

**Lyons Inquiry into Local Government - response by South Bank Employers' Group to the Consultation Paper and Interim Report.**

**1) Background**

South Bank Employers' Group represents fifteen major organisations in the South Bank, Waterloo and Blackfriars area of London, as follows:

British Film Institute	London Eye Company
Coin Street Community Builders	London South Bank University
Ernst & Young	Network Rail
Guy's and St Thomas' Hospital Trust	P&O Estates
IBM UK	Royal National Theatre
ITV	Shell
Kings College, London	South Bank Centre
London & Continental Railways	

The group has a particularly strong track record in delivering business-led regeneration and co-ordinating development and its community benefit in a very complex area of central London.

In our response to the first phase of the inquiry we identified the following points of particular importance to the Group, as follows –

**South Bank Employers' Group**

- Is willing to support the re-localisation of business rates, subject to safeguards on rate increases and guaranteed mechanisms to enable business to influence spending priorities
- Supports retaining more of the revenue raised in London to support spending in London
- Opposes new taxes or tax changes which could adversely affect London's competitiveness or distort travelling patterns or inhibit property development
- Seeks recognition of the special characteristics of its area, which comprises major business, tourist and transport facilities and a very high daytime population at the corner of two otherwise deprived Boroughs
- Accepts the principle of Business Improvement Districts (BIDs) and Local Authority Business Growth Initiative (LABGI), but does not consider that they meet the needs of business generally and the South Bank Employers' Group area in particular
- Supports flexibility in local taxation to permit the local delivery of services through neighbourhoods and proposes a pilot business-led neighbourhood in the Group's area

We were particularly concerned about the ability of local authorities with severe deprivation pressures on them to make the necessary investment in an area of intense business and tourism activity. Encouraged by the government's Neighbourhoods agenda, we are now proposing a pilot whereby some of the problems arising in our area could be overcome by much greater devolution of services and delivery to neighbourhood level.

## **2. Response to 'Key Questions'**

### **2.1 The Strategic Role of Local Government**

- a) Building and Shaping Local Identity - 'place-shaping' in the two boroughs in which we operate is particularly complex; the needs of the central London area at the north of both boroughs are quite different from those in town centres or suburban areas further South. In such cases much greater partnership working and genuine devolution to smaller neighbourhoods is required for the overall place-shaping role to be effective.
- b) The economic role of local government is rightly highlighted. It should be recognised however that economic development is normally best secured through commissioning or partnership with business organisations. Councils also need to recognise the importance of public investment in stimulating business growth and to work with the business community in targeting the investment in the most effective way possible.
- c) 'Understanding local needs and preferences' means genuine trust and joint working with neighbourhood organisations and the maximum possible devolution to neighbourhoods where the right machinery is in place for delivery and accountability. These comments are particularly marked in the London boroughs in which we operate.

### **2.2 National Standards and Minimum Services**

We believe in the maximum possible local devolution of services where this is appropriate. In terms of public investment in public realm management and maintenance there are clearly occasions from our experience where local variations in standards are not only acceptable but absolutely essential.

### **2.3 Clarification of Responsibilities for Local Services**

In general we hope your inquiry will make the maximum possible contribution to clarifying responsibilities between central, regional and local government and the potential for devolution to neighbourhoods. We believe, given its significant role in the government's agenda, that devolution to neighbourhoods should receive particular attention.

## **3. Interim Report**

We read with interest your review of the evidence to the first part of your inquiry particularly on Business Interests and Business Rates – we are keen to work with 'our' local authorities to ensure that business has a strong say in how they approach issues,

particularly those of public realm, economic development and area promotion. We note with interest the comments you have received on BIDS and LAGBI and would reinforce the point from our previous evidence that BIDS are constrained by the principle of additionality and that LAGBI is very limited and has failed to benefit large and important areas of the country.

We are convinced that the right engagement between business and elected members is the vital ingredient of an effective balancing of the needs of business and economic growth on the one hand, and those of the community benefit on the other.

#### **4) Case Studies**

We believe the organisations established in the South Bank over the last 15 years provide models which might usefully be followed elsewhere and we would be very happy to engage in any case studies which your inquiry felt might be useful.

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