

Lyons Inquiry into Local Government Promoting Economic Prosperity: Considering the Implications of Eddington, Barker and Leitch

Response from Kirklees MBC

Overall

Q1. Do local authorities have the powers they need to effectively undertake their place-shaping role, particularly with regard to pursuing economic prosperity?

We feel that there is generally sufficient scope within the well being powers set out in the Local Government Act 2000 to allow local authorities to address the challenges relating to place shaping. Nevertheless, it is important that those powers are supported by the resources, and the **control** over those resources, to give local authorities the scope and flexibility to meet those challenges properly and effectively.

Specifically in relation to pursuing economic prosperity, we feel that local authorities, and where relevant their partners, should exert greater influence and control over the resources currently controlled by a range of unelected quangos. Making those resources available would facilitate and support our capacity to better undertake place shaping.

Q2. How do the issues raised by the three reviews, and the implications of their recommendations, vary between different parts of the country and different kinds of place, for example between rural areas and major cities?

We have no comment to make to this question.

Q3. Are there any other aspects of these reviews to local authorities and to their place-shaping role that I have not identified? If so, what are they and what are their implications?

We feel that all major issues seem to have been identified.

The Eddington Transport Study

Governance

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

Yes, local authorities can work effectively at Regional, City Regional, local authority, ward and community levels. Examples in Kirklees are:

- Leeds City Region Development Programme work resulting in a Transport Investment Plan and a Transport Innovation Fund bid
- Development of the second Local Transport Plan by six authorities
- Bus Performance Improvement Partnerships initiative
- Metro and Kirklees launch of the Huddersfield Free Townbus
- Leeds City Region Congestion Partnership
- West Yorkshire Accessibility Partnership
- West Yorkshire Casualty Reduction Partnership
- South Pennines Rail Partnership
- South Pennine Integrated Transport Strategy
- Kirklees Rural Transport Partnership

But a more effective City Region Intergrated Transport planning capability is needed. It must engage the Highways Agency and the Strategic Rail Authority, as well as LTP and PTE functions.

New institutions may be required to manage the substantial financial resource inputs, to gain the full commitment of all partners, and to provide good governance.

Q.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?

The required behaviours include

- strong all-round commitment by Members and officers,
- consistent and regular participation,
- clear understanding of the responsibilities of each partner,
- perceived 'wins' for all partners,
- mutual trust,
- confidence in one another,
- understanding and tolerance of each partner's role and interests,
- effective communication skills, and
- willingness to commit resources.

New institutional and contractual arrangements may be required between local authorities, PTEs and bus operators to permit voluntary agreements, statutory partnerships, and Quality Contracts that would specify minimum frequencies, timings, and fares generally along the lines floated in '*Putting Passengers First*' (Department for Transport, Dec 2006). For transport,

an arrangement at the City Region level that encompassed both the Passenger Transport Executive and the Local Authorities could provide new institutional arrangements. Such arrangements would need to address:

- Processes and procedures for priority setting
- Devolved spending with robust accountability,
- Collective and individual member performance targets, and monitoring of achievement that is mutually agreed.

Q.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?

Issues not considered by the Eddington Study include:

- the economic returns to investment in safety and maintenance schemes
- social inclusion, and
- regeneration in areas with weak economies.

These considerations do not, however, alter the governance arrangements that would be appropriate.

It would be desirable for local authorities to have the same powers in transport, land use planning, employment creation, education and social services such that a holistic approach within particular spatial areas could be adopted. Police enforcement powers in transport need consideration in this alignment of powers.

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

Kirklees Council could use new bus powers to:

- remove barriers of access to areas of economic development
- ensure more efficient bus allocation and operations
- develop complementary measures that deter car based commuting
- develop complementary public transport investments required for any nationally introduced road pricing scheme
- promote better coverage, accessibility, reliability and punctuality
- introduce more comprehensive bus priority measures.

Convening

Q.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?

This can be achieved by:

- working with developers and private sector transport operators at concept and design briefing stages
- ensuring the costs of eliminating any bottlenecks created by developments is paid for by those developments
- improving links across Local Authority Services through enhanced internal processes across administrative boundaries
- ensuring transport complies to local environmental policies and standards
- ensuring transport considerations are an integral part of health partnerships
- incorporating transport considerations in the formulation of Community Strategies and Local Development Frameworks
- development of a variety of local community consultation and engagement processes such as Local Area Agreements, Local Strategic Partnerships, Local Area Committees, Localities, Ward meetings and community groups to provide vision and leadership in place-shaping.

Funding

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

Desirable reforms are:

- a much higher proportion of total transport funds devolved locally
- Network Rail and Highways Agency schemes made to compete on an equal base to that of local transport schemes
- appraisal methods made consistent across all modes of transport
- funding decisions need to be more directly related to economic criteria
- establishment of committed funding streams over several years
- amalgamation of the current funding pots with variable durations, decision criteria, and channels
- within the framework of an LTP partnership, revision of the current situation whereby a Local Authority that funds a scheme in an adjacent Local Authority remains liable for repaying the net debt but does not necessarily enjoy all the benefits of that scheme.

Q.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?

Funding sources best managed by local bodies are:

- all funding sources except those for national transport routes and gateways; and
- all funding sources that are raised locally provided those bodies are locally accountable and transparent.

Appropriate incentives to adopt demand management include:

- national implementation of road pricing as recommended by the Eddington Study and workplace parking levies - otherwise the displacement of economic activity across local authority boundaries remains too strong a perceived outcome that the local road pricing envisaged through the Transport Innovation Fund pump priming process and as envisaged in *'Putting Passengers First'* will not receive local political support.
- a reformed public transport system that really encourages car drivers to switch modes
- national public awareness and education campaigns
- adequate local funding
- clear connections between payments and returns at the local community level
- severe congestion and poor air quality

Q.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?

We are not aware of any road pricing schemes in the UK outside central London and a very minor scheme in Durham. Further developments in local road pricing are not judged to have widespread political acceptability, but national road pricing will need to address the following issues:

- redistribution of revenues from Local Authorities with high revenue generation to Local Authorities with low revenue generation (otherwise the areas with little congestion or weak economies would be starved of investment)
- channelling revenues raised in a local area back to that same area such that communities perceive they are being compensated commensurately for the congestion and environmental costs they experience
- balancing the allocation of revenues between public transport and transport infrastructure provision
- allocation of revenue to public information, environmental, planning, education, housing, regeneration and social spending heads
- decisions on what proportion of revenue is retained by HM Treasury for national strategic route improvements
- funding of trans-local authority boundary transport schemes
- compensation for the differential impact such pricing schemes have on different groups within the community.
- need to invest sufficiently in substantial improvements in an integrated public transport system if road pricing, and the implied cost pressure to transfer journeys to public transport, is to be acceptable to public opinion

The Barker Review of Land Use Planning

Q.12 What specific measures are needed to ensure that local planning authorities have appropriate flexibility over issues of solely local impact?

- Clear limits to intervention by Secretary of State and Regional Assembly
- National guidance providing for local discretion in deciding where the balance of advantage lies when considering proposals with only local potential impact

Are there particular implications from the Review's recommendations on the use of green belt land?

- Potential for a more imaginative and potentially beneficial use of land within the green belt and sustainable provision for growth, provided that tests of sustainability are specified in national guidance so that development proposals in any green belt have to clear the same threshold

Q.13 What different approaches could be taken to enable strategic decisions to be taken at an appropriate spatial level?

- Identify specific national or regional bodies as the planning authority for specific types and scales of development (i.e. to which application is to be made), with local planning authorities as mandatory consultees

Can local authorities work effectively in partnership across wider areas to do this or are new/reformed institutions necessary?

- Regional assemblies have the potential to deliver partnership working at sub-regional level as all local planning authorities are represented in the assembly
- The creation of new institutions should be avoided

Q.14 What role should local authorities have in relation to a future Independent Planning Commission,

- They should have a right to make representations and to be heard in public session
- Commission to be obliged to give reasons for setting aside local authority views where this is the outcome of its decision

and how should they best work with local communities on their concerns and potential benefits?

- Carry out consultation with the community to a minimum standard set nationally

- Submit a summary of the findings of the community consultation separate from the local authority's view which might indicate a different preferred outcome

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

- Integrated management of overlapping agendas
- Integration of work programmes to deliver outputs – LDF, housing strategy, LTP etc
- Focus attention on areas of conflict between desired outcomes

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

- As a development of the S106/S278 mechanisms for capturing developer contributions one of the principal aims of the current Planning Gain Supplement discussions is to develop a national framework to ensure that the social and economic infrastructure necessary to sustain growth can be funded consistently.
- The LABGI scheme provides incentive to promote growth although its long term sustainability may be questionable

Q.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?

- Local flexibility would be desirable, for example, so that once an initiative had been taken to secure re-use or regeneration a “holiday period” could be allowed as an incentive to follow the initiative through. Similarly there could be a graduated approach to charging, based on local market circumstances. For example, the first year after a property was vacated it would attract no charge, in years 2 and 3 it would attract 50% with a 100% rate applicable in year 4 and thereafter. This should encourage more speedy regeneration in weaker market areas.

The Leitch Review of Skills

Q.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?

- Develop common shared skills/employment strategy at local level, Shared vision/strategy on employment and skills as a part of wider local economic strategy
- Regional LSC approach is probably too distant. Calls for local accountable bodies to oversee skills agenda: Sector Skills approach too narrow.
- A shared approach may be the way forward, with perhaps the Local Authority having responsibility for FTE to age 18 and LSC dealing with FE, NEET and adult training.
- The role of RDA would need to be clarified and the current lack of confidence in the LSC to provide a stable and consistent service needs to be confronted.

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

- LAs need to develop ongoing two-way communication with local employers on a range of skills and employment related issues – access, premises, transport, local labour, location of schools – to understand need, demand, future trends, etc.
- We specifically need to work with smaller firms to help define and articulate their skill needs.
- Employers respond best to local issues. We need to address the issue of who exactly will engage with employers.
- It is also very important to develop better ways of engaging with local businesses and consider what it is we are offering them.
- Develop better, more concentrated information and analysis on careers, employment and employer need
- LAs should offer enhanced information and analysis of FTE attainment in the context of demand-led scenarios.
- Ensure all relevant partners are signed up and can contribute.

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

- Work towards ensuring opportunity for all. Act as representative for local employers and communities: develop detailed knowledge of needs, gaps, how best to connect excluded communities - e.g. age/ethnicity - to learning, development etc.
- Need to clarify whether demand is employment or employer-led.

- Local Authorities will need to play the pivotal role in enabling local employers and partners to work together for the benefit of the local economy and residents.
- As employers (including LSP/LPSB) there is no real public sector commitment, nor a clear idea of how we can relate to the LSC.

Q.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?

- LA could work with partners (but will need to decide at exactly what level) to develop a local version of a “City Strategy”, i.e. - pooling resources and creating new flexibilities for local partners to work together within a community to improve economic regeneration through skills, employment and other areas e.g. health.
- A consortium of local partners could use innovative funding and new flexibilities to deliver real improvements in the number of local people with relevant skills and qualifications in their local areas.
- LAs need to work on their role as skills exemplars. KMC is by far the largest employer in Kirklees and by enhancing its skills and development activity should, along with partners in the Kirklees Partnership and LPSB, act as an exemplar for local firms.
- There should be more explicit reference to skills in the Local Area Agreement process.
- Should flag up issues of barriers to solutions – whether it is a lack of flexibility in the system or complexity around funding and accessing different pots of money
- Should integrate, at least at local level, with the relevant parts of the work of Jobcentre Plus.

Funding

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

- Need to be aware of a mismatch between pre-19 and adult provision
- If regeneration budgets are cut in the next spending review, we do not want to have to do more with less. In reality, there are no real funds available locally for KMC to address skills issues.
- Need to avoid complexity, overlap and duplication.

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