

Draft Greater Merseyside Response to the Lyons Inquiry – Questions for Stakeholders

Overall Questions:

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

We welcome the extension of the Inquiry and its remit to consider the wider implications of the CSR and related reviews. The convening role of local authorities will be paramount in delivering many of the aspirations contained within these reviews within city-regions.

For clarity the definition of “Greater Merseyside” is the local authority districts of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. This is the geographical area considered in shaping revised city region governance structures however the Liverpool/Merseyside City Region extends to working in partnership with areas such as West Lancashire and parts of Cheshire like Warrington, the northern part of Vale Royal, Ellesmere Port & Neston and Chester City.

To ensure that responsible agencies coordinate properly locally and that everyone benefits from increased economic prosperity, local authorities need the power to get national agencies to bend their programmes and vary their ways of working to meet local need. We would welcome a serious discussion around enabling measures, particularly where relevant to economic prosperity e.g. benefits regulations and relaxations on funding restrictions. A serious commitment to this has been lacking in previous experiences in negotiating local area agreements. If MAA’s are to be taken seriously, then we should be allowed to put our case for changes across the sub-region and have this taken seriously. Added to this, a more joined up view of target setting for key agencies must take place (e.g. local authorities and Job Centre Plus) to ensure that targets and calculation methods do not impede inter-agency working.

Whilst we welcome the proposals in the Local Government White Paper and the Public Involvement in Health Bill regarding the duty to cooperate through Local Area Agreements and the enhanced scrutiny role for local authorities, it is not clear whether the proposals in the Bill, or for Multiple Area Agreements will assist sufficiently in this. This issue can only be addressed if national agencies are made more accountable both nationally *and* locally for their performance.

City-regions, also need powers, duties and control over key functions such as transport, skills, economic development, housing and spatial planning. Current structures do not always ensure that agencies in a city-region are working towards shared strategic goals.

At the city-region level is an established city-region partnership which aims to create integrated and consistent frameworks aligning priorities and programmes across key functions, in particular through the city-region business cases presented to central government in Spring 2006 and currently under negotiation. This partnership working has the potential to enhance economic competitiveness, reduce spatial inequalities and make more effective use of public resources for the long-term. However, continued and enhanced support from central and regional government is crucial for success.

Generally, more needs to be made of the role of elected members in place shaping, as the democratically accountable individuals who oversee and facilitate this process.

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?

All of the reviews place a welcome focus on city regions and their important economic role. They also recognise the need for appropriate economic geographies to be reflected in the spatial level of decision-making. We believe one of the major implications of these reviews is the need for additional powers and responsibilities for local authorities in city-regions to collectively determine major issues of transport and planning (in particular) locally, in co-operation with each other within new city region partnerships. However, in transportation terms we would wish to explore the creation of a more formal multi-modal authority.

The Local Government White Paper has not concluded debate on the potential roles and powers of city-regions. In concluding the CSR, it is important that city-region progress and arrangements currently being put in place on the ground are recognised by Whitehall, ensuring a close fit between local and national policy and delivery. Clarity will be needed in defining the frameworks of responsibility between national, regional and local agencies and in particular between individual local authorities, city-regions and regional bodies.

Local government is the central agency of place and one of its key roles is to bring together other public sector agencies, the third sector and industry to focus jointly on the different facets of a place in a coherent way. This point is recognised in the Inquiry's definitions of 'place shaping' and the 'convening' roles of local government. However, a single nationally imposed model of partnership or other governance would contradict the stated objectives of government policies to increase local responsiveness and flexibility. A differentiated solution that first empowers local authorities that are most able to benefit from devolved arrangements is required, not a 'one size fits all' approach.

The focus on congestion and improving connections only between core urban areas is worrying and fails to recognise the importance of the city region, social inclusion and the wide range of needs that must be met from the transport network, accessing employment, education, health, food, retail and leisure services, facilities and places.

If congestion and greatest demand for transport are the only mechanisms that are to be used to determine national transport investment, this could result in major investment focused on London and the South East, with the North being seriously disadvantaged through this approach.

The lack of support for High Speed Rail between London and Northern England and Scotland does not support and enable the primary government objective of growing productivity and promoting economic prosperity. The aim of the Northern Way in closing the £30bn productivity gap between the North and the rest of the country would greatly benefit from this new transport infrastructure and help to address congestion issues and support national government aims for sustainable development. The option for very high speed rail

must not be ruled out, as it could have a key role in re-balancing the UK and help reduce the emphasis on the overheated London and South East.

The focus on small scale measures is supported but this does create the risk of major transport infrastructure that is required in the City Region being overlooked by Government. The development of inter and intra regional transport corridors that link Merseyside with other Northern City Regions, Scotland, Wales, and the South of England and Europe is of crucial importance in delivering increased productivity and economic prosperity for the area .

Eddington Transport Study

Governance

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

In Greater Merseyside, there is a long history of the Merseyside Authorities (including Merseytravel) and Halton working in close partnership on the delivery of integrated transport policies and proposals. However, there are inherent problems with partnership arrangements, relating to differing priorities and powers within local authorities. This often slows transport delivery e.g. on-highway bus priority measures. It is clear that there would be significant benefits from the formation of a new transport body that covers the functional economic and travel to work area of the City Region. These include:

- i) Consistency of policies and strategic aims and objectives throughout the area;
- ii) Economies of scale in the deliveries of services, brought about by reducing duplication, rationalising decision making structures and increased efficiencies in the procurement of goods and services;
- iii) Ability to better co-ordinate transport systems to increase connectivity across the area;
- iv) Increased ability to influence the quality of public transport services, fare structures, through ticketing and frequencies across the area; and
- v) Increased ability to develop and deliver strategically important major initiatives and infrastructure within the area.

PTEs' limited influence over bus routes, bus patterns, frequencies and fares, fuelled by growth in car ownership and car use means that new structures are required in which to deliver transport at a metropolitan level. This has been reflected by the Local Government White Paper and new structures are expected to emerge within the draft Road Transport Bill. In addition the 1968 Transport Act gave PTA/Es powers extending 25 miles outside their boundaries. It would be helpful, within the city region context, if these powers were strengthened, with formal arrangements outside the current boundaries with the authorities concerned.

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?

The Greater Merseyside LTP's and the delivery of transport improvements on Merseyside are founded on the common vision and strategy for Merseyside as detailed in the Liverpool City Region Development Plan and Merseyside Action Plan. Effective partnership working follows on from this shared vision, with constant discussion, sharing of data and joint policy and programme development being key mechanisms for partnership working.

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?

There is a strong case for aligning strategic issues associated with housing, spatial planning and strategic housing, economic development and skills, waste and environment and health with those of transport under the currently developing City Region Governance structures.

The Eddington Study's principal weakness relates to its focus on links between transport and the economy. Whilst the environmental dimension has been considered to a degree, the links between transport and other fundamental issues such as social inclusion, worklessness, health, childhood obesity, educational attainment, climate change, road safety etc have not. All of these issues/problems have an economic cost as well and should not have been omitted.

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

The proposed new Bus powers in the Draft Road Transport Bill strengthen/enhance voluntary and statutory partnership agreements, make Quality Contracts a more realistic option, introduce new performance regime for punctuality, extend Community Transport, and review Bus Service Operators Grants. The supporting local road pricing 'pilot' schemes will enable PTE's and local authorities to develop integrated public transport systems, which are of a high quality, punctual, affordable and appropriate to the needs of travellers.

The ability for PTE's to work in partnership with local highway authorities to control and manage the strategic highway bus network would support the development of a single integrated public transport network through the timely delivery of bus priority and the integration of the rail and bus networks within Greater Merseyside. This would enhance the existing Traffic Management Act 2004 responsibilities and Network Management Duties.

The proposed bus powers will enable PTA/PTE's in partnership with respective highway authorities to create an integrated public transport network that supports the transport needs of both individuals and business, and that can compete with car borne journeys so addressing growing problems of congestion on the highway network and associated environmental impacts, which can impact significantly on economic development.

There is currently limited or no modal shift incentive outside of London due to the financial resources available for public transport, the ability to determine bus quality and punctuality and the completely unstable bus industry created through the 1985 Act. The commercial share of the bus network is diminishing, with subsidised services increasing in both number and cost, this is not sustainable.

If the PTA obtains control of the strategic highway network it is unclear how this would affect local authorities Revenue Support Grant (RSG) allocation. The strategic highway network has not yet been established and this could be a potential source of conflict between highway authorities and PTAs, especially if the network is to be more than those routes designated as key public transport corridors within the LTP. It is further unclear whether there is any plan to transfer the maintenance responsibility for the key highway network.

We would therefore seek clarification around the following questions:

- How will the transfer of powers affect local authorities revenue support grant settlement?
- Will the PTA also take on responsibilities under the Traffic management Act to keep traffic moving efficiently and safely for the Strategic Highway Network (SHN)?
- Will the PTA take on powers for the management of parking offences on the SHN?
- Will there be a split in the responsibility to manage and co-ordinate statutory undertakers works between the PTA and local authorities for the SHN and local network respectively?

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?

In a city region context, it is important that the transport authorities retain the ability to address local transport issues, associated with access to key services including education, health, employment, retail shopping and leisure. This enables the authority to tackle problems associated with quality of life and social exclusion. The mechanism to achieve this is already in place, with cross departmental and partnership working being key and can be delivered through each local authority's Access Plan, which identifies priorities, action plans and targets.

Funding

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

Should a city region Transport board be established it would be appropriate for that body to develop a city region transport plan for the area (perhaps linked with any new city region spatial plan) and to receive and allocate strategic transport funding for the city region, with the level of funding being appropriate to the strategic and spatial needs of the area

The current LTP system appears to work well. However, it is restricted by the fact that it is built solely around capital as opposed to revenue funds; revenue funding for measures such as bus services, ticketing solutions, marketing, and travel awareness campaigns are often able to deliver major benefits and complement capital investment.

Major transport schemes are remitted to the region level for scoring and prioritisation through the RFA process. More integrated decision making could be made at a NW region level through the inclusion of rail funding within the RFAs.

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?

A City Region Transport body would be best placed to receive and spend transport funding to address local needs, such as highway improvements, maintenance, public transport investment (bus and rail – stations, track and signals although this would be in partnership with the Bus Operators, Network Rail and the Train Operators) casualty reduction, freight, traffic management, mobility management, travel planning and local travel initiatives and demands.

The LTP model of funding allocated to a local level is a strong model and should be strengthened to include revenue funding (see above).

In order to incentivise the adoption of demand management locally, the demand management package must be tailored to the city regions issues. It will be necessary to ensure that road charging revenue (if implemented) is re-invested in the creation and enhancement of sustainable travel options and choices to provide alternatives to car travel that are attractive convenient, affordable and appropriate for local travel needs. The sub-region must be able control the generation and investment of revenue from demand management measures.

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

The new transport governance and road transport proposals will lead to more appropriate local control and management of local revenue generation through road pricing. The ring-fencing of monies for transport would enable the transport authorities to demonstrate a clear and transparent relationship between road pricing and improvements to the city region transport network.

This will need to be addressed, based on the local needs for enhancing the transport network and the potential need to use funding to support city regional transport initiatives. A key element in making road pricing acceptable is ensuring the public transport alternative is attractive. The use of money for local bus services and additional capacity on the public transport network is absolutely essential, both from a public acceptability perspective and from a physical capacity perspective.

Once a national road pricing scheme is introduced a certain proportion should remain locally for local schemes, through a form of hypothecation. The money retained centrally should be ring fenced for improved transport infrastructure at national level.

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?

Green Belt is a strategic planning tool which has helped maintain urban form and made a fundamental contribution to urban regeneration in Merseyside. Green belt boundaries on Merseyside have largely been in place since the 1983 Green Belt Local Plan with very minor changes being undertaken in relevant districts' unitary development plans. The maintenance of a relatively tight green belt in Merseyside is crucial to the ongoing renaissance of Liverpool and Merseyside and is critical to the delivery of specific spatial renewal programmes such as the HMR Pathfinder.

Strategic reviews of green belt boundaries should only be undertaken within the context of the Regional Spatial Strategy. Such reviews should not be undertaken at a frequency enough to remove the degree of permanence crucial to maximising the regeneration benefits of green belts. Draft RSS for the North West states that there should be no strategic review of the Merseyside and other regional Green Belts until 2011 (and Warrington no review until 2021). This position is strongly supported by the Merseyside districts.

However localised reviews of green belt boundaries, may be appropriate when undertaken within the context of RSS and the relevant Local Development Frameworks where a potential need or economic opportunity has been identified that could only practicably be delivered on a green belt site.

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?

For many strategic spatial issues the appropriate level for strategic decision making will be at the city region level which recognises the interplay of key economic, social and physical dynamics. For the remainder, this will be either the regional or national level. Greater Merseyside Local Authorities and other partners can and do work well at City Region level although more progress needs to be made to form more effective and meaningful partnership. There is much evidence to show that this is already well established in Greater Merseyside, through the joint work undertaken at the RSS Examination in Public as well as Programme Coordination of successive Objective One programmes, preparation of the City Region Development Plan and sub-regional work on Waste, Housing, Transport and Economy.

Joint working is particularly important for areas such as Merseyside where the conurbation covers a number of authorities, and also for strategic planning issues such as minerals and waste. The right level of joint working, and how this would be managed, needs to be issue-specific but some general principles could be identified e.g. what are the strategic issues which benefit from joint working.

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?

While there may be many arguments for taking the ‘politics’ (small ‘p’!) out of planning decisions, there are also counter-arguments that decisions on major schemes need to be politically accountable. There still needs to be a mechanism by which views can be heard at a local level

An independent Planning Commission could have a role in advising on major schemes and in developing a national spatial strategy – this could address priorities (e.g. sustainability, major transport and infrastructure schemes, housing, regeneration and economic development) on a national basis.

Convening

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

Through city region strategies within RSS (which incorporates the Regional Transport Strategy) and within the Regional Housing Strategy to build on existing working relationships. Greater Merseyside authorities are working with Government to strengthen city region structures as part of the city region business case.

There is a real need to ensure that transport is considered as part of the planning process. PTA/Es should be seen as key consultees, otherwise developments will not reflect the needs to promote alternatives to the private car.

Funding

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

Existing incentives, such as Planning Delivery Grant and to some extent Local Authority Business Grant Initiative, reward performance and not necessarily appropriate growth. The proposed introduction of Planning Gain Supplement is not likely to change this emphasis.

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?

Any additional charge of vacant land or property needs to take account of supply and demand issues. For instance, housing supply targets. The Local Planning Authority’s requirement to plan for a consistent release of planning permissions should not be undermined by reaction to fiscal penalties. In large parts of the North West and particularly in Merseyside many sites are long-term vacant because of abnormal development costs and

other constraints not developer reluctance to bring them forward for appropriate development. It is important therefore that there is local flexibility in any application of such measures. Where flexibility is applied this should not be incurred as a cost for the Local Authority.

Leitch Review of Skills

The Liverpool/Merseyside City Employment Strategy has been developed by partners in the Merseyside city region.

The ambition of this strategy is for an area of productive, leading edge, innovative businesses, with economically sustainable, skilled, working communities providing a highly skilled and flexible workforce. It will contribute to this by strengthening skills and employment services for employers across the travel to work area and for workless people in the most severe concentrations of deprivation.

The Merseyside response to the following questions is based on the collaborative work between our 6 Local Authorities, along with our public, private and voluntary sector partners, in developing this City Employment Strategy.

Governance

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?

With the regional configuration of LSC there is the potential for difficulties arising between regionally driven priorities and practice and local priorities and practice. 14-19 reforms will need to be driven at a local level; LSC will need to engage with local 14-19 partnerships and be sensitive to the different arrangements for 14-19 education and training from borough to borough.

LSC have a key role in planning and funding post 16 provision; LAs will have an increasing responsibility for strategic management of school provision in their areas. The Education and Inspections Act gives local authorities the strategic lead for securing the 14-19 entitlement for young people, with the essential role of making sure that in every area, schools and colleges between them make the full range available. What remains unclear is what authority LAs will have in relation to the powers of the LSC concerning 14-19 funding and implementation?

Convening

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

There needs to be stronger links between target driven increases in the numbers of people gaining an NVQ Level 2 (and increasingly an NVQ Level 3) qualification and the proven

fitness of individuals to gain and secure employment: the construction industry here on Merseyside provides an example of how more people are studying and achieving NVQ Level 2 qualifications in construction trades (at Colleges of FE and with training providers) but are unable to access employment and sustained apprenticeships due to a lack of on-site assessment and training with employers. Employers need to be engaged in training at a strategic and operational level.

There needs to be a clear recognition that for a workless person to gain employment, there needs to be a large infrastructure in place to make it work. This particularly involves debt management, support for caring responsibilities and transport provision - all key services that LAs provide. If we look at Skills and employment without it being part of the wider picture we are doomed to failure in our most deprived areas.

An integral part of the City Employment Strategy is the provision of a route way of personalised assistance to individuals from worklessness to employment, with subsequent support for retention, up-skilling and progression. The integration of these measures with neighbourhood and housing renewal is a fundamental feature of the City Employment Strategy.

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

One of the operational objectives of the City Employment Strategy is to develop and deliver a new continuum of skills and employment support for businesses and workless individuals, meeting specific identified demand for skills and labour. Through the Employment and Skills Strategy we aim to simplify the offer to businesses and workless individuals through a common agreed menu of services tailored to actual need.

A key principle is a demand led approach which engages employers and delivers effective packages of recruitment and training services, with an initial focus on Merseyside employers but extending through the proposed City Region Skills and Employment Board to the whole travel to work area and to qualifications above Level 2;

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?

Our City Employment Strategy objectives anticipated and propose to pilot Leitch Review recommendations such as the integration of employment and skills services, establishment of an adult careers service and of skills and employment boards. In relation to skills boards, partners also draw on Local Government White Paper recommendations.

Working with the range of public, private and voluntary sector partners, and with employers, we will deliver this agenda, through

- The establishment of a Commissioning Group within the Consortium for the joint planning, design, procurement and management of new provision from 2008 onwards;
- The establishment of a City Region Skills and Employment Board which will ensure the full integration of mainstream and other resources into a single, demand led, planning and delivery approach for skills and employment.

Coordination and integration will be undertaken at two levels:

- Strategically - the consortium will adopt a strategic approach to the integration of mainstream and other activity, both on the supply and demand side, to deliver a coherent package designed to meet the needs of residents from priority groups and employers through the Commissioning Group.
- Operationally – a coherent body of provision providing clear and individually-tailored route ways for the individual and tailored to the needs of employers. The aim will be better integration of service delivery between partners to provide a comprehensive package of support for individuals and employers.

Integration will be both internal and external (e.g. with other regeneration programmes – such as Housing Market Renewal, other housing reinvestment and redevelopment programmes and Neighbourhood Renewal; with other business support and economic development activity; and with private sector investment);

Funding

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

The work of the City Employment Strategy aims to support Local Area Agreements and provide a better basis for cross-border, multi-area collaboration.

Page 22 of the Leitch Report states there will be a "new and sustained national campaign to raise career aspirations and awareness of the benefits of learning backed by local outreach activity. Increasing the appetite and the opportunity to learn". NRF and SRB have been used to date for this outreach activity - as NRF ceases, there will be funding implications for LAs/LSPs in ensuring valuable outreach activity is gained. A national budget for this element of the work should be made available, and be proportional to the make up of the local area's needs.

In terms of our City Employment Strategy, a clear analysis and understanding of the resources available to the Consortium will provide the basis for determining priority actions and for setting ambitious but deliverable targets.

This exercise will also provide the actual financial basis for planning the ring fenced Merseyside ESF programme, including the assessment of match funding to underpin the future co-financing arrangements. Partners consider that alongside mainstreaming of key elements of provision, via the new joint commissioning arrangements which will be in place by late 2007, there will be a need for a flexible strand of ESF activity, through the

Consortium, to ensure continuity and expansion of the innovative measures developed in the regeneration areas in the last 6 years.

The difficulties involved in this exercise highlight the urgent need for a radical overhaul and streamlining of the monitoring arrangements for public funding regimes to support Local Area Agreements and introduce strengthened transparency and accountability.

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