

COUNTY COUNCILS NETWORK RESPONSE TO LYONS' QUESTIONS TO STAKEHOLDERS ON PROMOTING ECONOMIC PROSPERITY: CONSIDERING THE IMPLICATIONS OF EDDINGTON, BARKER AND LEITCH

The County Councils Network (CCN) is a Special Interest Group within the Local Government Association (LGA), with all 37 English Shire Counties in membership. The County Councils Network promotes the voice of counties within the LGA and the values and interests of the English Counties. Together these authorities represent 48% of the population of England and provide services across 87% of its land area.

We are pleased to submit further views during the additional final stages of the Lyons inquiry. In earlier responses and the development of the recent local government white paper "Strong and Prosperous Communities" the CCN has considered the role of county councils with regard to place shaping and pursuing economic prosperity in particular. The CCN was pleased to see recognition in the interim report in May 2006 that the development of economic well-being is also a vital role for local government outside of cities, including rural areas.

The Eddington, Barker and Leitch reviews, along with the Lyons Inquiry offer an opportunity to develop planning and delivery arrangements that are clear and democratically accountable. In areas outside of the major conurbations, the local area where this can be achieved is at the County sub-region level.

We set out below our general response to the review, and then more specific points on the implications of the three reviews.

General Comments

County councils are able to act both strategically and locally, and have a key role as effective advocates for their communities at sub-regional level. We argue that this role should be enhanced by devolving powers to county region level. County councils should become "county regions" with wider powers in relation to a number of strategic functions which could include: economic development, strategic planning and housing, transport, public health, police and crime prevention, learning and skills and environmental sustainability. These powers would make a significant contribution to enabling county councils to play an even more effective role in place shaping.

Where local services and functions are split between different parts of the public sector, counties are well placed to act as convenor of services. At a sub regional level counties provide strategic leadership and democratic accountability, so can provide accountable governance, convene partners and co-ordinate funding. Counties are able to work together and coordinate activity in different configurations depending on the problem to be addressed, working through "amoeba like" structures. This contrasts with the fixed and sometimes inappropriate regional boundaries.

The ability to place shape is being influenced by national and regional priorities which direct funding and resources. This can result in the stifling of local innovation and engagement. For example, members report difficulty in engaging the business community as local authorities do not have sufficient power to influence because of detailed regional strategies or outcome

specific funding. Place shaping needs to be done in a framework that distinguishes the role of each level of governance and the partnerships that are needed.

Due weight needs to be given to the inter-relationships between the cities and their hinterlands served by county councils. When London is excluded three-quarters of all economic activity is outside the eight core cities. In 2001 the county areas provided just over 15 million jobs, around 68% of the English total, a figure which rises to 83% if London is excluded. County regions play a key role in the prosperity of the core cities. In this context the CCN considers that there should be significant devolution of functions from regional governance to the county level to combine with the existing functions of county councils. Powers and functions should be devolved from regional level to county level and not taken from local level.

Eddington Review

The review took as its basic premise the principle that large urban areas will be the drivers of UK growth over the next few decades. We would argue that this omits the role of businesses and centres of expertise beyond those urban catchments and does not reflect the polycentric economic geography of the country.

Governance

Strategically Local Authorities are working together in partnership on transport where there are shared issues and/or efficiency can be improved. Examples of this include the regional travel information service, concessionary fare schemes, and cross-boundary bus arrangements. There are however some areas where more integration could exist as highlighted in the report, such as the integration of concessionary fares and parking management with local highway and transport activities. In two tier areas the separation of these is of limited benefit and integration would greatly ease the introduction of improved network management and could lead to an increase in bus use as demonstrated by the examples quoted in the report.

There are a wide range of partners who are involved in the funding, planning, and delivery of transport. The success of any partnership depends upon the willingness of all partners to engage and align their priorities and lock in the benefits that result from any investment either voluntarily or contractually. Any amended powers that allow this to occur are just as relevant in urban and rural areas as they are in our major cities.

The report argues for looking at governance arrangements in terms of the whole journey experience. We would support this; it needs to look across the whole of a region or sub region, not just the urban areas and inter urban corridors suggested in the report.

The report proposes a new independent commission to decide major transport projects. We would want to ensure that the views of local authorities and their communities were fully taken into account as part of the decision making process.

Convening

The development of County Local Area Agreements and multi area agreements has acted as a mechanism to bring together transport and other elements of economic development and quality of life. The LAA/MAA therefore provides the most effective way of making the links locally.

Funding

The present LTP arrangements for expenditure on maintenance and integrated transport block allocations and monitoring work well and allow authorities to plan over an appropriate period.

However, the link between capital investment and the requirement for ongoing revenue funded maintenance needs to be addressed. Continued changes to the methodology of condition measurement have made it difficult to assess the relative road conditions of different authorities. It is hoped that the development of effective asset management planning and consistent measurement methodology in the future will give greater confidence that resources are being appropriately allocated.

The request for regional advice on major schemes has resulted in a clearer understanding of regional priorities and the limited funding available. However, there are limitations, for instance rail expenditure is excluded, and as a consequence the degree of alignment with regional strategies suffers. In addition the request for regional advice appears to have added to the process of scheme approval. Even its impact on rail investment needs to be prioritised regionally.

Locally there are a number of revenue and capital funding streams in addition to LTP. Developers make contributions to services and locations which can respond to the impact of their proposals and contribute to the strategy for the area concerned. These arrangements work best where there is a clear linkage between the contribution and the well-being of the area concerned. This has to be achieved sub-regionally. As discussed above, parking and concessionary fare funding also needs to be integrated with Local Transport responsibilities. In rural areas access to services partnerships are funded by the RDA. This funding could be devolved sub-regionally.

The introduction of local demand management measures would require additional capital and revenue funding to enable the prior introduction of significant improvements to local bus services. The cost of these measures may be recovered in the longer term through congestion charging, however, the conditions to support the introduction of such a charge do not currently exist outside London, some larger conurbations, and a small number of constrained historic towns.

For demand management to be successful it has to be clearly linked to the provision of a better transport system. We suggest any revenues need to be managed locally for the improvement of the transport network. The income from demand management measures needs to be seen as being an additional resource rather than a substitute for existing budgets.

Barker Review

Governance

The Barker review demonstrates the need for national, regional, sub regional and local decentralisation of planning policy. Whilst the regional assembly can develop policy regionally, they lack the more detailed responsibilities that are key in implementing the sub regional strategy.

As the report sets out, the planning process has to be based on a policy framework that is up

to date and provides a clear basis for investment decisions. Whilst the revisions to the planning system introduced were intended to increase flexibility and reduce timescales, this has not been achieved in practice. A particular challenge for smaller local planning authorities has been securing the necessary staff resources and the increasingly onerous requirements for a robust evidence base. The strict interpretation of this requirement can result in a “belt and braces” approach that is both costly and fails to achieve the desired timescales. Whilst there is an encouragement for Local Planning Authorities to prepare joint Local Development Framework core strategies, this has yet to become common practice. If LDF core strategies were developed on a sub-regional basis, this would provide a better link to the regional spatial strategy and provide a strategic framework for Area Action Plans locally. The resources required to deliver the joint core strategy and development of the evidence base could be better managed, freeing up staff locally to develop Area Action Plans. The number of Inquiries would be similarly reduced. Overall integration with regional strategies would be improved, and they would also support LAA and strategic community planning.

Clarification should be provided concerning the apparent contradiction in advice to local planning authorities regarding the content of core development strategies. A criticism made by inspectors following the core strategy examinations in one county was that they lacked sufficient local content or distinctiveness. However, one of the tests the new planning system is conformity with higher order policies and strategies. This requirement moves away from the development of locally distinctive policy.

The Green Belt needs to be designated sub-regionally to facilitate the broader objectives it was intended to achieve. The balance between its extent and protection has to be based upon local circumstances, its quality, and the proximity of local settlements. However, this needs to be achieved within a national framework to protect the Green Belt. The need for protection is increasingly significant given the requirement on local authorities within PPS3 to maintain a five year supply of readily deliverable sites. This requirement could make Greenfield readily available sites appear more attractive than previously developed sites which require a longer development horizon.

The establishment of an independent planning commission could streamline the consideration of projects of national significance provided the strategic objectives are clear. However, it needs to be linked to the process of policy making and we would want reassurance that the Commission focus on proposals of national importance and that counties and their communities have a role and input to the commission.

Convening

Local Authorities can link housing, planning and transport issues together at a sub-regional level. This also provides an opportunity to link up to economic strategies.

Funding

Local Authorities are all working to develop sustainable communities. The localisation of business rates sub-regionally would provide an incentive for economic development and would facilitate a closer working relationship with the local business community. There would be greater accountability and a clear relationship to local services.

The suggestion of a review of the changes on derelict and vacant industrial land is to be welcomed. This needs to consider carefully the spatial consequences of any proposals and the use of any additional income to provide complementary improvements in a similar way to business improvement districts.

Leitch Review

Governance

The Leitch review makes little mention of local authorities. Local authorities are part of the solution to an important national issue and are leading cross sector partnerships that are delivering results on the ground. They have a key role in recognising, advocating and helping to deliver a better offer of training and employment, particularly in rural areas.

The review does not take into account the fact that different regions, counties and cities face different demographic and employment challenges for which geographically based responses will be most appropriate

The improvement of skills levels is a theme in many county LAAs and counties make a major contribution to the education of 14-19 year-olds, particularly literacy and numeracy. Many counties are working with the LSC on the development of employment and skills boards as envisaged in the "Review of Skills". Local authorities must play a key role in any new local employment and skills boards, as employers, funders of education, as strategic and site planners on investment, and as representatives and leaders of their communities. These boards should provide an opportunity to develop links between the various sectors involved in skills and the business community. In our place shaping role we want to ensure that regional and central agencies take note of sub-regional needs and are able to respond to them. As the report proposes, there is a need to build on and improve existing structures and, where possible, rationalise.

Convening

The development of skills in parallel with employment development is an important area that needs to be developed flexibly. For instance, there are opportunities for tailored training driven by the needs of new employers. In rural and some urban areas access to skills training can be a problem which requires the flexibility to tailor approaches accordingly.

Local authorities, particularly County Councils, are major employers in their own right. They will accordingly generate demands as well as facilitating provision. In addition they actively support Education Business Partnerships which make a valuable contribution to 14-19 issues.

The Employment and Skills Boards are developing. They need to link to wider work and economic prosperity and development. The most appropriate way for this to be achieved is through LAA and other public service partnerships.

Funding

The development of a demand led skills system will require a responsive FE sector. In shire towns and rural areas access to training and development is more difficult and this needs to be reflected in funding.