

Lyons Inquiry into Local Government - Promoting economic prosperity: considering the implications of Eddington, Barker and Leitch

Staffordshire County Council welcomes the opportunity both to comment on the Lyons' Discussion Paper and to contributing further to the planned series of expert roundtable discussions.

Key Questions

1. Do local authorities have the powers needed to undertake the place-shaping role, particularly in pursuing economic prosperity?

The County Council believes that local authorities already have the power to undertake the place-shaping role using their well-being powers. This should enable them to pursue economic prosperity with partners. Place-shaping is not about additional power rather it is concerned with effective community leadership and the recognition of the value of partnership working. The leadership role of local authorities in strategic partnerships and the Local Area Agreements enables them to bring together economic partners in an area to manage economic change and develop skills for the future. The County Council was pleased that the recent White Paper included a duty to co-operate between key public service partners.

2. How will the implications of the reviews and their recommendations vary between different parts of the country and different kinds of place, for example between rural areas and major cities?

The County Council believes that it is important to recognise the contribution of the rural economy and to understand the rural / urban independencies particularly relating to transport and the economy. It is equally important to recognise that transport and economic development policies both impact on the principle of 'outside but serving', therefore, it is important to engage rural local authorities in city-based decision-making.

3. Are there any other aspects of the reviews relevant to local authorities and to their place-shaping role that have not been identified? If so, what are they and what are their implications?

The County Council considers that the reviews of transport and planning focused on the economic impact of these policy areas and failed to consider the wider environmental or social implications of the proposals. The Local Transport Plan does consider wider environmental and social impacts and should be included as part of our place-shaping role in the reviews. For example, the accessibility strategy in Staffordshire examines access to health services, education and food which are vital to the well-being of local communities particularly in areas experiencing deprivation.

Eddington Transport Study

Governance

4. Can local authorities work effectively in partnership to deliver transport outcomes or are new/reformed institutions necessary?

Local authorities already work effectively in partnership to deliver transport outcomes and further reforms are not necessary. However, local government could work smarter to encourage greater efficiencies and improved services: for example in cross boundary bus services. Cross-modal transport-land use strategies should be

developed sub-regionally by County Councils working with our partners. Many of the issues raised by the Eddington Review are specific to the South East of England.

5. What are the key behaviours required of local authorities to work in such partnerships? Would new institutional or contractual arrangements be needed to support them?

Partnership working requires an effective culture where innovation is valued alongside the contribution of all partners. There should also be greater community engagement to ensure solutions meet local needs. The delivery of outcomes will be supported by the recent duty to cooperate introduced in the Local Government and Public Involvement in Health Bill.

6. Do the issues not considered by Eddington – particularly the potential benefits of aligning transport with other policy powers – alter the best overall design for governance arrangements?

The County Council believes that the gap between regional and local policy making is too great, particularly regarding strategic planning. There is a need to strengthen existing County responsibilities to deliver improved outcomes by introducing a sub-regional spatial strategy working with district colleagues.

While Eddington recommends three strategic priorities for transport over the next 20 years these are urban biased. The report highlights that sub-national decision making should be developed around patterns of economic activity. Within the West Midlands recent evidence has shown the shifting pattern of economic activity away from Birmingham and the Black Country. This suggests that the Region has a polycentric structure. The nature of economic activity within the West Midlands would require sub-national governance to be supportive of this structure and hence focused at a County level. This would also suggest that the key priorities of the Eddington Review are not appropriate to the Staffordshire or indeed the West Midlands context.

7. How could local government make use of any new bus powers in line with its broader role in promoting economic development?

As economic development is principally managed sub-regionally it is important that transport and bus links are also developed at this spatial level. It is, however, unlikely that new bus powers would result in improved and better service delivery unless supported by additional finance; the bus industry is notoriously risk averse and local funding would be needed to underwrite additional costs. In the long-term, congestion charging may provide a revenue stream in the larger conurbations, but the conditions do not exist to support such an approach in smaller urban or rural areas.

Convening

8. How can local authorities make the links between transport and other elements of economic development and quality of life most effectively at the local level?

The County Council believes that local government should be making better use of the existing power of well-being and working with partners to deliver outcomes in these areas through the LAA and longer-term through the county-wide Sustainable Community Strategy.

Funding

9. How could current funding arrangements best be reformed to support cost effective and appropriate spending and investment decisions at sub-national level?

The present LTP arrangements for expenditure on maintenance and integrated transport block allocations and monitoring work well. These arrangements allow authorities to plan over an appropriate period. However, the link between capital investment and the requirement for ongoing revenue funded maintenance needs to be addressed. Continued changes to the methodology of condition measurement have made it difficult to assess the relative road conditions of different authorities. It is hoped that the development of effective asset management planning and consistent measurement methodology in the future will give greater confidence that resources are being appropriately allocated.

10. What transport funding sources are most appropriately managed by local bodies? What would be the most appropriate incentives to encourage the adoption of demand management options at a local level?

Locally, there are a number of revenue and capital funding streams in addition to LTP. Developer funding contributes to the strategy for the local area. This arrangement works best where there is a clear linkage between the contribution and the well-being of the locality. Parking and concessionary fare funding also needs to be integrated with Local Transport responsibilities. In rural areas access to services partnerships are funded by the RDA. This funding should be devolved to the sub-region.

The introduction of local demand management measures would require additional capital and revenue funding to enable the prior introduction of significant improvements to local bus services. The cost of these measures may be recovered in the longer term through congestion charging, however, the conditions to support the introduction of such a charge do not currently exist outside London, some larger conurbations, and a small number of constrained historic towns.

11. Local authorities currently retain the revenues from local road pricing schemes. How might further developments in this area affect the use of those revenues?

For demand management to be successful it has to be clearly linked to the provision of a better transport system. Revenues should be managed locally to improve the local transport network. The income from demand management measures needs to be seen as being an additional resource rather than a substitute for existing budgets.

Barker Review of Land Use Planning Governance

12. What specific measures are needed to ensure that local planning authorities have appropriate flexibility over issues of solely local impact? Are there particular implications from the Review's recommendations on the use of green belt land?

The development of LDF core strategies sub-regionally would provide a better link to the RSS and provide a strategic framework for local Area Action Plans. The resources required to deliver the joint core strategy and development of the evidence base could be better managed, freeing up staff locally to develop Area Action Plans. This would also support the delivery of the LAA and the Sustainable Community

Strategy. There is a need for greater clarity regarding subsidiarity within the decision-making process.

The amendment to introduce a presumption in favour of development is not supported as it is contrary to the aims of promoting local flexibility.

Clarification should be provided concerning the apparent contradiction in advice to local planning authorities regarding the content of core development strategies. A criticism made by inspectors following the core strategy examinations in Staffordshire was that they lacked sufficient local content or distinctiveness. However, one of the tests the new planning system is conformity with higher order policies and strategies. This requirement moves away from the development of locally distinctive policy.

The Green Belt needs to be designated sub-regionally to facilitate the broader objectives it was intended to achieve. The balance between its extent and protection has to be based upon local circumstances, its quality, and the proximity of local settlements. However, this needs to be achieved within a national framework to protect the Green Belt. The need for protection is increasingly significant given the requirement on local authorities within PPS3 to maintain a five year supply of readily deliverable sites. This requirement could make Greenfield readily available sites appear more attractive than previously developed sites which require a longer development horizon.

13. What different approaches could be taken to enable strategic decisions to be taken at an appropriate spatial level? Can local authorities work effectively in partnership across wider areas to do this or are new/reformed institutions necessary?

The County Council believes that the appropriate level for strategic decisions to be taken is the sub-region, working with key partners particularly district colleagues. It considers the County Council to have a key leadership role in bringing partners together to develop a strategic vision and to deliver this locally through the Local Area Agreement. Working sub-regionally also ensures democratic accountability to planning decisions and enables effective cross-boundary working.

14. What role should local authorities have in relation to a future independent Planning Commission, and how should they best work with local communities on their concerns and potential benefits?

The County Council would argue that elected Members have an important role in working with the community to ensure that local concerns are reflected in decision-making.

Convening

15. How can local authorities link work on planning, housing and transport issues together most effectively?

The County Council suggests that these activities should be linked through outcomes within the Sustainable Community Strategy at a County level which is developed and agreed in partnership with organisations from the public, private, community and voluntary sectors.

Funding

16. What would be the most effective and practical means of creating incentives for local authorities to support appropriate growth?

The County Council believes that the business rates should be re-localised to create a substantial shift in the balance of funding towards locally raised revenue. Re-localisation would mean that authorities are far more accountable to local businesses. Local consultation would be more meaningful and local authorities would have to work more closely in partnership with local businesses. Consideration should be given to introducing a control within the system so that authorities are required to link the increases in Business Rates with the increase in the Local Services Tax set each year. This would go some way towards reassuring the business community that they will not be faced with disproportionate increases. We would not support the principle of there being a nationally imposed cap since this has the potential to seriously reduce the benefit of the reform. Re-localising Business Rates would increase the buoyancy of the local Taxbase since during periods of economic growth we would expect there to be a much larger proportional increase in the Business Rates Taxbase than in the Council Taxbase. This would be a real advantage to local authorities since the lack of buoyancy in the local Taxbase restricts service improvement.

Regeneration funding distributed through RDAs could also have a real impact on economic growth. However, RDAs differ in their approach with some devolving funding to local partnerships and others, such as the West Midlands, taking a project –based approach. Devolving funding to a County level would enable better support for economic growth by the relevant local authorities.

17. How should the empty property relief in business rates be reformed? How should a charge on vacant and derelict brownfield land be introduced into the existing local land and property tax system? Would any local flexibility on such measures be desirable?

The suggestion to review the charges on derelict and vacant industrial land is to be welcomed. This needs to consider carefully the spatial consequences of any proposals and the use of any additional income to provide complementary improvements in a similar way to business improvement districts.

Leitch Review of Skills

Governance

18. With their new strategic leadership role, how can local authorities relate most effectively to a reformed Learning and Skills Council on 14-19 education issues? What are the merits of the different options for managing the division of these responsibilities?

As a Local Education Authority the County Council makes a major contribution to the education of 14-19 year-olds. We are working with the LSC on the development of employment and skills boards as envisaged in the “Review of Skills”. These boards should provide an opportunity to develop links between the various sectors involved in skills and the business community. As the report proposes, there is a need to build on and improve existing structures and, where possible, rationalise.

Convening

19. What links need to be made between employment and skills provision, and other local services and responsibilities?

The development of skills in parallel with employment is an important area that needs flexible local development. For instance, there are opportunities for tailored training driven by the needs of new employers. In rural and some urban areas access to skills training can be a problem which requires the flexibility to tailor approaches to meet local needs.

20. What role should local authorities play in a new demand-led skills system?

Local authorities, particularly County Councils, are major employers in their own right generating demands for skills as well as facilitating provision. In addition, they actively support the Education Business Partnerships which make a valuable contribution to 14-19 issues.

21. What role should local authorities play in the proposed Employment and Skills Boards, to ensure skills and employment issues are properly linked to wider work on economic prosperity and development?

As the Employment and Skills Boards are developing they need to link to wider work around economic prosperity and development. The most appropriate way to achieve this linkage is through the LAA and other public service partnerships. Again, the County Council has a particular leadership role in ensuring that this is achieved.

Funding

22. What implications for local authority funding do the Leitch recommendations or related proposals have?

The development of a demand led skills system will require a responsive further education sector. In Shire towns and rural areas access to training and development is more difficult and this needs to be reflected in funding.

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