

Lyons Inquiry – New Questions
Response from Basingstoke and Deane Borough Council

Sir Michael Lyons – SirMichaelLyons@lyonsinquiry.org

Lyons Inquiry
Room 3/12
1 Horse Guards Road
London
SW1A 2HQ

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The Borough Council welcomes the opportunity to respond to the new questions linking the future role and funding of Local Government to reports on transport, planning and skills. We offer views from the perspective of a district council with “Excellent” status under the CPA criteria.

We have taken the approach of not responding to every question listed in the discussion document, but to cover the key issues arising from the ‘place shaping’ role of local government in 2-tier areas in relation to:

- Economic growth and prosperity
- Planning
- Transport
- Skills

There are two major strands that we would like to emphasise in our response:

the first is a local authority’s role in restoring democracy – we believe it is essential that the local authority is elected and its representatives have real influence, providing leadership and ambition for the community:

secondly, we struggle to see any true evidence of devolution from the centre in the current set up, there is a real need to resolve the tensions between national and local priorities. The current highly centralised system at the national level and the fragmentation at the local level severely constrain local government in delivering on its strategic role. This is particularly evident for the councils in 2-tier areas.

The Borough Council offers this as a collection of views. Due to the time constraints this response has not been endorsed by the full Council. The political parties have been invited to send their views separately.

Yours sincerely

Gordon Holdcroft
Chief Executive

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Two general questions:

- Whether local authorities have the powers they need to undertake their place-shaping role, particularly in pursuing economic prosperity?
- How the implications of the reviews and their recommendations might vary between different parts of the country and different kinds of place?

Overall comments (relevant to all reviews)

- It is clear that the pursuit of economic prosperity is key to the future well-being of the area as well as providing opportunities for residents to develop and attain their ambitions and aspirations. Quality of life and the image of the area are also important in ensuring inward investment and sustainable growth. Researching local needs, developing action plans through partnership working to resolve local issues and creating areas that residents can rightly be proud of living in is clearly in the interests of local communities.
- If local government is to have a strong ‘place-shaping’ and community leadership role, with flexibility to reflect local choice and diversity, then it needs the authority and the means to act, including adequate financial resources, and a reasonable degree of autonomy and discretion in relation to their use. The heavy reliance of central funding undermines local government’s ‘place-shaping’ role and strategic and local decision making.
- There is an issue about the ability of local government (particularly in 2-tier areas) to influence other service providers. Influencing others and ‘convening’ have to go beyond requiring cooperation and scrutiny. The current highly centralised system at the national level and the fragmentation at the local level severely constrain local government in delivering on its strategic role. Once again, this is particularly evident for the councils in 2-tier areas.
- Government as a whole needs to sort out its contradictions – some major programmes are not ring-fenced (i.e. the Neighbourhood Renewal Fund), whilst the Department for Education and Skills has introduced the ring-fenced Designated Schools Grant that reduces flexibility and discretion, not just in education, but across local government.
- There is a need to consider options for raising additional resources by local councils, particularly for major infrastructure projects.
- There is a need for more devolved governance and clearer powers over transport, infrastructure, planning, economic development and skills.

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- The local area agreements (LAAs) need to be considerably developed and improved to be used as the mechanism to join together the totality of public sector funding and resources for the area. There may need to be different kinds of LAAs for unitaries and 2-tier areas. There is also a need to further explore and consider the concept of agreements that are underpinned by investment strategies for key areas such as transport, regeneration and housing.

Economic Growth and Prosperity

- In supporting economic growth a clear recognition of environmental and social issues needs to be fully understood and managed. We have concern that there does not seem to be sufficient integration between various policy areas. The aim should be for an integrated approach that takes forward economic, social and environmental objectives in a co-ordinated manner to further sustainable development.
- The need for a national spatial planning framework to support economic growth is often heard and economic objectives play out well in national considerations, whereas environmental and particularly social impacts may often be considered at a more local level. Awareness of the need to address climate change is becoming ever more widespread and this will be a major challenge for spatial planning in the future. Social impacts do not currently have the same profile, possibly because those who may be socially excluded tend to be those less affluent members of society. Social inclusion is however important in economic terms, for example in providing pools of suitable labour for employers.

Planning

- National and regional planning policy should be focused on strategic matters only so that the flexibility exists for the local planning authority to tailor outcomes which deliver the right development in the right place having regard to local circumstances and conditions.
- It should be recognised at all levels of planning that in some cases the delivery of long-term sustainable communities will require prescriptive policies. Greater flexibility can potentially undermine the ability to ensure growth and to make sure that change is supported by sufficient infrastructure in timely manner. A balance needs to be achieved between certainty whilst being able to respond to changing circumstances.
- The introduction of the new planning system was seen as a positive improvement to planning policy development and delivery. The spatial focus and strategic nature of the new system should enable that the positive and proactive approach to planning is delivered at the local level. However, current legislative/regulatory context can inhibit the achievement of such objective.

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- An alternative approach to the current 13weeks target for making a decision on a major planning applications is through the development management agreements as already piloted by a number of authorities. This would provide greater opportunities for certainty, proper resource management and support quality outcomes.
- There are already in place some good examples of joint working in relation to enabling strategic decisions to be taken at an appropriate spatial level, such as some of the sub-regional partnerships that have been developed to create a policy framework as part of the Regional Spatial Strategy development. More locally, authorities such as Basingstoke and Deane Borough Council (BDBC) have developed cross-boundary working groups to develop a greater understanding of the local issues and impacts in relation to both planning and transport matters.
- BDBC has some concerns that the ‘principal’ and ‘non-principal’ classification of planning roles can inhibit proper engagement of local planning authorities that operate within a two-tier system. Such an approach, particularly in relation to the development of Regional Spatial Strategies and housing distribution can leave authorities feeling disenfranchised and unengaged from the process because they feel that they have no control over the outcome. In addition it is the local planning authority that has the final responsibility for the development and delivery of the Regional Spatial Strategy. The current approach to roles and responsibilities appears to conflict with the desire to take decision-making to a more local level as suggested within the Local Government White Paper.
- If a stronger and more integrated approach towards planning, housing and transport which properly reflects local circumstances, manages local issues and captures opportunities is to be achieved then the responsibility should sit at the local level i.e. with the local planning authority, so long as the proper resources are made available to support this. The proper integration of these key policy elements are the fundamental basis of spatial planning and contribute to the maintenance and enhancement of economic prosperity and quality of life.
- A fundamental issue for local areas in relation to development is the lack of certainty over the funding and phasing of infrastructure and growing pressures on services. This results in a widely held view that further development will erode the quality of life that many people currently enjoy. Therefore, they see no benefit from further development.

Transport:

- BDBC has worked in partnership with Hampshire County Council over a number of years in relation to the delivery of transport outcomes. However, within a two-tier structure of policy development and delivery there are

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growing concerns as to the appropriateness of continuing to develop Countywide Strategic Transport Plans within the context of the new spatial planning framework. In our view it is clear that the approach now being taken through Regional Spatial Strategies in integrating the Regional Transport Strategy should be replicated within Local Development Frameworks. This concept has already been to some extent advocated within the Department for Transport's consultation document on 'Planning and the Strategic Road Network' whereby the responsibility for undertaking Transport Assessments to support LDFs lie with local planning authorities. It is felt that the separation of responsibilities for transport planning can potentially inhibit achievement of robust spatial planning which is based on full consideration of local factors. If the function for local transport planning sat with local planning authorities there would be greater opportunity to fully integrate two key elements of the spatial planning function which, in combination, can support the achievement of economic well-being. This system already exists within the unitary authority remit. Often good partnership working between two-tier authorities relies on individuals rather than structures and formal responsibilities.

- Currently, local planning authorities have limited influence on funding and phasing of transport interventions unless they themselves provide funding. Local Transport funding is not 'ring-fenced' and therefore if other financial pressures / priorities emerge within a county council's overall service responsibilities then funding can be diverted away from transport interventions. This can create difficulties for districts/boroughs in terms of certainty of delivery of infrastructure needed to support development where S.106 monies themselves are not sufficient to bring forward local schemes which can be of some significance within the local context. This issue is becoming more critical for local planning authorities where there are known infrastructure capacity constraints, the resolution of which can impact on both delivery of housing and economic performance and also have consequential environmental impacts. Local Implementation Plans are an important part of the demonstration of deliverability of LDFs and these would provide the opportunity to encapsulate the full breadth of infrastructure requirements and their phasing in a logical place, under the management of one authority – ergo this would require funding, such as for transport, to be allocated at the local level.
- There is a further element of concern in relation to the approach to prioritisation of strategic transport interventions. At present local planning authorities without transport planning responsibilities are not involved in the development and submission of scheme justifications. If the approaches suggested by the Eddington Transport Study to widen out the consideration of the costs and benefits of transport interventions to consider the wider environmental, social and economic benefits of a particular scheme (which is an approach to be supported), and the opportunities that an intervention can unlock, then local planning authorities need to have a greater role to play in developing the case for particular scheme funding

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- The delivery of transport outcomes has, within the two-tier structure within which BDBC operates, sat predominantly with Hampshire County Council. However, with continuing budget constraints BDBC has been contributing funding, both in terms of revenue and capital, to support some transport activities. Partnership working does exist. However, there is not always certainty in terms of the timing and levels of funding support. Revenue funding is, and will continue to be, an ever increasing pressure. Many approaches to demand management and the development of high quality public transport will require revenue funding to implement and sustain. If demand management approaches, including road pricing, were to be implemented then the appropriate alternative transport modes would need to be in place in advance of such policy interventions, if economic and environmental adverse consequences are to be avoided. It should be noted that local road pricing is a matter that BDBC has not investigated and the above comment does not suggest that such an approach is supported.

Skills

- It is clear that local authorities are best positioned to play a central and strategic role in ‘place-shaping’ and promoting economic prosperity; supporting local businesses, providing the conditions for growth and employment, improving skills and helping the hardest to reach overcome the barriers into work. However, stronger emphasis from government on this role is required to ensure responsibility is devolved to the local level, where local knowledge of the issues and local focus is a prerequisite for effective delivery on the ground.
- The effectiveness of local authorities to promote economic, social and environmental well-being can be held back by limited resources and the way resources are managed and spent. Funding often comes with too many hoops to jump through, or is filtered through too many layers of bureaucracy hindering the ‘local solutions for local problems’ approach. Similarly, the focus on meeting national targets does give local authorities sufficient flexibilities or take into account the specific conditions of the locality.
- Local government has a very challenging responsibility of leadership through LAAs and LSPs or equivalent mechanisms, however, it does not have a sufficient authority to facilitate desired outcomes.

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- There is also concern that the emphasis on partnership working and the partnership requirements Local Authorities are compelled to adhere to could lead to an over-complex partnership landscape, and partnership overload and fatigue.
- As a local authority, Basingstoke and Deane Borough Council strategic and corporate capacity enables leadership and effective partnership-working. As demonstrated in working with other local authorities on the 'Diamonds for Growth' initiative to maximise economic prosperity in the area. Or by working in partnership with the business community and other key stakeholders, to overcoming the external misconceptions of the image and reputation of Basingstoke and develop a Learning Campus in order to support the overall sustainable growth and well-being of the Borough for the future.
- Leitch proposes establishment of the Employment and Skills Boards reporting to the Commission. Should the boards go ahead, local authorities must have representation there. They also will need to ensure that any and all their own services (and, through LAAs and LSPs, other structures) become well aligned with those provided under the auspice of the local board, to the extent that this responds to and meet local needs.
- There are already in place some good examples of joint working to ensure availability of skills required in local areas. For example, BDBC Council is uniquely forward-thinking in its approach to providing cohesive links between employers, colleges, schools and the 'first' stages of adult learning; i.e. childcare development, community and family learning and Essential Skills development. These improved links are possible by the existence of the Enterprise, Skills and Learning Unit of the council, which focuses on pulling these strands together for the greater good. We are showing in a practical way that we are able to build local trust and accountability, engage with communities and employers and be flexible in our approach to businesses – all issues that councils need to demonstrate.
- Links need to be made between encouraging and enabling people to enter or re-enter employment and economic prosperity. If a parent cannot find adequate and affordable childcare, the likelihood of them reaching their potential in the workplace and increasing their family's opportunities to break any existing cycle of deprivation is slim. Likewise, once the parent/carer feels he/she can return to work, if the re-skilling of that person to bring them up to date on modern workplace requirements is not readily available, again that will be a barrier to full participation. Businesses will benefit from having skilled people to employ which will, in turn, provide benefits for the community.
- There are also hidden but very strong links between businesses and further/higher educational establishments. If these organisations linked more closely, the businesses would enjoy highly educated local people to employ and the educational establishments would be confident that they were delivering the

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right courses to meet local business need. Local authorities could be more instrumental in co-ordinating and facilitating these links.