

COLCHESTER BOROUGH COUNCIL

LYONS INQUIRY

Promoting Economic Prosperity: Considering the implications of Eddington, Barker and Leitch

Question	Colchester Borough Council Response
<p>Overall Q1 - Do local authorities have the powers they need to effectively undertake their place-shaping role, particularly with regard to pursuing economic prosperity?</p>	<p>Probably not. The problem here is that many towns and cities are under bounded, with their economic footprints (or their functional urban areas; FUA's) often extending across several district/unitary authorities, and sometimes across more than one county (as per the Haven Gateway area). We need to be able to pull strategies, plans and investment programmes together across these wider areas, including those for transport, housing, planning, skills and economic development. These will then need to be recognised by regional agencies and government departments as the principal investment programme for these wider economic areas. The Haven Gateway Partnership are currently preparing such a programme and Regional Cities East (RCE), of which Colchester is a member, has just let a consultancy to determine how such an approach (Integrated Development Programmes (IDP's)) could be applied across the principal FUA's in the East of England. We would like the Government to support this approach although at this stage it is not clear whether this will require new powers.</p>
<p>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?</p>	<p>There is likely to be a difference of approach between areas within a Core City 'city-region' and those more provincial areas dominated by smaller and medium sized towns and cities with associated rural hinterlands. The Government needs to give more attention to the latter category. In the East of England for instance (the fastest growing region in the county), there is no Core City. Instead about a half of all the region's growth has been targeted on just seven regional towns and cities and their FUA's. Government policy needs to support these centres of economic growth if the region is to raise its performance and help UK plc perform on the international stage. It is for this reason that six of the cities have come together to form RCE, supported by EEDA and GO-East, in the firm belief that we will be able to deliver more jobs and homes, and increase productivity, if we collaborate rather than compete. A similar collaboration has been formed at the local, sub-regional, level, with the successful formation of the Haven Gateway Partnership (HGP). In these areas we need encouragement</p>

Question	
	and mechanisms from Government for urban and rural authorities to come together to form effective and strong economic partnerships.
Q3 - Are there any other aspects of these reviews relevant to local authorities and to their place-shaping role that I have not identified? If so, what are they and what are their implications?	The Government needs to drive forward, more energetically, with its agenda to support, encourage and facilitate the creation of effective city-region, sub-regional and pan-regional partnerships, emulating the many successful polycentric partnerships in Europe and the United States. It is these urban partnerships which are the economic drivers of our economy.
Eddington Q4 - Can local authorities work effectively in partnership to deliver transport outcomes or are new/reformed institutions necessary?	Such partnerships will often need to work across existing administrative boundaries. This is why we support Integrated Development Programmes for FUA's (see response to Q1 above). Furthermore, and as mentioned in the recent LGWP, it would be useful to formalise the duty to co-operate, particularly on transport issues, so that collaborative working is embedded and enhanced.
Q5 - 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?	Unclear at this stage whether this approach (see Q4 above) would require new institutional or contractual arrangements. However, it would be essential that all Government Departments and regional agencies are <u>required</u> use such integrated programmes as their principal investment programme, to encourage a much greater level of joined-up central government policy development and investment, and over a longer time-scale.
Q6 - 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?	See response to Q1 above.
Q7 - How could local government make use of any new bus powers in line with its broader role in promoting economic development?	Bus services represent the only realistic alternative to the car for the majority of the population as they move around an urban area and between it and it's rural hinterland. Genuinely sustainable economic growth is dependant on bus services. New bus powers should be enabling employment centres to be served by bus services that allow the employees the opportunity to arrive and depart by bus and on a flexible basis. Again, bus services need to be planned and managed across FUA's.
Q8 - How can local authorities make the links between transport and other elements of	See response to Q1 above.

Question	
economic development and quality of life most effectively at the local level?	
<p>Q9 - How could current funding arrangements best be reformed to support cost effective and appropriate spending and investment decisions at sub-national level?</p> <p>Q10 - 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?</p> <p>Q11 - Local authorities currently retain the revenues from local road pricing schemes. How might further developments in this area affect the use of those revenues?</p>	<p>See also response to Qs 16 and 17 below. It is essential that local authorities can secure, locally, sufficient levels of funding to ensure that all new development is properly supported by the required level of infrastructure (including transport) and in a timely manner. The current 'planning obligations' regime is inconsistent, costly, slow and rarely if ever levers sufficient value out of new developments to fund all the necessary public infrastructure and other services and facilities. National and regional infrastructure has to be properly funded by central government. All other infrastructure needs to be properly funded from local sources. But to achieve this, LAs need a far more robust, simple and effective method of securing funding from new development. In our opinion the current PGS proposals are unlikely to achieve this, being too complicated, too open to legal challenge and with the prospect of being inconsistently applied across the country. They are also in danger of being centralised so the funding is removed from the local impact. A local 'roof tax' or tariff regime looks far more promising. The system for funding through development should always allow for a 'works in lieu of funding' as this is always likely to be more efficient and effective.</p> <p>Funding should be delegated as far as practical and local authorities given as much flexibility as possible to raise and hold local funding. This allows the most efficient mechanism and empowers local democracy with real choices. Partnerships of local authorities who show a willingness to take joint decisions and deliver agreed infrastructure programmes should do better in future funding settlements from Government.</p> <p>Local Transport funding could and should be incentivised to achieve demand management, but this must be balanced by the need for car based transport infrastructure to meet the inevitable growing demand in growth areas and allow individual developments to proceed if Barker targets are to be met.</p>
<p>Barker Q12 - What specific measures are needed to ensure that local planning authorities have</p>	<p>Government must act now to reduce the administrative and technical burden on the LDF system. It should urgently review guidance from government and</p>

Question	
<p>appropriate flexibility over issues of solely local impact? Are there particular implications from the Review's recommendations on the use of green belt land?</p>	<p>regions with a view to reducing to a minimum the requirements to get documents adopted speedily. This requires reduced numbers of consultations (see Barker) and reduced, SA, evidence and monitoring requirements without reducing the very laudable objectives of the new system. It must be made fit for purpose quickly.</p> <p>Green field (we have no Green Belt) should be retained sequentially after the best use of urban land but local authorities should be given the ability to judge locally the level of urban density appropriate to their locality versus sustainable planned Greenfield development.</p>
<p>Q13 - 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?</p>	<p>Powers exist to prepare joint LDF's and to form joint Planning Committees with Ministerial approval - but in practice the politics and bureaucracy associated often proves too difficult/too much of a disincentive. Our proposals set out in the response to Q1 above should help at least provide a strategic framework across a wider spatial area and possibly a platform for LPAs to then go on to prepare joint LDFs, where appropriate.</p>
<p>Q14 - 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?</p>	<p>The Independent Planning Commission would remove decision making from local democratically, elected Councillors and could not be supported. However, if such a Commission is set up then it is essential that the relevant LPA(s) have a statutory input to the inquiry and decision making process, to ensure that local issues such as siting, design, access etc are properly taken into account.</p>
<p>Q15 - How can local authorities link work on planning, housing and transport issues together most effectively?</p>	<p>See response to Q1 above.</p>
<p>Q16 - What would be the most effective and practical means of creating incentives for local authorities to support appropriate growth?</p> <p>Q17 - 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</p>	<p>See also the response to Qs 9, 10 and 11 above.</p> <p>The single biggest challenge for LA's trying to deliver new growth and increase prosperity is securing the funding needed to create and support new sustainable communities - public and social infrastructure, affordable housing and other local facilities. The Government has to start to fully fund national and regional infrastructure and introduce an effective, simple and consistent mechanism which will allow LA's to collect the necessary funding at the local level from the</p>

Question	
<p>property tax system? Would any local flexibility on such measures be desirable?</p>	<p>increase in land and property values upon the grant of planning permission. The current PGS proposal looks too complicated. Instead the Government should urgently evaluate some or all of the following: 'roof taxes/tariffs' on all new development, local or regional infrastructure bonds and tax increment financing (via Business Rates).</p> <p>Local Authorities should be able to retain all domestic empty/holiday home community tax and use to fund rural affordable housing (which is usually where this problem is greatest).</p> <p>There ought to be a mechanism to enable Councils to charge business rates on vacant commercial property where this would encourage it's reuse.</p>
<p>Leitch</p> <p>Q18 - 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?</p> <p>Q19 - What links need to be made between employment and skills provision, and other local services and responsibilities?</p> <p>Q20 - What role should local authorities play in a new demand-led skills system?</p> <p>Q21 - 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?</p>	<p>In two-tier areas we assume the lead LA role will be taken by the County Education Authority. But planning and investment in skills does need to be much better related to natural economic areas (what we call Functional Urban Areas) and we would see this being picked up as part of the 'Integrated Development Programme' approach we advocate in our response to Question 1 above. In this way, planning and investment for transport, housing, jobs and skills can be properly integrated at the sub-regional or FUA level, based on economic footprints. Against this background it would be sensible to align Leitch's proposed 'Employment and Skills Boards' with these groupings of LAs based on city-regions or FUAs.</p> <p>Local authorities have a key role to play in engaging local businesses and marshalling resources to address 'market failure' in skills investment. However, information freedoms are required to allow local authorities to use key business information from the ONS to enable local identification of demand-led skills gaps (eg use of the Inter-Departmental Business Register).</p>
<p>Q22 - What implications for local authority funding do the Leitch recommendations or</p>	<p>We assume this is likely to place yet more financial pressure on our County Council colleagues.</p>

Question	
related proposals have?	
General Comments	This re-consultation concentrates on the mechanisms, incentives and powers needed by LAs to promote economic prosperity - the importance of which we acknowledge and support. But the creation of sustainable communities will require equal importance being afforded by the Government to the social and environmental agendas - particularly in view of the recommendations made in the Stern Report on the economic implications of climate change. For instance, nowhere is this more urgent than in the case of new transport infrastructure and the continued growth in air travel.

MC
18/01/07