

**Response to “Promoting economic prosperity: considering the implications of Eddington, Barker and Leitch” – Lyons Inquiry into Local Government.
- from Hull City Council, Regional Development. 09/01/2007**

Overall

- **Do local authorities have the powers they need to effectively undertake their place-shaping role, particularly with regard to pursuing economic prosperity?**
- **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 welcome the recognition in the Lyons interim report on the importance of place shaping and agree that local authorities have a key role in the promotion the economic ‘purpose of place’ and their residents’ “experience of place. The Local Government White Paper offers recognition of and scope for effective place-shaping via its proposals for Multiple Area Agreements. Lack of autonomy in the areas of physical regeneration, transport infrastructure and skills development are widely considered to constrain cities in their pursuit of growth.¹ It is to be hoped that the current review of sub national economic development and regeneration will address the issue of the complexity of possible interventions (at a variety of levels).

It is important to bear in mind that all three reports have their origins in the Government’s belief that economic growth is of central importance in the creation and maintenance of sustainable communities. The economic disparities between the regions of England remain marked and one Government -commissioned study posits that “though in twenty five years time the average UK citizen will be twice as rich as now, it is more likely that regional disparities will widen rather than narrow. These widening disparities will occur at least as much within regions as between them.” The study added that “over the longer term the attractiveness of a city or a region, as a place to remain in or migrate to, will depend on its underlying economy. In the UK, and increasingly in Europe, the key issue will be the strength of a region’s economy relative to other regions, and population trends are expected to mirror economic trends as indeed they do broadly in the forecasts to 2015”.²

¹ City Leadership: giving city-regions the power to grow, Adam Marshall and Dermot Finch, IPPR, Centre for Cities, 2006.

² Regional Futures: England’s Regions in 2030, Arup, Regional Forecasts, Oxford Economic Forecasting for English Regions Network, Regional Development Agencies Planning Leads Group, Office of the Deputy Prime Minister, Department for Transport, January 2005. (p. ES 5-6)

In this context it is not surprising that the central economic objective of the current Government is “to achieve high and stable levels of growth and employment – to meet this challenge it is essential that every national and region of the UK is able to perform to its full economic potential”.³

This rather sombre study looked at possible interventions with a genuinely inter-regional dimension and – particularly pertinent in the light of the Barker, Eddington and Leitch reviews – concluded:

- **Spatial planning** - Current policies are restricting the growth potential of the South. The precise mechanisms are complex and disputed, but current levels of transport investment and policies against greenfield housing are contributing to low rates of house building. This is leading to the increasingly high cost of housing in all sectors of the private housing market in most parts of London’s commuter hinterland. Continuing restraint is likely to exert an increasingly damaging effect on national growth potential.
The potential for spatial planning to redistribute economic activity from the South to the North is very limited. Rather than assisting economic growth in the North, the consequences of restraint are far more likely to be higher costs, off-shoring and lower standards of living in the South than would otherwise be the case.
As well as planning for growth in the South, in the long term spatial planning policies can contribute to the competitiveness of the North, Midlands and parts of the South West through making its cities and conurbations increasingly attractive places to live and work.
- **Economic development** – the scale of resources available to Regional Development Agencies is not sufficient of itself to make a significant impact on regional economic disparities. Ensuring that sites can be developed, addressing skills shortages, providing businesses with support and advice and making regions attractive places to live, work and visit will all help regions to fulfil their economic potential. But they are unlikely to generate the step change necessary for the Midlands and the Northern regions and parts of the South West to keep pace with the successful areas of the South, where in any case Regional Development Agencies are also at work on similar initiatives.
- **Transport** – Transport is very significant in realising economic growth potential. It is essential for national and regional competitiveness that the transport networks have the capacity and capability within conurbations, to connect cities to their regions, and to link cities, both nationally and internationally. Travel demand is growing and will continue to do so. High costs, lengthy delays and crowded travelling conditions seriously affect standards of living. Capacity constraints will

³ A Modern Regional Policy for the UK, HM Treasury/DTI/ ODPM, March 2003.

need to be addressed through a mixture of demand management and new investment.”⁴

The “Regional Futures” study provides an overarching context for the place shaping role of local authorities identified in the interim Lyons report. The “three reports”, together with the final Lyons Report, the Local Government White Paper and the results of the review into sub national economic development and regeneration hold out the prospect of a concerted (but necessarily incremental) attempt to address the “promotion of economic prosperity”.

From the perspective of the City of Hull, the increasing recognition of the importance of cities to regional growth is a much-welcomed development. In this context, the emphasis placed upon the role of cities in “lifting regional and national growth and tackling disparities between places” in *Devolving Decision Making 3*, is especially pertinent in addressing the implications of the “three reports” recommendations for different parts of England.⁵

Devolving Decision Making 3 builds upon *The State of English Cities* contention that English cities face two big hurdles in developing policies to improve their economic performance:

- “Many of the factors that contribute most to competitiveness are part of the self-organising and market driven private sector. Traditionally, English local authorities have had few ways of intervening in such systems other than collaboration and persuasion”
- English cities have generally weak power over strategic decision making and finance”.⁶

In consequence, *Devolving Decision Making 3* concentrates upon an economic definition of cities and stresses that “cities have an ‘economic footprint’ that does not typically correspond to administrative boundaries”.⁷

The City of Hull is a notable example of a city whose economic footprint most assuredly does not conform to its administrative boundaries.⁸ Whether or not

⁴ Regional Futures: England’s Regions in 2030, Arup, Regional Forecasts, Oxford Economic Forecasting for English Regions Network, Regional Development Agencies Planning Leads Group, Office of the Deputy Prime Minister, Department for Transport, January 2005.

⁵ *Devolving Decision Making 3 – Meeting the regional economic challenge: the importance of cities to regional growth*, HMT/ DTI/ ODPM, March 2006.

⁶ *The State of the English Cities; a research study*, Prof Michael Parkinson et al, ODPM, March 2006, (4.5.11)

⁷ *Devolving Decision Making 3 – Meeting the regional economic challenge: the importance of cities to regional growth*, HMT/ DTI/ ODPM, March 2006, (par 2.5)

⁸ Hull is one of the most densely populated local authority areas in England. In this respect Hull compares with urban centres such as Nottingham, Wolverhampton and Manchester. Certainly, population densities in the Yorkshire and Humber five Key Cities are revealing in terms of people per sq. km the figures are: Bradford 1,277, Leeds 1,297, Sheffield 1,395, York, 667 and Hull, 3,406, *The Hull Prospectus: Competitive and Connected*, Hull City Council, 2004.

structural (government rather than governance) change is required to address and implement the recommendations of the Barker, Eddington and Leitch reviews are required is a moot, if not irrelevant point.⁹ To the extent that the Barker, Eddington and Leitch reports address function rather than structural change, we can posit that the implications of their recommendations will indeed vary between different parts of England – given that “different places play distinctive and complementary roles in regional economies and have different experiences, challenges and opportunities”.¹⁰

What cannot be gainsaid is the significance of cities for economic prosperity and the need to acknowledge and address the “under-bounding” of many English cities - which creates a risk of “sub optimal policy interventions that tackle symptoms in a small area rather than addressing underlying problems over the wider spatial scale which is more relevant for many economic issues”.¹¹

Whilst area-based regeneration programmes are necessary they are never sufficient for area regeneration. “Bottom-up initiatives in communities, important in themselves, seldom achieve lasting regeneration in neighbourhoods and cities hard hit by the decline of traditional manufacturing and loss of sources of employment for the least-mobile households in society”.¹²

The rationale behind the entire cities and city regions debate is the recognition that the polarisation, economically and consequently, in terms of life chances and opportunities for individuals and the places they live in and between different areas of England is increasing and moreover, is likely to go on increasing. The conclusion of a recent Government-sponsored study put it bluntly: “Differences between households and, within and between localities, and within and between regions are likely to become more acute”.¹³ This produces a situation which the Society of Local Authority Chief Executives has described as the “more strategic but more engaged with communities,

⁹ Certainly, research undertaken on behalf of the English Core Cities has emphasised the fruitless nature of attempts to change government structures rather than governance arrangements. “One message for Core Cities and RDAs is that their counterparts in Europe are convinced that to be competitive in the global marketplace in future they have to organise and act at a wider metropolitan or sub-regional level. Another message is that, despite Stuttgart’s achievements, most of them have decided it is not worth attempting to create formal institutions to achieve this, since they are unlikely to be implemented. The most common view is that informal strategic alliances between willing partners which can be mobilised around agreed territories and powers and resources are better than the alternatives of acting only on a local basis or of spending a great deal of time and energy fighting unwinnable battles for formal change.” *Competitive European Cities: Where Do the Core Cities Stand?* Prof. M. Parkinson et al, ODPM, Jan 2004 (par.6.17)

¹⁰ *Devolving Decision Making 3 – Meeting the regional economic challenge: the importance of cities to regional growth*, HMT/ DTI/ ODPM, March 2006, (par 2.9)

¹¹ *Devolving Decision Making 3 – Meeting the regional economic challenge: the importance of cities to regional growth*, HMT/ DTI/ ODPM, March 2006 (box 4..2)

¹² *Key steps to sustainable regeneration*, Joseph Rowntree Foundation, December 2000.

¹³ *All Our Futures: the challenges for local governance to 2015*, ODPM April 2006.

conundrum”.¹⁴ “Place shaping” addresses this conundrum by affirming that “the ultimate purpose of local government should not be solely to manage a collection of public services that takes place within an area but rather to take responsibility for the well-being of an area and the people who live there and to promote their interests and their future”. As Sir Michael points out, such place shaping will mean different things in different places at different times. However, he is clear that “effective local government and place shaping can be about recognising when it is necessary to build coalitions or seek support outside an authority’s own boundaries to achieve certain outcomes. As Sir Michael puts it, “wider local outcomes will be improved by a broader view of the locality’s interests now and in the future”.¹⁵

The Local Government White Paper proposals for Multiple Area Agreements and City Development Companies hold out the possibility of addressing this “broader view of a locality’s interests”, particularly on those matters which “transcend” administrative boundaries and have a huge bearing upon the well-being of a locality - the key issues of skills, transport and planning on a spatial scale which is more relevant to the economic prosperity of the ‘economic footprint’ of Hull.

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?

In addition to optimisation of spatial scales strategically, the possibility of additional benefits of scale through ‘back office’ collaboration.

Governance

Eddington

- **Can local authorities work effectively in partnership to deliver transport outcomes or are new reformed institutions necessary?**

Responses to this question will necessarily vary according to previously (or currently) existing institutional frameworks. Those areas with Passenger / Metropolitan Transport Executives clearly retain the spatial perspective necessary for partnership working in the field of transport outcomes. Those areas / city –regions, such as Hull and the Humber Ports, which do not constitute ‘classic’ metropolitan areas and do not have either an institutional memory of such arrangements nor clear (meta-boundary) incentives to address transport matters on an optimal (rather than an administrative

¹⁴ Setting the Agenda: Renewing Democracy, Improving Society, Driving the Economy, SOLACE (draft) 21 March 2006.

¹⁵ National prosperity, local choice and civic engagement: a new partnership between central and local government for the 21st century, Lyons Inquiry into Local Government 8 May 2006 (par.3.4)

boundary) basis, do need institutional arrangements which encourage and reward effective partnership working.¹⁶

The Hull and Humber Ports City Region Development Programme¹⁷ – our city region’s response to the Northern Way initiative – specifically addresses the issue of trans-boundary partnership working with regard to transport matters. As part of the city region’s business case to the Secretary of State for Communities and Local Government the city region has agreed to work towards an integrated and strategic approach to improving its connectivity within the city region and to facilitate business transactions with other northern city regions and the rest of the country.

At this stage of development in the city region agenda – certainly so far as the Hull and Humber Ports City region is concerned – we do not envisage any institutional changes. The utility of Multiple Area Agreements is yet to be explored and tested.

- **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?**

Our work on the Hull and Humber Ports City Region Development Programme has encouraged a much better understanding of the economic (and well-being) rationale for closer collaboration with other local authorities. It is important that collaboration is developed at a pace which “takes everyone along together”. Whether or not there is a need for a Strategic Planning Committee and a Strategic Transport Committee (linked to Common Development Plan, Local Transport Plan and an autonomous budget) is a matter which will be resolved over time.

¹⁶ An example of the need for the Hull and Humber Ports City Region to adopt a city region perspective on transport issues is provided most clearly with regard to the Humber Bridge Tolls. As the Inspector in the most recent inquiry into the revision of the Humber Bridge Tolls put it: “I have also noted the point made by the bus operators that they have sought financial support from local authorities without success, the main reason being that the authorities were unwilling to give priority to services which cross their boundary into another local authority area.. This lack of a co-ordinated approach to the promotion and support for public transport is certainly, in my view, unhelpful to the travelling public as well as the bus operators who are providing the service. Financial support for the services crossing the Bridge could, in my view, provide a real boost to public transport links between the two banks of the Humber to the benefit of communities on both sides of the river”. Humber Bridge Act 1971, Section 10: Proposed Revision of Humber Bridge Tolls, Report to the Secretary of State for Transport by Christopher Millns, 07 March 2006. (par. 5.23)

¹⁷ The Hull and Humber Ports City Region Development Programme (September 2006)
<http://www.hullcc.gov.uk/pls/portal/docs/PAGE/HOME/BUSINESS/ECONOMI%20DEVELOPMENT/THE%20NORTHERN%20WAY/CRDP%202%20FINAL%20VERSION.pdf>

Certainly, some kind of contractual arrangement is envisaged as we move forward on this issue and political leadership and buy-in (at the highest local level) is considered essential.

- **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?**

A key issue here is assessing the correct/ appropriate spatial level at which transport and planning matters are assessed.

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

A key issue here for local government is ensuring that local transport is aligned with local labour markets and to ensure that communities experiencing high levels of worklessness are connected to employment growth centres across the City Region.

The targeting of particular services, the development of Bus Quality Partnerships and the ability to pump prime new developments would greatly assist local government in promoting economic development. The extent to which Government re-priorities existing subsidies and whether or not additional funding is forthcoming will clearly have a bearing upon the extent to which local government can make use of any new bus powers which are to be outlined in the draft Road Transport Bill (March 2007).

Barker

- **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?**

It is considered there is sufficient flexibility within the plan-led system over issues which have a solely local impact, and this should not be sacrificed by proposed changes. It is essential the style of the present system is retained which is that National Policy and Regional Policy should be applied except where local evidence exists which provides justification for departing from this. Some definition of what constitutes an out-of-date plan is required otherwise lengthy debates will be held between Local Authorities, developers and in turn Planning Inspectors when determining some planning applications. There is also a clear need to align Local Development Frameworks with developments of national importance (e.g. ports, airports).

- **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?**

Increasingly successful planning decisions and policy requires working between local authorities. This is an approach which is supported within the Yorkshire and Humber Plan which establishes sub-regional planning areas. Within the Humber area this establishes the 4 Humber authorities (Hull, East Riding of Yorkshire, North Lincolnshire and North East Lincolnshire councils) as a sub-region encompassing common issues (for example, flood risk and climate change is a significant issue to all 4 authorities, as is nature conservation due to the Humber having a raft of world, European and British designations, and the role of the ports is crucial to all 4 authorities).

Joint working between local authorities is already in operation (e.g. Hull City Council and East Riding of Yorkshire Council in relation to the Joint Minerals Development Plan Document and Joint Waste Development Plan Document). As yet joint working on housing markets (which do cross administrative boundaries) is at an early stage, although the Hull and East Riding Housing Market Renewal Pathfinder provides a good example of the utility of such joint working. In relation to economic development, sub-regional structures have been established encompassing all four local authorities in the Hull and Humber Ports City Region. A similar partnership is being considered in relation to key strategic planning matters.

The necessity for more effective collaboration between neighbouring local authorities is particularly pertinent with regard to planning. The City of Hull, for example, which has an administrative boundary which does not reflect substantial labour markets and housing markets, is not able to determine planning policy and planning decisions within its 'natural' suburbs or hinterland – as these fall inside the administrative boundaries of the East Riding of Yorkshire Council. Thus, there is a clear need for partnership and joint working and we would welcome the opportunity to produce joint documents such as a joint core strategy, joint housing documents and joint employment work.

Hull and the East Riding produced a Joint Structure Plan in 2005 which will be superseded by the Regional Spatial Strategy and Local Development Frameworks once adopted. We are concerned that once this document is superseded there will be a policy void in terms of strategic planning policy below the regional level and would welcome a framework which would allow this plan to be retained or superseded in the future by a joint authority core strategy and associated DPDs. There is a need to save existing planning policy frameworks (irrespective of their age) well beyond the 3 years first envisaged in the 2004 Act to avoid this.

- **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?**

This question exemplifies the “more strategic but more engaged with communities” conundrum mentioned earlier. Hull City Council is concerned that the establishment of a planning commission would lead to decisions being made centrally away from the democratically elected councillors. In addition we are concerned about how effectively the commission would be able to engage with the local community which it would have very limited knowledge of, and their knowledge of the area in question would also be limited.

Of course, such an Independent Planning Commission would be a different creature if a national spatial strategy existed. One of the major flaws with a national planning commission is community engagement would prove problematic due to limited knowledge of the local area and it is unlikely the community will be convinced their concerns are being listened to and in reality if decisions have already been made what is being considered is mitigation.

Leitch

- **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?**

We recognise that human capital / skills are an absolutely critical determinant of economic (and personal) well-being. Hull City Council welcomes the outcomes from the long awaited Leitch review and recognises that the case for reform is both compelling and urgent. In Hull only 70% of 17 year olds participate in education. 13.3% of 16 – 18 year olds are not engaging in education, employment or training compared with a national average of 11%. Only 55% of 19 year olds achieve at level 2 and only 31% at level 3. In 2005 only 10.8% of 18 year olds went on to participate in higher education, half the national average. The impact of historic low levels of participation and attainment in learning is that 42% of adults in Hull have no qualifications at all reinforcing intergenerational cycles of low aspirations.

Clear leadership from the Local Authority through its recently improved 14 – 19 strategic planning arrangements is already leading to improved outcomes for young people, as evidenced in the Hull JAR findings October 2006. Lord Leitch’s findings provide an opportunity to further explore full integration of the 14 – 19 planning function for the benefit of Hull’s young people.

Rationalisation of 14 – 19 planning and funding responsibilities from the LSC into Local Authorities within a context of improved regional planning

Hull City Council Response to “Promoting economic prosperity: considering the implications of Eddington, Barker and Leitch” (Lyons Inquiry into Local Government)

11 January 2007.

frameworks through the Regional Development Agencies would further enable local flexibility, responsiveness and alignment of the key local planning issues of transport, future land use allocation and the skills base.

We particularly welcome the opportunity to fully integrate regeneration initiatives which impact on planning for learning and skills provision such as Building Schools for the Future with environment planning through the Hull Spatial Strategy in the context of the development of the City Region. Further Hull is a leading Local Authority in implementing a form of double devolution down from Central Government to Local Government and then on to local people through the development of Area based governance arrangements. These are roles which Local Authorities are uniquely placed to provide, given the very specific and localised (neighbourhood) nature of issues relating to skills.

Convening

Eddington

- ***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?***

By targeting land use allocations to sustainable locations and by working with neighbouring authorities and external transport providers (rail and highways agency etc) to promote sustainable development rather than fostering economic competition between Authorities. Additionally, the ability to more clearly hold operators to account for the provision of their “public” service/s would contribute to better overall economic outcomes.

Barker

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

Planning is the discipline which is able to link transport, housing and other matters together. For example, in the draft Regional Spatial Strategy for Yorkshire and the Humber transport and housing matters are addressed in great detail. As a result planning should be defined as the central hub for this activity. In addition planning could also be the hub for producing a community strategy through the core strategy work thus ensuring the planning system is able to deliver many of the needs of the community whilst also respecting the national planning agenda.

At the regional level new structures have been put in place establishing a Regional Planning Board, Regional Transport Board, Regional Housing Board and then a Regional Sustainable Development Board. However, as planning is about delivering sustainable development it would be more appropriate to combine the planning and sustainable development boards and have clear links with the housing and transport board. The planning system would have

Hull City Council Response to “Promoting economic prosperity: considering the implications of Eddington, Barker and Leitch” (Lyons Inquiry into Local Government) 10
11 January 2007.

a key role to play in delivering many of the objectives of the housing and planning boards anyway.
Again, the potential of Multiple Area Agreements and the formal integration of Local Development Frameworks hold out the possibility of more effective joint working.

Leitch

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

The emerging role for Local Government as a convener is a significant one which Hull City Council welcomes as it provides the opportunity to bring to life partnership arrangements between employment and skills providers and local communities. Local services are not and should never be a one size fits all model but rather should be a system which is truly responsive to its local conditions. Local Authorities are uniquely placed due to their democratically accountable governance arrangements to drive the responsiveness agenda within the context of a strong Local Strategic Partnership.

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

Local Authorities are also well positioned to collate, interpret and share the findings of the large quantities of data and other management information which is held on local people. In Hull there are over 50 separate systems all holding data on children and young people alone. There is a clear role for a Local Authority such as Hull in providing a strategic core in support of local partnerships which facilitates understanding and enables effective decision making on targeting of resources by partners to impact on improved outcomes for local people.

- **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?**

Local Authorities such as Hull are well placed to take on the role of conveners of local Skills & Employment Boards which should be charged with devising local action plans setting out how local people can gain benefit from the opportunities being presented from the growth of the local functional economy. The needs of those not in employment, education or training and the contribution from migrant workers are particular matters which local authorities are well placed to address. Hull is experiencing an unprecedented programme of regeneration and economic growth. A Skills & Employment Board, bringing together planning for skills with planning for economic regeneration, is essential to ensure local benefit. The Local Authority has been welcomed as the convener of this board by the business

forum, the local LSC, Job Centre Plus and Yorkshire Forward as the board will sit within the context of the governance of the Local Strategic Partnership.

Funding

Eddington

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

Whilst the “regionalisation” of some transport funding is welcomed, there remains a need to realign existing funding streams at a sub region/City Region/T.T.W.A level. Much of LTP funding (individual Authorities) could be amalgamated and resources at Regional level (RDAs and Regional Funding Allocations) could be devolved to lower functional units. Additionally, an examination of inter-modal incentives (coastal shipping, inland waterways, rail), and inter-regional funding/delivery linkages could support cost effectiveness (at national and sub regional levels).

- **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?**

Road maintenance and ‘Street Scene’ spending could be managed at a local level; other transport funding would be more effectively deployed by larger functional units.

Making sure that demand management options are implemented does require a national scheme/framework and a guarantee that finances raised from such schemes are to be re-invested in public transport or road infrastructure

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

A shift towards a National Scheme would give opportunities for Government to shift revenue generated to target areas to influence wider policy objectives (not just influence transport behaviour).

Barker

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

The recent (national) evaluation of Planning Delivery Grant shows that PDG has secured positive outcomes and has proved to be an important incentivisation tool, making authorities appreciate more clearly the value of the planning system and gaining financial benefits for performance improvement. The study concluded that there is a rationale for PDG to continue for longer than the originally planned period (i.e. beyond April 2008).¹⁸ Additional basic SSA or specific grants would allow greater intervention for land assembly, decontamination, infrastructure provision etc. The existing Local Authority Business Growth Incentive (LAGBI) is widely perceived to be unduly complex but is also considered to provide a useful basis for further development.¹⁹

- **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?**

Evidence from research conducted by the Welsh Assembly points out that the current system of empty property relief does not encourage empty properties to be filled quickly enough, thereby impacting on local regeneration.²⁰ Given Barker's desire to see a more efficient use of urban land, the implications are clearly that charges should be made upon unoccupied property. This would clearly improve local government funding.

Barker's other proposals for charges for vacant and derelict land (together with changes to Corporation Tax) are also to be welcomed, if such charges are ring fenced for the relevant local authority or delivery agency to address future prospects for turning land into beneficial future use.

Leitch

- **What implications for local authority funding do the Leitch recommendations or related proposals have?**

¹⁸ Evaluation of Planning Delivery Grant 2005/06, DCLG, Planning Research Summary, No. 6, 2006

¹⁹ The IPPR has suggested a City Region Growth Incentive, which would allow city regions to retain increases in business rate revenue resulting from growth, up to £200m, over a period of five years. City Leadership: giving city-regions the power to grow, Adam Marshall and Dermot Finch, IPPR, Centre for Cities, 2006

²⁰ Is it time to reform business rates? A proposal to introduce new environmental incentives for business, The Social Market Foundation, July 2006.

The original remit of the Lyons review on Local Government was a focus on reform of Council tax. However, the impact of the Leitch recommendations requires that the channelling of funding for employment and skills provision be brought into scope, in particular the funding which is currently channelled through local LSC for commissioning of 14 – 19 provision. In Hull 13% of young people aged 16 – 18 in the NEET category state that they are awaiting access to a place on local Entry to Employment provision. A further 24% of young people in the Hull NEET category state that they want to enter the local labour market. In both cases these young people have been unable to local an appropriate destination indicating that the current planning and funding arrangements are too far removed from local people and local needs. If strategic responsibilities relating to 14 – 19 are truly to be discharged for the benefit of local people local LSC funding should be redirected into Local Authorities and channelled through local strategic partnership arrangements.