

Lyons Review Discussion Document Devon County Council Response



Devon County Council welcomes the opportunity to comment on the Lyons Review discussion document.

Set out below is the County Council's responses to the questions relevant to its functions.

Overall

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

Local authorities' land use planning and development management powers contribute to most to economic prosperity through the operation of the plan led system by providing certainty about the longer term direction of travel and through the provision of infrastructure and investment to support regeneration and redevelopment. However, the current system inhibits the articulation of this longer term vision. For example, core strategies in local development frameworks tend to concentrate on the traditional aspects of land use planning at the district level, rather than taking forward a vision of how that role might contribute to wider goals and aspirations across a range of sectoral interests at regional level.

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?

The contribution of rural areas to economic prosperity raises difficult questions regarding the relationships between jobs and workplace, access to services, the role of business located in the countryside. Much depends on locally based regeneration activity where the key to success is often leadership and continuity of relatively small amounts of pump priming funding. In rural communities this activity is best taken forward at the local level, within a regional or sub regional context.

Further research in respect of rural economy is required: to establish the nature of transport links and economic linkages to urban areas; to test the "trickle down" approach to economic prosperity and the impact of urban concentration; to build time series data relating to skills, learning, sectoral change and economic investment. Better long term economic and market intelligence that is locally relevant is required for better planning of both urban and rural areas. The eradication of disadvantage, and effective planning to support economic growth also requires the active engagement of agencies such as Job Centre Plus, Learning and Skills Councils, to assist skill development and the take up of employment opportunities.

The affordability of housing is potentially a brake on labour mobility and recruitment, with the gap between earnings and house prices being highest in rural areas of Devon.

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?

Proposals in the Barker Review for reducing the burden on the planning system in relation to strategic sustainability assessment by making this more proportionate and targeted will require further government guidance and assessment in relation to the Strategic Environmental Assessment Directive. In addition to more guidance on the appropriateness

of strategic sustainability assessment in relation to different plan making stages, Government should consider streamlining and clarifying the various overlapping appraisal processes currently being used, for example, for development plans, local transport plans, transport schemes, health impact.

Eddington Transport Study

Governance

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

Local authorities are already working in partnership where there are shared or cross-boundary issues and where efficiencies can be made. Examples include, the South West Traveline – the regional travel information service, the Devonwide concessionary fares scheme, the transport strategy for the Jurassic Coast World Heritage Site and regionally significant major transport schemes in the Plymouth and Torbay sub-regions. There is further scope for the integration, between the tiers of local government, of parking and environmental/highway management services.

The current arrangements are suitable for the implementation of most local transport schemes and delivering the desired outcomes. Differing priorities (including political) between authorities does however represent a challenge. This is particularly the case in delivering regionally significant development proposals where more than one Local Highway Authority (including the Highways Agency) is involved.

- 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?

Authorities should be open and transparent in order to provide a full understanding of how outcomes have been achieved and share knowledge. New contractual arrangements are unnecessary as existing approaches work well e.g. the Beacon Authority approach.

The issue of demand management will become more significant and there will be a need for regionally/nationally agreed policy in order to ensure that urban areas not implementing schemes such as road user charging/workplace parking levy do not have an economic advantage over those which do.

- 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?

Future transport policy is crucial to local government. There are obvious benefits in aligning transport and planning policy powers. There is further scope to integrate transport planning to meet environmental and social objectives. However, until a fuller understanding is provided of the social impacts and accessibility issues related to the recommendations of the Eddington report it is difficult to understand whether governance arrangements need to be changed.

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

The proposals detailed in the Department for Transport's December 2006 'Putting Passengers First' document are seen as beneficial. A modernised national framework for bus services would allow the full package of measures aimed at tackling congestion, with its

disbenefits to local economies, to be delivered i.e. not only infrastructure improvements but also fare levels and frequency of service.

Convening

- 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?

The development of the next round of Local Area Agreements and Multi Area Agreements has the potential as a mechanism to bring together transport and economic development and regeneration.

Funding

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

The current funding arrangements for transport infrastructure consists of grant for 25% and an increasingly nominal contribution within the Formula Grant towards the cost of repaying loans taken out to pay for the remaining 75%. 100% grant funding would be more transparent and predictable.

On the whole, rural counties have tended to fair less well in formula based approaches to funding allocations.

Regional funding allocations and regional infrastructure fund proposals are supported but greater clarification is required as to the approach for Major Scheme funding where trunk roads are involved (or in close proximity).

In addition to local transport plan capital funding developers' contributions to infrastructure and public transport, cycling and walking contribute to the local strategy. This works best where there are clear links between the contribution and the outcomes being sought. This often needs planning sub-regionally rather than on the basis of local councils' administrative boundaries.

- 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?

Clearly, integrated transport block funding and highway maintenance capital funding is most appropriately managed at the local authority level.

Local authorities should be rewarded for pursuing demand management options, this should include workplace parking levy as well as road user charging. If road pricing is to become a genuine alternative to existing forms of taxation, then there needs to be transparency about the impact that the new tax has. One possibility would be to hypothecate the proceeds of Vehicle Excise Duty (or road charging at some future date) to a national fund that could only be used for either road maintenance, network/asset management and public transport. Distribution of this fund could be determined by a grants commission along the lines of the Australian federal funding for states. There is a precedent of sorts for this arrangement in the funding framework for local authorities in the Republic of Ireland - although in that instance the money is earmarked for local government as a whole, rather than specifically for transport. The potential drawback of such a fund is that it could result in further central prescription of local spending priorities. There could also be implications for the structure of other sources of central finance for local government if such a large sum was earmarked for transport issues.

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

Any revenues raised from local road pricing schemes should be locked in to achieving benefits at a local level, this is particularly vital for the public acceptance of such schemes and the ability to deliver schemes to provide alternatives to the car. Likewise the revenues from any national scheme should be hypothecated to local transport improvements.

Barker Review of Land Use Planning

Governance

- 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?
- 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?
- 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?

The issues Barker identifies relate to the tensions between planning for productivity and competitiveness in a global market and the decision making processes at the local level where the benefits of a proposed development to the local community may seem less positive.

Decision taking at the right spatial level appears critical. In this respect the planning system does not address the strategic 'void' between regional spatial strategies and local development frameworks by tackling those issues of sub regional significance where local decision making is critical to delivery and where coordination of funding is necessary to ensure timely implementation of proposals and infrastructure.

Implementation of Barker should consider the following issues relating to governance:

- 1 Support for a streamlined system of decision making/Planning Commission for nationally significant development – but, there should be:
 - A clear national framework for spatial planning - that goes beyond the statement of national objectives to indicate the relative priorities between national objectives on a regional basis and in an integrated manner. Such a statement should take a long term [rather than politically expedient] perspective
 - Mechanisms for testing the appropriateness of national objectives/national spatial planning statement through independent scrutiny/inquiry processes – which would incorporate consultation and stakeholder involvement
 - Clarity regarding the status of national objectives in the decision making process
 - A role for strategic authorities as brokers between the Planning Commission and community interests
- 2 Identifying those policy areas where strategic authorities are best placed to take development control decisions – for example, relating to energy infrastructure. In terms of investment and 'frontloading' infrastructure delivery that brings forward economic and housing development, RSS sub regional planning processes, and the role of County Councils in making 'first proposals' should be built on. This could

include a responsibility for the preparation of infrastructure delivery frameworks for sub regional areas which cross administrative boundaries [see below].

- 3 Managing the process of change – green belt policy is the one area of planning the public generally supports. The logic of reviewing policy is sound but will need to be complemented by publicity to counter negative reaction.
- 4 Government needs to consider how the operation of the Planning Inspectorate also contributes to economic prosperity and/or delay in the planning system.

Convening

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

The following are suggested as measures to improve linked working on planning, housing and transport issues.

Greater clarity is required on the relationship and role of local transport plans to the new development plan system. Currently the LTP straddles the boundary between a policy and a bidding process, taking a medium term (five year) view. The short time horizon of the LTP in relation to the time horizon of the LDF was raised as an issue in the Inspector's report of the Examination in Public of Lichfield's Core Strategy. The policy element of the LTP does not have any statutory status within the development plan system and is not subject to Examination in Public processes.

The longer term strategic view within which LTP five year programmes sit, and which should be reflected in LDFs is not [as yet] being taken forward effectively in core strategies. A possible way forward could be:

- A requirement for local transport authorities to prepare an overarching local strategy that conforms to the regional spatial strategy [and reflects its end date] and for its subsequent inclusion in all LDFs. These overarching strategies would identify sub regional areas of change where more detailed transport infrastructure strategies would be prepared. Government advice on LDF preparation should place more emphasis on the role of strategic transport measures and transport management in addition to safeguarding the land required for new transport infrastructure.
- More detailed sub regional transport strategy could be developed through formalised sub regional planning arrangements as part of RSS preparation. This would require the establishment of a standing sub regional planning board/commission in areas of rapid change, with responsibility for transport strategy; housing market assessment; economic development etc; and for monitoring and commissioning intelligence.
- The implementation of infrastructure frameworks developed by standing sub regional planning boards could be devolved to a cross disciplinary/cross boundary delivery team, with devolved funding. A potential mechanism for this could be Local Area Agreements or Multi Area Agreements. Such agreements have the potential to coordinate funding streams and build environmental gains into all the "blocks" of funding.

In terms of linkages with wider community aspirations, the role of community plans needs to be refreshed. Community strategies are weak on the spatial dimension of planning and spatial plans are weak on "community needs" – they could genuinely complement each other with efficient communication, awareness of priorities and delivery.

Funding

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

Planning delivery grant has been effective in speeding up the processing of planning applications. Other possible funding routes/incentives include: retention of Local Authority Business Growth Initiative funding for economic development and infrastructure investment [provided this does not give perverse incentives to authorities to approve otherwise unacceptable developments]; a high proportion of any planning gain supplement being retained at the local level; devolution of regional funding to delivery bodies; mechanisms for advance investment in infrastructure that facilitates development. The current LABGI scheme is unnecessarily complicated and it needs to be simplified so that the split between tiers of local government is the same in all instances without scaling of the results of actual performance to a pre-determined national figure.

Government needs to find mechanisms to support those areas where market activity is unlikely to deliver money for investment via LABGI and PGS routes - for example, in those lagging areas with low value added economies or heavily dependent on knowledge-based industries which are not reliant on land or property use.

Leitch Review of Skills

How can local authorities relate most effectively to a reformed LSC on 14-19 education issues?

A joint strategy for 14-19 with the LSC is being developed in Devon to build local area school/college partnerships and develop the capacity for the new diplomas in 14 skills areas. Our aspiration is for the diploma lines to align to adult training, to ensure progression on to higher and intermediate skill levels. Bids to pilot the first five diplomas have been submitted, jointly supported by the local authority and LSC. Planning provision together, across 14-19, to ensure student access to the full range of opportunities, will be one of the most effective ways of ensuring that the ambitious goals of Leitch are met. We have also identified key priorities for Devon in our joint strategy, for example to improve the prospects of young people in low-skill and low-aspiration employment without training. Also, in order to shift the balance of skill in the workforce from level 2 to level 3, as Leitch recommends, will require the LSC and local authority to work together in Devon to improve level 2 performance by 19.

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

We strongly support the overall thesis that significantly raised skills levels are vital to improve the competitiveness of our economy, and therefore future employment levels. In Devon, there are large disparities within the county; for example, in Torrington, 17% of the adult population has NVQ4 and above while in South Hams District the figure is 35%; corresponding income levels reflect this contrast. Hence, priorities vary significantly and require different sets of actions within the county. There is already good engagement with employers in certain sectors eg the Tourism Skills Network, Renewable Energy for Devon and through the Productive Skills for Devon partnership, as well as at a more local level through economic partnerships and workforce development groups. While big gaps remain, there is a preference to build on these existing structures rather than impose something new.

A key priority in Devon is to address worklessness and very basic skills. Again, some effective partnerships are developing with Job Centre plus and the LSC and we would like to consolidate and build on these pilot schemes.

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

Local authorities can provide the leadership to help raise ambitions of both employers and employees. There is substantial need to improve awareness about skills issues and training opportunities within businesses in Devon, particularly because the economy is dominated by very small enterprises. This is being addressed through focussing on priority sectors and priority communities. We intend to promote good practice, especially by using examples where businesses investing in skills have increased profits. "Skills champions" are being recruited to assist this process and to get better engagement with a wider range of businesses. Case studies are being posted on relevant web sites where we also provide monitoring information to illustrate changing patterns in the economy.

What role should local authorities play in the proposed Employment and Skills Boards?

Due to very small businesses dominating in the economy in areas such as Devon, it is very difficult to attract many active business people in various relevant partnerships. There has been notable progress over the past year in establishing the Devon Economic Partnership and a related group, the Productive Skills for Devon partnership, with strong links to appropriate local groups. We would like to develop this approach which is co-ordinated with the Devon Strategic Partnership and the Local Area Agreement. These links are especially vital in ensuring an holistic methodology and minimising duplication. Therefore, an enhanced role for these groups, to reflect the remit of the Employment and Skills Board, would be the preferred solution here. This would enable more effective planning, in conjunction with the Community Strategies and involving the voluntary and community sector, and would facilitate sharing of good practice within the county and with others in the region.

What are the implications for local authority funding?

Our proposed approach would facilitate a co-ordinated system through the Local Area Agreement, providing opportunities for greater efficiencies and more effective programmes through multi-agency projects. Clearly, the ambitious targets expressed in the Leitch review would require substantial additional funding to make a real difference. One relatively new source of funds which could be applied to this purpose is the Local Authority Business Growth Incentive money. The LSC has matched DCC's contribution from this source to help progress the skills objectives within the LAA. Similarly, we would like to encourage other local authorities and the RDA to do likewise. New EU funding regimes, notably ESF, ERDF Competitiveness, Co-operation and RDPE all offer potential to apply to skills issues. DCC's mainstream budgets for Children and Young People's Services and Adult and Community Learning already are overstretched and, while being complementary, offer little opportunity to make greater impact on skills.