empowerment Bill as brought from the House of Commons on 27 November 2025 (HL Bill 150)

Paragraph 4: Condition C: a post-commencement tenancy renewal arrangement

1071. Condition C is met if the tenancy renewal arrangement is entered into after the Schedule comes into force.

Paragraph 5: Condition D: initial rent not known

1072. 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

1073. 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

1074. This paragraph ensures the ban only targets those new tenancies where the initial rent is determined based on certain objective measures.

1075. 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.

1076. 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.

1077. 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

1078. 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.

1079. 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.

1080. 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.

1081. This clause may be subject to exceptions set out in regulations as permitted by paragraph 9.

Paragraph 9: Exceptions

1082. 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).

1083. 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

1084. It is possible that landlords will seek to circumvent the ban using other agreements.
1085. 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

1086. This paragraph gives further guidance on how terms in the Schedule should be interpreted, and where in the Schedule specific terms are defined.

Commencement

1087. Clause 92 (Commencement) provides that following provisions come into force on the day on which Royal Assent is given:

- Part 1 – clauses 1, 2, 4 (and Schedule 1, apart from paragraphs 16, 19, 38 and 41 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), 13, 14, 17, 18;
- Part 2 – clauses 20 (and Schedule 4) in respect of mayoral CAs and CCAs, 24 (and Schedule 6), 26 (and Schedule 8), 28 (and Schedule 9), 29, 30 (and Schedule 10), 31 (and Schedule 11), 35 (and Schedule 16), 36 (and Schedule 17), 37 (and Schedule 18), 38 (and Schedule 19), 40, 41, 43 (and Schedule 21), 44 and 49;
- 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 clauses 25 (and Schedule 27), 64, 65, 66, 67, 68, 69, 70, 71 and 72.

1088. The following provisions come into force two months after the day on which Royal Assent is given:

- Part 1 – clauses 3, 8, 10, 12, 15, 16 and 19;
- Part 2 – clauses 20 (and Schedule 4) except in respect of mayoral CAs and CCAs, 21, 22, 27, 39 (and Schedule 20), 45, 46 (and Schedule 22), 47 (and Schedule 23), 48, 50 (and Schedule 24), 51, 52 (and Schedule 25), 53, 54, 55 and 56;
- Part 3 – clauses 57 (and Schedule 26), 58, 59 (Schedule 27), 62 and 73 (and Schedule 30).

1089. The remaining provisions in this Bill 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.

1090. The Secretary of State may make transitional or saving provision in connection with the commencement of any provision in this Bill, by regulations, including making different provision for different purposes or areas.

Financial implications of the Bill

1091. The Ministry of Housing, Communities and Local Government has undertaken an impact assessment of the economic impacts of the measures in this Bill, which is available in the supporting documents for this Bill.

1092. This Bill is not a money Bill, however, it will have financial implications for the public sector.

1093. Part 2 of this Bill confers a range of existing functions on combined authorities (CAs) and combined county authorities (CCAs) or their mayors. For the most part, these functions are to be exercisable concurrently with the bodies that currently exercise the powers (meaning that both the CA/CCA or mayors and the body that currently exercises the power can choose to exercise them).

1094. Part 2 of this Bill also includes clause 23 and Schedule 5, which create new powers to regulate micromobility vehicles and include provision for CAs and CCAs to be licensing authorities under the new licensing regime. Those provisions also provide for local councils to be licensing authorities in places where there is no CA or CCA.
1095. Part 1 of Schedule 25 enables regulations to provide for an “eligible function” to be conferred on a class of strategic authorities or the mayors for such a class. An “eligible function” is an existing function of a public authority (which expressly includes ministers but is otherwise undefined and so would include local councils and public bodies). Apart from the need for the function to be within the definition of “eligible function” and to relate to an “area of competence” (in clause 2 of this Bill), there is no limit on the functions that could be dealt with Part 1 of Schedule 25. The power therefore allows a wide range of functions to become the responsibility of CAs and CCAs.
1096. CAs and CCAs get their funding from a variety of sources. The main sources are:
- grants from the Secretary of State;
 - money paid by the county and district councils that are within the area of the combined authority (the “constituent councils”);
 - council tax raised through a precept or a supplement on business rates.
1097. Those funding sources, and the range of functions that do or could become functions of CAs and CCAs under the Bill, mean that the Bill creates the possibility of new avenues of central Government expenditure, for example through increased grants to CAs and CCAs, or changes to the grants paid to constituent councils (in recognition of the councils' increased contributions to CAs and CCAs).
1098. Clause 74 of this Bill will establish a new statutory corporation, the Local Audit Office, and empower the Secretary of State to pay grants to it.

Parliamentary approval for financial costs or for charges imposed

1099. Because the Bill creates the possibility of new avenues of central Government expenditure, a Money resolution has been approved by the House of Commons to cover expenditure incurred under or by virtue of the Act by the Secretary of State, and increases in the sums payable by virtue of any other Act that are attributable to the Bill.
1100. A Ways and Means resolution for this Bill was also approved by the House of Commons to cover:
- the power conferred on the mayors for combined authorities and combined county authorities to charge the community infrastructure levy (which is an existing levy);
 - the fees payable under the Bill to the Local Audit Office.

Compatibility with the European Convention on Human Rights

1101. Section 19 of the Human Rights Act 1998 requires the Minister in charge of a Bill in either House of Parliament to make a statement about the compatibility of the provision of the Bill with the Convention Rights (as defined in section 1 of the Act).
1102. In the opinion of the Minister for Housing and Local Government, Baroness Taylor of Stevenage, the provisions of the Bill as brought from the Commons are compatible with the Convention rights and she has made a statement to that effect.

Compatibility with section 20 of the Environment Act

1103. The Minister for Housing and Local Government, Baroness Taylor of Stevenage, is of the view that the Bill brought from the House of Commons does not contain provision, which if enacted, would be environmental law for the purposes of section 20 of the Environment Act 2021. Accordingly, no statement under that section has been made.

Duty under section 13C of the European Union (Withdrawal) Act 2018

1104. As required under the Windsor Framework (Constitutional Status of Northern Ireland) Regulations 2024 which amend the European Union (Withdrawal) Act 2018, the Minister in charge of the Bill has considered the consistency of the Bill with the UK internal market.
1105. The Minister for Housing and Local Government, Baroness Taylor of Stevenage, is of the view that the Bill brought from the House of Commons does not contain provisions which affect trade between Northern Ireland and the rest of the UK. Accordingly, no statement under that section is made.

Related documents

1106. The following documents are relevant to the Bill and can be read at the stated locations:
- [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?	Legislative Consent Motion process engaged?	Extends and applies to Scotland?	Extends and applies to Northern Ireland?
Part 1 (Strategic authorities)	All clauses, except clause 16	Yes	No	No	No	No
	Clause 16	Yes	Yes	No	No	No
Part 2 (Functions of strategic authorities and mayors)		Yes	No	No	No	No
Part 3 (Other measures about local government and PCCs)	All clauses, except clause 61	Yes	No	No	No	No
	Clause 61	Yes	Yes	No	No	No
Part 4 (Local Audit)		Yes	No	No	No	No
Part 5 (Rent reviews in business tenancies)		Yes	Yes	No	No	No
Part 6 (Final provisions)		Yes	Yes	No	No	No
Schedules	All Schedules, except Schedules 28 and 34	Yes	No	No	No	No
	Schedule 28	Yes	In part	No	No	No
	Schedule 34	Yes	Yes	No	No	No

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ENGLISH DEVOLUTION AND COMMUNITY EMPOWERMENT BILL

EXPLANATORY NOTES

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