

**Chartered Institute of  
Housing:**  
*The Lyons Inquiry and  
Housing*

**Sir Michael Lyons**  
21st June 2006

# The Inquiry's remit

- Original remit: funding
- New remit: role and function (and funding)
  - Consider changing **strategic role** of local government in the context of national and local priorities for local services; and implications for accountability;
  - Review how **devolution and decentralisation**, together with changes in decision making and funding, could improve local services, their responsiveness to users, and efficiency;
  - Consider changes which help to **manage pressures** on local services

# May report

- *'National Prosperity, Local Choice and Civic Engagement – a new partnership between central and local government for the 21st century'*
- Greater local choice is needed to better meet local needs and improve value for money
- Local government can contribute to national prosperity through effective place-shaping
- But - LG must rise to the challenge, particularly by better use of engagement with local people

# 1. There are benefits to greater local choice

- Better fit with local needs and preferences
- Better value for money through co-production
- Better delivery of (fewer) national priorities; lower costs of the industry of supervision
- More innovation
- Greater public trust in the system of local and national government as a whole

## 2. Place-shaping and national competitiveness

- Local government and place
- Maximising the economic, social and environmental aspects of well-being
- Distinctive communities with a sense of their past and their future
- More prosperous communities: a bigger “cake”
- This requires good local leadership – simply must build capacity and confidence in local govt

# 3. Challenges for central and local government

- Local government needs to:
  - Engage effectively with citizens, business and other partners
  - Take ownership of local choices and manage expectations
  - Become champions of efficiency and value for money
  - Step up to the place-shaping role

# 4. Challenges for central and local government

- Central government needs to make room for local choice through:
  - Reducing central targets, inspection and monitoring
  - Agreeing a smaller set of 'national' objectives
  - Clarifying roles and responsibilities for central and local govt; including the roles of govt departments
  - Recognise the convening role of local government

# Implications for housing – what might they be?

- Housing very important to place shaping
- Some important lessons already learned
- Housing must come up the agenda
- Need for a 360° view – aspiration and choice as well as need
- Room for a new national framework? New incentives?
- Need for a new pattern of co-operation
- Leadership, engagement and value for money are the keys

# Further analysis on:

- Case for greater flexibility – and options for delivering it
- Impact on accountability of a clearer link between function and funding
- Fairness – striking a balance between equalisation and incentives
- Future of Council Tax

# Next steps for the Lyons Inquiry

- Further research and modelling on tax options
- Programme of research and analysis including survey, case studies and literature reviews
- Stakeholder engagement with businesses, general public and councillors
- Final report on function and funding  
December 2006