

## **Lyons Inquiry Review of Eddington, Barker and Leitch**

### **Submission from East of England Regional Assembly**

#### **Introduction**

The East of England Regional Assembly (EERA) is the regional strategic partnership for the region. It exists to promote the economic, social and environmental well-being of the region. EERA consists of a partnership of elected representatives from the 54 local authorities in the East of England and appointed representatives from social, economic and environmental interests (Community Stakeholders).

The Assembly welcomes this opportunity to submit evidence on the implications of the Eddington Transport Study, the Barker Review of Land Use Planning and the Leitch Review of Skills for local government.

These Reviews have raised a number of important issues for local government and it is important that they are considered together rather than in isolation. With this in mind this response is structured around the three key themes of governance, convening and funding identified in your questions rather than by the three studies.

EERA is a member of the English Regions Network who have submitted further evidence to you and is supportive of their submission.

#### **The East of England**

The East of England is the second largest region in England covering 19,120 square kilometers with a population of 5,462,900 in 2003. It covers six counties: Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk and includes four unitary authorities: Luton, Peterborough, Southend-on-Sea and Thurrock. It has a diverse and high quality environment, stretching from the edge of London in the south to remote coastal and rural areas in the north and east.

The urban structure is formed by a network of around a dozen medium-sized towns and cities and their hinterlands – there is no major conurbation acting as a single regional focus. The region's functional urban areas have collective strengths on which they are able to capitalise. Principally, these are: capacity for, and commitment to, growth; proximity to London; international transport gateways; the knowledge-based economy; higher education and research institutions; world-leading environmental expertise; and national creative and cultural centres of excellence. Six of these have agreed to work together under the branding of Regional Cities East. The region also contains three out of the four national priority Growth Areas and three Growth Points. The region's rural and coastal areas have their own diverse economy, overlaid by agriculture and tourism businesses.

As a region the East of England will contribute strongly to future national growth in terms of population, housing and jobs with appropriate targets detailed in a suite of regional strategies, including Sustainable Futures: The Integrated Strategy for the East of England, the East of England Plan (Regional Spatial Strategy) and the Regional Economic Strategy.

The East of England region is strategically placed for access to Europe both by air and sea. London Stansted and Luton airports have both achieved strong growth and continue to expand. Felixstowe and Tilbury are the most dominant of the seven major seaports in the region, Felixstowe being the largest and fastest growing container port in the UK (already accounting for 40% of the country's container traffic) and the fifth largest in Europe. The proposed port expansions at Felixstowe, Harwich, London Gateway and Great Yarmouth underline the region's importance in providing economic 'arteries' to the rest of the country. However, key transport links in the region are mostly north/south radial routes into London and the Midlands, with over-crowding or congestion at peak times. East-west connections are generally poor, and the north eastern and coastal areas of the region are relatively isolated.

As detailed in the East of England submission to the Comprehensive Spending Review 2007 the region is already putting into place regional and sub-regional delivery arrangements to progress the challenging aspirations of the Regional Spatial Strategy (known as the East of England Plan) and the Regional Economic Strategy (RES), including examining ways of maximising the generation of resources under existing mechanisms. However, the East of England would like to go further. There needs to be greater focus on 'place-making', with more spatial focus within Local Area Agreements, and more coordinated regional and sub-regional delivery, particularly to unlock the potential of the network of medium sized cities in the region including Regional Cities East. Government innovations – such as Planning Gain Supplement, the more flexible use of Section 106 agreements and Transport Innovation Fund – have the potential to be crucial contributors: used effectively they could support a virtuous circle of self-sustaining growth. To galvanise these resources, work is progressing on sub-regional Integrated Development Programmes (pulling together key local players) and a Regional Investment Strategy, whose contents will need to secure the buy-in and commitment of all relevant organisations and Government Departments.

## **Governance**

With regard to governance EERA believes that the evidence proposed by Eddington, Barker and Leitch when combined does not provide compelling evidence for the radical overhaul of existing regional and sub-regional governance structures. Rather it provides evidence to support the continued evolution and gradual improvement of these structures in a number of ways.

In its submission to the Comprehensive Spending Review the region pointed out that achieving delivery of economic and regeneration priorities would require a synthesis and alignment across funding streams and agencies, and in a manner that is sensitive to the diversity of the East of England – from the London fringe to remote rural areas and the "regional cities" that are playing

an increasingly pivotal role. The region is determined to create the opportunity to exercise leverage of the scale demanded by the infrastructure and regeneration needs of the region. A wider range of nationally determined funding streams need to be brought within regional (and, where appropriate, sub-regional) prioritisation processes.

The region is putting in place formal arrangements to co-ordinate and focus the work of national, regional, sub-regional and local agencies. Core to this emerging delivery architecture is the Regional Partnership Group (RPG). It comprises, at a senior level, EERA, EEDA and each of the ten Local Area Agreement lead authorities, along with key national and regional agencies, with central Government represented by GO-East. One of the group's roles is to oversee the delivery of *Sustainable Futures*, the Integrated Regional Strategy for the East of England – which gives RPG a key role in driving delivery across a range of regional strategies that impact on economic performance, both at the local delivery level and around regional growth and development.

At the more local level and over the longer term – particularly for key growth locations in the East of England - the region is exploring the scope for better alignment of four of the pillars of sub-regional governance: the Local Strategic Partnership (LSP), Local Area Agreement (LAA), Local Development Framework (LDF) and – where relevant – the Local Delivery Vehicle. There is also a need for better sub-regional synergies between these and Housing Market Areas and Sub-regional Economic Partnerships. At all levels, and across the variety of different partnerships there is an ongoing need to bring greater coherence and to avoid duplication of effort.

LAA's provide a robust framework for the delivery of local service outcomes by increasing focus on those outcomes and clear accountability for their delivery. We look forward to government delivering on its promises to reduce bureaucratic burdens and increase flexibilities so that there is freedom to deliver better outcomes. LAAs have the potential to play a greater role in local and sub-regional public service delivery. To ensure this potential is realised, Government needs to continue strengthening the LAA framework, by providing long-term commitment to LAAs and extending the scope of the Agreements.

In practice, this might mean bringing together a wider range of agendas and funding streams than are currently represented in LAAs. In the East of England, the draft Spatial Strategy envisages Integrated Development Programmes for delivery of infrastructure investment in specific local / sub-regional areas, and these might be linked more explicitly to the LAA – providing not only a broader scope but also enhanced and more sophisticated focus on 'place'.

## **Transport**

With regard to transport, EERA has demonstrated the ability to work in partnership with its local authorities other regional partners in preparing regional advice to government on the Regional Funding Allocations. This was

a particularly challenging exercise in view of the pressing transport infrastructure needs of the East of England, the high level of growth pressures and the comparatively limited funds available to deliver transport improvements through the RFA process.

The Regional Funding Allocations exercise led the region to submit advice to government in January 2006. This advice was accepted by the Department for Transport and resulting amendments to the infrastructure programmes have been made. EERA considers there to be considerable scope for extending the scope of the Regional Funding Allocations to include some other areas of transport funding, notably rail funding.

The backing of the Department for Transport (and other Government Departments) for creating Regional Transport Boards is justified given the strategic leadership that Assemblies have demonstrated at regional level in the complex process of determining how best to use transport investment. On this basis, there is no compelling case for setting up new institutions and every case for further supporting the work of the Regional Assemblies in facilitating efforts to deliver transport outcomes whilst considering economic, social and environmental goals. Assemblies are well able to secure the buy in of local authorities and other transport delivery bodies to propose imaginative solutions to regional transport problems.

## **Planning**

The Barker Review (3.12) recommended the introduction of a new system of dealing with major infrastructure projects, based around national Statements of Strategic Objectives and an Independent Planning Commission (IPC) to determine applications. EERA has some concerns over the implications of this aspect of the Barker report particularly fearing that this could result in a reduction of opportunity for local communities to influence significant developments affecting their area and that nationally significant development may well be subject to a lower level of scrutiny and examination than would be the case with regionally or local significant development. If the IPC is to be established it is essential that it be required to give considerable weight to the objectives of the Regional Spatial Strategy in reaching its decisions.

EERA accepts that historically the planning system has taken too long to deliver decisions on contentious major development and that this situation may continue to be a feature of the revised planning system. However, with the planning system as it now stands EERA considers that the reason for planning delay on such developments frequently arises from a lack of clear national policy on a particular issue rather than because of planning system per se.

With this in mind EERA would favour the articulation of national planning objectives and policies in a clearer way, perhaps through the preparation of a national spatial framework for England, rather than the setting up of an Independent Planning Commission. Such a national framework could set out in broad terms the level of development needed within the regions and the key infrastructure developments of national importance (such as major transport,

environmental or energy infrastructure), building on much of the material contained in various white papers and the Sustainable Communities Plan.

Provided such a framework was subjected to appropriate levels of consultation and the requirements for Sustainability Appraisal and Strategic Environment Assessment that are currently required of Regional Spatial Strategies any such framework would be a very significant material consideration in the local determination of planning applications and considerably speed up the process for reaching decisions.

## **Skills**

With regards to the governance implications of the Leitch Study, EERA supports the development of Employment and Skills Boards (ESBs), bringing together local authority representatives, business leaders and further and higher education providers. EERA has experienced a positive relationship between these partners (as well as Trade Unions) through its Regional Employment and Skills Panel (RESP). This Panel meets on a quarterly basis to discuss and make recommendations on employment and skills issues in the East of England.

However, it is essential not to overcomplicate the partnership architecture. Has the relationship between the new ESBs and the arrangements already in place been clearly identified to ensure no duplication of work and, to ensure it is not the same representatives sitting round the table, just under a different guise? Many partnerships and networks, including Local Strategic Partnerships (LSPs), leading on employment and skills, are already in existence in the East of England. Therefore, the creation of another board and another set of meetings are questionable. Why not change the arrangements of the Regional Skills Partnerships (RSPs) to include large business representatives in relevant sectors for particular locations? Or develop sub-regional skills partnerships, or ensure employment and skills are a high priority with LSP and LAA arrangements. The creation of another board is likely to result in duplication of work and wasted resources, thus putting a strain on local authorities.

Although local authorities must be involved in whatever the new ESBs may look like, it must be understood that employment and skills issues (just like planning and transport) do not respect administrative boundaries. Every effort must be made to ensure ESBs are set up around key economic areas, as and where appropriate, with LSPs taking a lead in their development.

As the Regional Employers Organisation, EERA already encourages local authorities within the East of England to be proactive in identifying the skills levels of their employees. It supports local authorities to develop and improve the skills of their staff where appropriate.

## **Regional Assemblies**

Finally, on governance issues, EERA wishes to draw attention to the finding of the "Adding Value to the Regions" report published by the English Regions

Network in 2006. This independent research confirmed that Regional Assemblies are playing a critical role in securing economic and sustainable growth in the regions and are delivering exceptional value across a broad range of functions with clear benefits for the regions. In many ways 'regional assemblies' are the answer to many of the questions the Lyons Inquiry is asking in this consultation.

## **Convening**

EERA considers that Local Authority boundaries are rarely appropriate for taking strategic decisions on issues such as planning, transport and training as these boundaries rarely reflect functional economic or housing market areas.

There is a clear need for local authorities to work collaboratively across functional sub-regional areas and, in our experience, where the benefits of such work are apparent, there is strong local commitment to collaborative working. The governance arrangements we have already developed in the East of England, through the Assembly or other mechanisms are more likely to secure local authority commitment to collaborative working.

## **Funding**

EERA considers it is essential that sufficient government funding is made available to support infrastructure development needed to deliver sustainable growth. This has been a recurring theme throughout the development of the East of England Plan. We are committed to exploring innovative means of supplementing government funding from sources available within the region and more flexible devolved models for expenditure to allow greater benefits to be derived from the expenditure available.

Although the East of England has nationally important assets a dynamic economy and high levels of growth proposed, it will not "punch its weight" until significant investments are enabled. There is a genuine, well evidenced infrastructure deficit in the East of England, especially but not only in transport, affecting local, sub-regional, regional and national schemes.

This is by no means unique to the East of England, but this is a region with the appetite and ability to commit over the long term to addressing this problem. On a per head of population basis, the East of England receives the lowest level of identifiable public expenditure of any UK region or country (£5,532 per head compared with an English average of £6,391 in 2004/05<sup>1</sup>). The question must be asked as to whether this is sufficient recognition of the investment issues facing a region vital to the growth of the national economy and supporting the role of London as a world city.

Through the RFA process the Government sought advice from the region on less than 1.5% of this identifiable public expenditure. This presents a highly challenging basis on which to deliver a step-change in regional performance.

---

<sup>1</sup> Public Expenditure Statistical Analysis, 2005, HM Treasury

It is considered the success of the RFA process justifies a broadening and deepening of the scope of the RFA process in the future together with further devolution of budgets currently controlled by central government and/or channelling a proportion of other revenues (such as those raised through the proposed planning gain supplement) to support the delivery of regionally significant infrastructure.

EERA is broadly supportive of the proposed introduction of the planning gain supplement (PGS). It is accepted this is a difficult policy area but that there are significant potential benefits to the public by securing an appropriate proportion of the uplift in land values afforded by the planning process to enable investment in infrastructure and community facilities. In particular, all of the funds raised through PGS should be retained within the region within which they were generated, without the requirement to bid for it back through grant schemes. There is considered to be no case for the redistribution of PGS between regions. Within each region the allocation of PGS funding to infrastructure no longer covered by planning obligations should be determined by the establishment of priorities by relevant partners working together, under the auspices of EERA as the region's strategic partnership. Requirements for infrastructure investment to support development levels proposed should be set out in the Investment Strategy accompanying the Regional Spatial Strategy and Local Development Documents; a process well advanced in the East of England.

EERA hopes you find this submission an interesting contribution to the ongoing deliberations. Please do not hesitate to contact Graham Nelson on (01284) 729436 (e-mail [graham.nelson@eera.gov.uk](mailto:graham.nelson@eera.gov.uk)) for any further information. We would also be delighted to take part in any further discussions or stakeholder events you are planning prior to finalising your report.

Brian Stewart  
Chief Executive  
East of England Regional Assembly  
Flempton House  
Flempton  
Bury St Edmunds  
Suffolk IP28 6EG  
01284 729410  
[brian.stewart@eera.gov.uk](mailto:brian.stewart@eera.gov.uk)  
[www.eera.gov.uk](http://www.eera.gov.uk)