



Chartered
Institute of
Housing

What you need to know about the Levelling Up and Regeneration Act (2023)

May 2024



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Introduction

The Levelling Up and Regulation Bill (LURB) began its passage through parliament in May 2022, and received royal assent on 26 October 2023.

The purposes of the Levelling Up and Regeneration Act (LURA) are far reaching. It contains 13 Parts and 24 schedules. This is an Act

“to make provision for the setting of levelling-up missions and reporting on progress in delivering them; about local democracy; about town and country planning; about Community Infrastructure Levy; about the imposition of Infrastructure Levy; about environmental outcome reports for certain consents and plans; about nutrient pollution standards; about regeneration; about the compulsory purchase of land; about information and records relating to land, the environment or heritage; about the registration of short-term rental properties; for the provision for pavement licences to be permanent; about governance of the Royal Institution of Chartered Surveyors; about the charging of fees in connection with marine licences; for a body to replace the Health and Safety Executive as the building safety regulator; about the transfer of land for Academy schools; about the review of maps of open country and registered common land; about the regulation of childminding; about qualifying leases under the Building Safety Act 2022; about road user charging schemes in London; about National Parks, areas of outstanding natural beauty and the Broads; and for connected purposes” (<https://www.legislation.gov.uk/ukpga/2023/55/enacted>)

The four overarching objectives of LURA are to:

- Place a duty on government to set, and report annually on progress towards achieving, levelling up missions to reduce geographical disparities across the UK

- Create a framework to support the devolution of powers through the creation of a new model of combined county authorities
- Deliver new powers for local authorities to regenerate their towns through high street rental auctions and reforms to compulsory purchase
- Create a planning system which delivers more beautiful and greener homes, with the associated infrastructure and democratic support for neighbourhoods.

Planning reform in England takes up about two-thirds of the overall Act. There are a series of general and specific planning reforms and amendments to existing legislation, so **LURA has the potential to significantly reshape the planning system, with implications for affordable housing provision and environmental practices.** However, many of the provisions in the LURA rely on secondary legislation for delivery, and whilst work is already underway in some areas, with a general election on the horizon speculation exists as to whether much of the detail of the Act will ever come in to force if there is a change of administration.

The final copy of the Act can be found [here](#) and the explanatory notes [here](#).

This member briefing does not cover all elements of the Act, instead it summarises the provisions of the Act considered to be most relevant to CIH members.



Levelling up missions

The Act specifies that the government is required to lay before parliament a 'statement of levelling-up missions', which must set out how government proposes to measure progress in delivering them.

The policy statement on the Levelling Up Missions can be found [here](#) and was published in February 2024.

The 12 missions and their metrics in summary - by 2030:

- Living standards: Pay, employment and productivity to have risen in every area of the UK, with each containing a globally competitive city, and the gap between the top performing and other areas closing.
- Research and development: Domestic public investment in R&D outside the Greater South East to have increased by at least 40 per cent, and over the spending review period by at least one third.
- Transport: Local public transport connectivity across the country to be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- Digital connectivity: Nationwide coverage of gigabit-capable broadband and 4G mobile networks, and higher quality, standalone 5G extended to all populated areas
- Education: The number of primary school children achieving the expected standard in reading, writing, and maths to have significantly increased. In England, 90 per cent of children should achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas should have increased by over a third.
- Skills: The number of people successfully completing high-quality skills training should have significantly increased in every area of the UK. In England, this should lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

- Health: The gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest should have narrowed, and by 2035 HLE should rise by five years.
- Well-being: Well-being should have improved in every area of the UK, with the gap between top performing and other areas closing.
- Pride in place: People's satisfaction with their town centre and engagement in local culture and community should have risen in every area of the UK, with the gap between top performing and other areas closing.
- Housing: Renters should have a secure path to ownership with the number of first-time buyers increasing in all areas; and the number of non-decent rented homes to have fallen by 50 per cent, with the biggest improvements in the lowest performing areas.
- Crime: Homicide, serious violence, and neighbourhood crime should have fallen, focused on the worst affected areas.
- Local Leadership: Every part of England that wants one should have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

The Infrastructure Levy

The Act replaces the current system of securing developer contributions (through Section 106 agreements and the Community Infrastructure Levy) with a new Infrastructure Levy (IL). The rates and thresholds will be contained in 'charging schedules' and set by local planning authorities (rather than nationally). Charging schedules must have regard to previous levels of affordable housing funded by developer contributions. All schedules will be subject to public examination. The Act places a duty on local authorities to prepare infrastructure delivery strategies to outline how they intend to spend the levy.

Since the Levy was first announced CIH have continually voiced concerns with the proposals given the vital role that Section 106 (S106) plays in the delivery of affordable housing (particularly social rented homes). Our primary concerns have remained that the Levy could

lead to a reduction in much needed social rented homes and could have implications for the onsite delivery of affordable homes and the important creation of mixed communities. The use of IL receipts to fund needs unconnected to the development risks the funding for affordable housing and infrastructure being used to finance other priorities and to 'plug gaps' in much stretched local authority budgets.

As the LURB progressed through parliament, CIH joined with the sector to voice our concerns, writing to the Secretary of State on two separate occasions to [express our concerns around the Levy](#) and to [urge the government to reconsider its plans](#). We [responded](#) to the technical consultation on the Levy and [APPG inquiry on developer contributions](#). Several positive amendments to the design of IL, including the commitment to a test and learn approach, were made in July 2023. However, many of our concerns remain and government feedback on the technical consultation responses (which closed in June 2023) is still awaited. No further timetable for further consultation on the design of the Levy, or for further regulations required to deliver IL, has been released yet. Labour have indicated that if they come to power, they will not continue with the switch over to IL.

Local democracy and devolution

LURA formalises the government's commitment to "address inequality through levelling up missions, which include strengthening devolution by ensuring every area in England that wants a devolution deal can have one by 2030".

The Act allows for a new form of local government institution - a Combined County Authority (CCA) - which can be established in, and will enable devolution to, areas with two-tier local government. These are designed generally for more rural areas whereas the existing Combined Authorities (CAs) typically cover cities. The first Combined County Authority proposal covers part of the East Midlands (Derbyshire and Nottinghamshire), with more expected in due course.

Plan making and national development management policies (NDMPs)

The Act sets out the intention for a new streamlined 30-month plan-making system, including supplementary development plans and area-wide design codes, the formal repealing of the duty to cooperate, and voluntary joint spatial strategies.

NDMPs are introduced in the LURA as a new level of national planning policy to be considered in the process of planning decision. Local Planning Authorities must have regard to NDMPs in preparing the local plan and decision making.

Second homes, empty homes and short term lets

The Act introduces a discretionary council tax premium on second homes and changes the qualifying period for use of the long-term empty homes premium. Local authorities may levy a premium of up to an additional 100 per cent on council tax bills for second homes and for empty homes after one year (as opposed to two years which is the current requirement). Neither of these are mandatory requirements. The Act provides a power to vary the maximum percentage for the second homes premium.

The Act requires the Secretary of State to introduce regulations requiring the registration of short-term rental properties in England. These must specify qualifying criteria for registration, prohibit the promotion of non-registered properties, and state the fees to be charged for registration.

Compulsory purchase reform

The Act sets out significant reforms to Compulsory Purchase Order (CPO) legislation, including the power to confirm a CPO conditionally, for example, to allow for prior notification, consents to be obtained and objections to be heard. It also sets out amendments to the Acquisition of Land Act 1981 that allow the acquiring authority to direct that compensation is to be assessed ignoring 'hope value' if a 'statement of commitments' can be provided justifying how the lower value will be in the public interest. (Hope value estimates the cost land could be worth if it was developed on in the future, meaning councils are forced to pay potentially thousands more to buy land for housing or developments and get stuck in lengthy disputes about costs). As of , councils using CPO can now apply to remove 'hope value' costs.

Development corporations

Previously, there were four types of development corporation. The Act makes provision for a new type of locally led urban development corporation, with the objective of regenerating its area with accountability to local authorities rather than the Secretary of State. It also updates the planning powers available to centrally and locally-led development corporations, so that they can become local planning authorities for the purposes of local plan-making, overseeing neighbourhood planning and development management. This is to bring them in line with the mayoral development corporation model.

Encouraging build out

The Act introduces commencement notices, completion notices, and powers to decline to determine applications in cases of earlier non-implementation and a condition requiring development progress reports. These provisions are intended to encourage build out and facilitate the tracking of housing delivery, however some elements have proved controversial. There are concerns over the democratic process if LPAs are able to take into account developer conduct on other sites, and applications and an applicants' "character".

CIH response

Whilst this is a highly significant Act, many provisions will not become effective for some time, as they are subject to necessary further secondary legislation and changes to the National Planning Policy Framework. There will now be a range of further consultations to bring the provision of LURA into effect, which CIH will feed into. Whilst LURA has been a key focus of the current Secretary of State, Michael Gove MP, it is unclear what will happen if we have a change of administration at the next general election.

For further information, email policyandpractice@cih.org.

