

Lyons Enquiry – New Questions

Basingstoke & Deane Borough Council

Cabinet and Conservative Group Response

This response had been agreed by the Cabinet and endorsed by the Conservative Group of Members. Because of the short response time, which straddled the Christmas holiday period, it has not been possible to review this with officers or with the full membership of the Council. A separate response is being provided by officers, which has not been reviewed by Cabinet or by members at large.

Question:

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

Answer:

1.1. Place-shaping is guided and constrained by Local, Regional and National planning policy and guidance. This has profound influence, including on prosperity. At present and historically this cascade is too heavily top-down and leaves insufficient freedom and flexibility for local authorities to respond effectively to local circumstances and needs. Historically too, the Local Plan process has taken much too long from the initial setting of objectives to final approval and adoption, so that many if not most local plans are outdated by the time they are adopted. While the new ‘Local Development Framework’ aims to allow for a more evolutionary approach with the possibility of more frequent updating where appropriate, the LDF process itself is onerous; it also suffers from either the reality or the perception that nothing in local policy must run counter to or vary more than marginally from national and regional policies and guidance. This whole process needs to be inverted to provide for either a bottom up approach, whereby regional and national players need to make their case for opposing local plan ingredients (rather than vice versa) or at least a level playing field on which inspectors evaluating plan / LDF documents habitually exercise discretion in favour of the local view as against standard regional or national norms.

1.2. Specifically regarding prosperity, there’s a need for ‘economic impact’ to be generally regarded as a significant material consideration in planning and development control and other decisions, such that a high positive or negative expected impact may be argued as a basis for flexibility in applying other aspects of policy and guidance. This aspect of ‘Barker’ is supported.

1.3. In general, the main constraint on LAs in producing conditions conducive to entrepreneurship and economic prosperity are budgetary rather than powers. Too high a proportion of funds potentially available for such purposes are channelled through regional and other non-local agencies, such that resources are (a) depleted by the costs of intermediary overheads and (b) too often allocated on a basis of ‘who fights hardest and most effectively’ rather than ‘how can funds best be deployed’. LAs do need help and assistance from specialist sources in this respect, but the help and assistance should not be in the hands of those deciding where and how to invest.

Question:

2. 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?

Answer:

2.1 Some aspects of Eddington apply generally, with little significant variation across the country. Others are subject to the considerations expressed below (2.2)

2.2 For both Barker and Leitch conditions and requirements vary very significantly along two main axes:

- (i) Relative buoyancy and growth rate of the local economy
- (ii) Differentiation between relatively urban and relatively rural / countryside settings

2.3 As a general point, the higher the relative buoyancy and growth rate of the local economy the more it should be assumed that the local electorate and their elected representatives can and should be self-determining and either free from or able to apply national and regional etc norms according to local judgement of local needs. Strong, healthy economies generate the capacity and have or can readily attract the necessary skills for local communities to strongly influence their own futures. Weaker economies have usually become such through the lack of a timely response – on the part of the community as a whole - to changing economic climates. They are by definition more dependent on external resources (eg financial support through tax redistribution) for both their ongoing maintenance and as a basis for investment in future economic growth. Their communities have inherent potential but demonstrate scarcity of critical skills, notably entrepreneurship (which flourishes in conditions of growth) and current marketing and management competence (which is attracted away into more flourishing markets). Weaker economies therefore need much higher levels of externally supplied guidance and direction. There is of course an endemic Catch 22, in that the skills and competence most in need is embedded in the more successful economies and unlikely to be attracted to or retained in public sector led organisations through which resources are usually channelled. There are obvious answers to this dilemma but here is not the right place to expound them!

Note that while this discussion has dwelt on relative economic strength, the implications in terms of skills and competence for self-determination apply equally in local authorities (and other public sector organisations) as to enterprise. In a relatively weak economy it might well be easier to attract ‘good local people’ into public services (which in tend in such areas to provide a high proportion of total employment), this only results in ‘well managed organisations’, not in organisations well tuned to customer needs or to effective community development.

2.4 As regards the urban – rural axis approaches to categorisation are well known but the relevant implications appear to have been less thought through and understood. For example some sources appear to perceive that villages need help to achieve ‘sustainability’, whereas in fact villages tend to be the strongest communities, best able to explicate their own needs and get what they want. City centre (and, though with exceptions, suburban) populations have shown a declining inclination to form geographically based ‘communities’ and sense of community is more inclined to arise on a socio-economic (or in some case an ethnic) focus in an urban environment. As another example, villages and the countryside tend to have relatively more settled populations, while urban populations tend to show a higher level of mobility and ‘churn’, particularly in the more prosperous parts of the country.

Government documents and research have a tendency to refer to ‘communities’ as though this is in some sense a useful and applicable portmanteau concept. In truth it is meaningless unless characterised – and certainly of no value at all as a general basis for policy. Local authority documents tend to ape central government documents in their language and conceptualisations, so that the meaningless use of ‘communities’ has become endemic.

Note that this is just a small sample of the ways in which failure to effectively characterise places on the rural – urban axis leads to false analysis and inappropriate policy and decisions.

The question itself falls into the same trap, with the invitation to comment on differences between “*rural areas and major cities*”; neither ‘a rural area’ nor ‘a major city’ are useful discriminators for such issues as economic success, housing requirements or skills, or indeed ‘place shaping’.

Question:

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?

Answer:

A.1 There are major issues associated with Barker’s number 1 recommendation in the final report:

DCLG should revise the policy framework for decision-making, in the context of the plan-led system, to make clear that where plans are out-of-date or indeterminate applications should be approved unless there is good reason to believe the costs outweigh the benefits.

One way of implementing this would be to make clear that where an application for development is in accordance with the relevant up-to-date provisions of the development plan, it should be approved unless material considerations indicate otherwise. Where development plan provisions are indeterminate or where they are not up-to-date, the application should be approved unless there is a significant probability that the likely environmental, social and economic costs of the development will outweigh the respective benefits.

A.2 ‘Place shaping’ implies leadership on the part of LAs, representing the local community. Development is among the most significant activities that determine changes – that ‘shape places’. It is also one of the few explicit LA responsibilities that touch the citizen directly and with which citizens show a high propensity to directly and actively engage in the decision process. The thrust of Barker transfers leadership of development control from LAs to developers. With the exception of householder development, a majority of developers are not rooted in the local communities where their development occurs, and their motivation is commercial, serving their shareholders. Barker’s thrust is that ‘development should be allowed unless . . .’, putting the onus on local communities to prove damage. Developers engaged in the kinds of major developments that raise the most issues have deep pockets, access to skilled professional resources and continuing experience in driving the process at all levels. For a local community, a major

development is either a once in a lifetime or at most once in a decade experience; they have no comparable experience, expertise or resources. The LA as ring holder typically had significantly weaker resources than the major developer, whose internal and contracted staffs are widely recruited by creaming off experience people from the LAs’.

A.3 Developers already have leadership in bringing forward proposals, both through plan policy development and on the timing and nature of applications. Where development is opposed, developers have every opportunity to demonstrate the merits of their case. There is very clear inequity in the Barker proposal to additionally shift the balance of judgement such that ‘development should be allowed unless . . .’ and the onus of responsibility onto the community. The underlying rationale is one of urgency and dissatisfaction with delay. But a major development will be there indefinitely and will affect communities indefinitely. Making haste slowly through the decision stages is certainly frustrating for those who perceive a need for the development ‘now’; ways to streamline should be welcomed. But this should not be done by prejudicing the outcome in favour of development and every effort should be made to challenge and refute arguments for accelerating the process by this particular means.

B.1 Barker’s second main recommendation also raises a related issue in respect of place shaping:

The Statement of General Principles should be revised to make clear that in determining planning applications due regard should be paid to the economic, social and environmental benefits of development, such as the benefits new development can bring through low average energy consumption, alongside other material considerations.

B.2 The implication here is that new development should be regarded as beneficial unless proved otherwise. This reinforces the imbalance discussed above and again weakens the community’s competence in respect of place shaping.

B.3 Equity requires that new development should be considered in a balanced way, considering both pros and cons. Barker’s thrust is again to favour development as though development is ipso facto ‘a good thing’. Working from this base she weights her recommendations on an implausible basis. For example, reference to *the benefits new development can bring through low average energy consumption* seems plausible enough. A new development should indeed offer lower average consumption (of water as well as energy) than older dwellings or offices etc. And where the development replaces existing dwellings the effect can be (should be) to lower *average consumption in that community*. But the inevitable effect of a new and additional development (ie most development) is to increase *total* consumption in the local community. And the sum of new development across a community may well entail significant increases in average consumption. For example in Basingstoke & Deane (and other areas) we anticipate that development on the levels envisaged in the SE Plan (let alone much higher levels anticipated by DCLG and supported by Barker) will entail the creation of new reservoirs, additional energy transport across long distances, energy intensive infrastructure development etc.

B.4 Taking Barker’s logic at face value, we would stop all development in much of southern England, where resources are already stretched, and locate all new development in areas where resources are plentiful. At the macroeconomic level this would also meet Barker’s ‘socials and economic benefits’, since existing economic activity is lower in areas of plentiful resources and higher in areas with strained resources. However this doesn’t support Barker’s underlying perception that continuing rapid development in the South East is inherently ‘a good thing’. If these recommendations (1 and 2) are unchallenged, a key aspect of place shaping leadership is removed from LAs and communities.

Eddington Transport Study

Question:

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

Answer:

3.1 The issues here are critical mass and geographic and socio-economic coherence. Administrative boundaries don't necessarily provide a sound basis for transport planning and delivery.

3.2 Many aspects of transport infrastructure, particularly roads, can and should be managed either by a particular authority or by cooperative arrangements among authorities with common boundaries. New institutions would risk simply adding yet another layer of complexity, bureaucracy, cost and delay. A good example of cooperation is that between Hampshire County Council and Basingstoke and Deane Borough Council, where the appropriate area offices of the county transport team are collocated at the Borough Council offices, providing optimum cooperation between authorities and optimum access for residents and others.

3.3 Other aspects, and in particular the delivery of public transport, should only be managed by local authorities or the equivalent where the authority area generates a sufficient critical mass of demand to merit the necessary high level of specialist managerial and professional competence and focus, and spread the fixed cost across a sufficiently large number of users and trips. Again the relative level of urban concentration is a relevant factor. Greater London is a good example, with a large population, concentrated in a largely urban area and with a particularly high propensity to travel within (as opposed to across the boundaries of) the authority. By the same token attempts to run the main bus services within and for Barnet or Basingstoke would be inappropriate.

3.4 As a general point any proposals for any kind of new institutions – for whatever purposes - should be required to provide the very strongest possible justification and be subjected to the most intense and sceptical scrutiny. The country suffers from far too many public and quasi public institutions having overlapping and sometimes conflicting roles, goals and responsibilities.

Question:

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?

Answer:

4.1 The term 'partnership' is being used much too loosely in local authority circles. It would be helpful if it were only used in the plain English context of a binding agreement between parties to work together to mutually agreed ends and under commonly agreed management arrangements, with clearly defined roles and responsibilities for each partner. LAs are perfectly capable of working on any matter in partnerships (including for transport arrangements), so long as this kind of well

structured approach is followed. Sadly overuse of the term in very loose ways is building partnership phobia and partnership fatigue. Our own and many other ‘Local Development Partnerships’ have suffered from this and we need to make strenuous efforts to either remove the inappropriate label or introduce and enforce the appropriate arrangements.

4.2 Authorities and other potential participants are again perfectly capable of creating or adopting appropriate contractual arrangements. If any are needed it will be better to encourage and foster it on a bottom-up peer-to-peer basis so as to learn from examples rather than thrusting more centrally devised mechanisms on authorities.

4.3 Further new institutions should be avoided.

Question:

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?

Answer:

5.1 Given the very wide contexts (*vide* section 2 above) in which authorities already and might in future engage with transport policy, direction and management, it is inappropriate to think in terms of any one ‘best overall design’ for governance arrangements. Given appropriate encouragement (and with, if necessary, enabling measures) authorities that have the competence to manage transport arrangements are equally able to devise and implement appropriate governance mechanisms. To the extent that authorities are not regarded as competent to understand governance issues and needs, and devise solutions, they are unlikely to be competent in other critical aspects!

Question:

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

Answer:

6.1 The role of bus transport as an economic development enabler varies considerably according to local context. For example within the urban areas of a conurbation pervasive and optimised public transport can considerably enhance labour market flexibility and responsiveness as well as reducing the impact of congestion on commercial and business travel and transport. However an integrated approach to all forms of transport becomes a critical factor, so that policy towards and management of the bus element in particular becomes less significant than the mechanisms available to secure effective integration, with intermode cooperation rather than duplicative competition. In this context the appropriate level of local government should have considerable intervention powers to secure results.

In and around smaller towns and cities, the car remains the main agent of labour market flexibility and responsiveness, unless and until we have massive additional investment in pervasive and responsive rural bus services. In many such areas administrative boundaries don’t align with labour market boundaries, which are self-defining, though influenced to some extent by local road and rail infrastructure and by

the availability or otherwise of fast and frequent bus services where there is no rail option. Given bus powers, cooperation among authorities might make a useful contribution, but only to the extent that authorities can be persuaded to see mutual interest in common and cooperative approaches to economic development. Today most peer authorities tend to see economic development in terms of competition rather than cooperation.

Question:

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?

Answer:

7.1 This has two main dimensions:

- (i) At the ‘corporate’ level, ensuring that the purpose and objectives of transport policy and activities are clearly spelled out and understood, with all aspects of transport seen as enabling and supporting wider purposes rather than being internalised in terms of ‘transport objectives’ and ‘transport policies’. Hitherto the transport function in main transport authorities has tended to be led and directed as well as staffed by transport specialists who see the world from a transport perspective rather than seeing transport from the world’s perspective. Only very recently for example have transport specialists started to regard home based working and flexible working as elements in strategic planning transport planning, although both have been widely in use (and been impacting transport) for decades.
- (ii) Within the organisation, establishing a culture that promotes and facilitates working ‘across and outside the structure’ rather than within fiefdoms. Although much lip service is paid to this by authorities, few have taken any radical steps in terms of organisation structure, responsibilities and reporting to genuinely encourage and reward cross-functional working at all levels.

Note: The ‘funding’ aspects of Eddington are subject to further consideration. However, there are issues associated with the principle of road pricing on which we wish to comment:

Road pricing

8.1 Road pricing in the form of the congestion charge has been effective and generally accepted in central London, where there are unusual conditions that tend to make it acceptable, namely:

- (i) The availability of long-established, pervasive and largely effective public transport facilities for travel both to and within the capital, such that alternatives to the car are genuinely available and used. The evidence for this is that many people chose public transport for travel to and within the capital in preference to the car long before congestion charging was considered.
- (ii) The pervasively available and effectively regulated ‘black cab’ alternative form of ‘private’ transport in central London for those who have an aversion to ‘public’ alternatives.

8.2 These conditions prevail in very few other places in the country and in many parts of the country would be prohibitively costly to implement.

8.3 Road pricing in the form of motorway tolls is successful in some countries and on the M6(T). Again there are particular conditions surrounding this. In France (and in the case of the M6) most toll roads parallel alternative non-toll trunk roads, providing a valid choice between paying for speed and ease versus paying with time, inconvenience and patience. In the case of the UK most motorways are not paralleled by usable equivalents alternatives.

8.4 Where valid alternatives to either congestion or tolls are not available, road pricing becomes simply a benefit to the wealthy and a penalty on the poor. It places a particular burden on lower paid workers who need to travel to secure employment and who don't have the economic freedom to move house so as to be close to work in the context of current and future volatile employment conditions. In many parts of the country it would reduce the flexibility of local labour markets. For example in the case of Basingstoke & Deane some 55,000 people both live and work within the borough, but a further 52,000 either commute in from elsewhere or commute out to work elsewhere. In an area where many people have no alternative to the car, road pricing would significantly disadvantage a high proportion of our workforce.

Question:

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

Answer:

9.1 See 1.1 above (reversal of policy making from top down to bottom up or the creation of a level playing field as between top down planning and bottom up understanding of needs)

9.2 The phrase '*solely local impact*' is inappropriately restrictive. Almost anything can be shown to have some wider than local implications, implying that local flexibility is inappropriate in almost all circumstances. A better approach is to consider how flexibility can be enabled or enhanced with regard to matters that have 'a high local impact'. Of course, almost everything done locally has a high local impact, hence the call for a reversal of the top-down approach.

9.3 The term 'local' also needs to be considered in the context of the matters explored in question 2 and related answers above (urban – rural). In a village or at street / community level in a town a development of three houses may have a very high local community impact while being of relatively small economic or transport consequence. In another context a development of 300 homes may have a 'community' impact in a quite restricted area but have economic and transport impacts affecting large numbers of people miles away from the development site.

9.4 We argue on these grounds that the significance (in terms of value and impacts) of any development activity can only be assessed and understood locally and that simplistic methods of classification such as numbers of properties or size of site or other mechanistic characteristics are not a useful way of determining the extent to which policies may or may not be flexibly applied. Strait-jacketed adherence to policies and guidance, however well framed, all too often leads to development that is unsatisfactory to all interested parties. The applicant is proposing something other than what he really feels should be built, so as to align with policies. Committees are

confident that the development is wrong in context, but are advised that the application ‘conforms to policies’ and therefore shouldn’t be refused as it will be overturned at appeal. The community is up in arms because the proposed development is so clearly inappropriate.

9.5 As to specific measures, significantly greater weight needs to be given to evidence of market conditions and needs, based on new mechanisms for collecting, testing and validating market-based data. There is scope for increased collaboration between public services and market actors to pool information and refine market assessment methods in the interest of all parties.

Question:

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

Answer:

10.1 In the public debate on this issue there appears to be confusion or lack of awareness of the cross-impacts between ‘green belt’ and ‘greenfield’. In some cases defence of a designated green belt in one place leads to the destruction of greenfield down the road, even though the particular piece of green belt may be visually, environmentally and in amenity terms of very poor merit, while the green field may be of greater merit and value. There is an argument for applying common rules to all greenfield rather than differentiating in the case of designated green belt, and for replacing green belt designation with revisited rules for the protection of separation zones between (for example) urban areas and nearby villages.

Question:

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?

Answer:

11.1 While in general the introduction of yet more new institutions and structures is undesirable, there could be merit in encouraging a degree of formality as regards ‘cross border’ arrangements. For example locally we have a Cross Border Working Group comprising elected members from three authorities through which matters of common interest are considered, particular in respect of transport and ‘near border’ or strategically significant development, plan policy development etc. This is an example of neighbouring authorities working together on a mutually agreed basis without the need for any centrally- or regionally-led intervention. It is broadly in line with Barker’s recommendation 7.

11.2 Crucial to any such arrangements is the need for democratic accountability. The existing regional authorities fail miserably in this respect. It would be a seriously retrograde step for wide-area strategic decisions to be taken by any form of Quango in which appointed or nominated as opposed to elected representation plays a major role.

11.3 Our existing cross border group doesn't have decision-taking powers, and further assessment is needed to determine whether – and if so in what ways and to what extent – such interworking arrangements should or could become decision taking. One approach might be for participating authorities to define 'delegated powers' but for accountability purposes one would envisage these being subject to ratification by the participating authorities.

11.4 Such approaches might well be unattractive from the Barker perspective, since democratic accountability is inevitably seen by economists as slower and less efficient than can be achieved by non-democratic institutions with greater autonomy. Against this the evidence to date in favour of novel institutions is deeply unconvincing, including the level of public dissatisfaction with (for example) regional assemblies and the various iterations of NHS Trusts.

Question:

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?

Answer:

12.1 The planning commission proposal as framed appears to remove democratic accountability entirely from decisions that have the greatest impact on communities. This should be strongly opposed.

12.2 There is an assumption that *leading experts in their respective fields* know best and are, collectively, competent to make good decisions on behalf of the nation as a whole. This is an entirely fallacious assumption – consider for example the response of a chief executive and his board to the suggestion that the most important decisions affecting the strategic future of their company should now be entirely delegated to a panel of experts. In a democracy, we must learn to accept that key strategy decisions at all levels must be taken on a democratic basis. The assertion that alternatives could arrive at 'better' decisions is unproven and debatable. That they might be taken more quickly is not a powerful argument.

12.3 Examining the potential role and activities of LAs confirms the undesirability of the proposition. LAs would be reduced to the role of objectors or supporters. Of itself, a LA might arrive at its own democratic decision to support or oppose a particular proposition. If this was supported by a strong majority of elected members the LA could actively engage with the Commission's evidence taking and consultation processes. If the majority were narrow there could well be public discontent at taxpayers funds being so used. However given the need for local consultation prior to a decision, its questionable whether a LA could arrive at clear and firm conclusions in a timely manner. Experience in the regional planning process and with Government consultations suggests that there would be insufficient time.

12.4 As for working with their local communities, a LA might aim to facilitate awareness and responsiveness but would not be able to provide a lead until the LA

had itself come to conclusions. Given that the whole point of a commission would be to speed up the process one can envision consultation time frames such that an LA would have great difficulty in holding local consultations of any deliberative nature in sufficient time to inform its own responses, let alone add value in its communications with its communities.

12.5 All in all such a commission would undermine the democratic process and reduce the place shaping competence of communities. Politically it would have the excellent merit of exculpating elected representatives at all levels from any responsibility for unpopular or dubious decisions. But is this ‘a good thing’?

Question:

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

Answer:

See answers 4.1 et seq above. The requirements are the same.

Question:

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

Answer:

13.1 There’s an inappropriate (!) assumption underlying the question and the proposition. It assumes that – by and large – LAs are not favourably disposed towards ‘appropriate growth’. There is no evidence for this. Indeed authorities compete for growth, witness the recent ‘Growth Points’ and ‘Diamonds for Growth’ initiatives. This reinforces the perspective that Barker is all about ‘growth’, not about ‘appropriate growth’. Where there is disconnection between LAs (and communities) and the Barker philosophy is in the perception that ‘growth is good’, with little analysis or reflection as to what is actually meant by *appropriate* growth.

13.2 The role of LAs in place shaping is to ensure that growth proposals are appropriate. Where a LA perceives that a particular aspect of growth or a particular proposition is inappropriate, Barker’s implied assumption is that the authority is likely to be wrong in its judgement. In that case coherent argument rather than ‘incentives’ is surely the answer?

Question:

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?

Answer:

We have not had time to properly consider this issue.

Question:

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?

Answer:

This question seems an appropriate point at which to consider more general issues arising from Leitch in the context of LAs as local leaders.

14.1 Leitch recommendations regarding the LSC are vague and obscure, with repeated mention of ‘further streamlining’. The question raised here seems equally obscure and its unclear whether the Lyons summary (‘Background’) accurately reflects what Leitch is recommending.

14.2 For example, Leitch quite rightly seeks a switch from supply-led to demand-led approaches, with the role of LSC to ‘process’ funding rather than managing its allocation. Unless and until this is clarified its hard to see how and where there will be opportunities for LAs to influence outcomes.

14.3 The meaning of ‘*these responsibilities*’ in the above question is obscure, as is the suggestion of an engagement by the LSC in ‘education’ issues. The distinction between education and training is already being sufficiently obscured without introducing concepts that Leitch wisely avoids.

14.4 Focusing on the training aspect, the best that can be said at present is that LAs should aim to develop and assert their leadership role, through LAAs and LSPs and other means. Key to this will be the need for the LA to gain the confidence and support of local communities and – in particular – employers, as being the appropriate leader around and through whom employers and learners can best explicate their needs and secure what they need from the various delivery agencies and private sector suppliers.

14.5 As a general point, Leitch – somewhat surprisingly given his personal background – appears to either disregard or at best underplay the role of the private sector in learning and skills provision, and to pay not attention at all to the increasing role of learning mechanisms delivered online or through and in software regardless of national borders and policies. Most ‘in-service’ IT skills are delivered by the private sector to the customer with no Government or institutional intervention and using mainly (transnational) supplier-led standards rather than locally (ie nationally) devised occupational standards. LSC does engage to a limited extent with this by providing subsidies to the learning process, but many employers show their commitment to the private sector approach by contracting such services entirely at their own cost, even where alternative, highly subsidised but institutionally determined alternatives are on offer. No employer sends staff to college for other than

the most basic IT skills, or to university for other than the most broad and strategic ICT-related education. The private sector is preferred. To the extent that LAs as local leaders focus mainly or solely on institutionally determined funding, methods and expectations, they will fail to understand what is really happening in the world of work and be ill equipped to lead.

14.6 Leitch also fails to recognise how centrally determined funding priorities have led, over time, to the emergence of a UK training supply that is deeply uncompetitive in terms of its responsiveness to employer and trainee needs. This has been recognised in education but not to the same extent in training. Except in areas such as IT, where there has been substantial private investment in training supply as a competitive offer, UK training suppliers have become trapped in their own and employers' and learners' dependence on government funding. This inevitably focuses their attention to the latest thinking and initiatives from government and institutions and away from market demand. Leitch appears to recommend little that will reverse this; indeed his advocacy – somewhat in line with Barker - of *a single, employer-led Commission for Employment and Skills* (Recommendations, 8.11) serves to entrench the problem.

14.7 From the LA perspective and in terms of place shaping, strenuous efforts are needed to reduce centralised determination and do as Leitch wants (but fails to prescribe for), namely a switch to a demand led approach, but with 'demand' properly understood as being 'market demand' not 'market demand as understood and interpreted by national institutions'. The CBI and other employer-led organisations are equally unable to determine and respond to market demand as any other institutions.

Question:

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

and

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

Answer:

15.1 Leitch draws attention to the USA model of 'one stop centres' (Section 7, box 7.3). In the UK context, where state benefits relating to low incomes, unemployment, disability etc have a higher profile than in the USA, there is a case for 'one stop centres' to embrace the whole gamut of employment-related services, to be run in and by the private sector on a competitive basis, and working to integrated objectives that reflect local needs and priorities, with the LA having a lead role in determining these.

15.2 Short of such a radical approach, the LA is stuck with the very challenging responsibility of leadership through LAAs and LSPs or equivalent mechanisms, on a *primus inter pares* basis but with insufficient authority to facilitate anything but very patchy outcomes.

Question:

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?

Answer:

16.1 Again there is a significant dislocation between the stated purpose of the Leitch proposals (to become demand led) and the recommendations. Leitch proposes that Employment and Skills Boards (good) *reporting to the Commission* (paragraph 76). There is ample evidence that such organisations do not and cannot validly respond to local needs: ‘Yes, we’d like to do that but unfortunately’. Making the central body employer led doesn’t resolve this.

16.2 Should the boards go ahead, LAs will and should seek representation and should seek to ensure that any and all their own services (and, through LAAs and LSPs, other services) become well aligned with whatever is delivered by or under the aegis of the local board, to the extent that this does indeed respond to and meet local needs. But only to that extent. It would be a grave mistake for a LA to ‘go along with’ and thereby endorse and support inappropriate policies, programmes and services; the LA’s role should be to challenge these on behalf of the local community.

Question:

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

Answer:

We have not had time to properly consider this issue.

Ends.