

RESPONSE TO THE LYONS INQUIRY IMPLICATIONS OF EDDINGTON LEITCH AND BARKER REVIEWS

19TH JANUARY 2007

Overall

General response to the questions:

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

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?

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?

Response

Councils currently have the powers they need to undertake a place-shaping role in relation to economic prosperity, through the power of well-being. However, there is a need for new regulatory powers, for constraints to be removed and for new responsibilities over budget streams, to deal effectively with, for example, public transport locally. Councils and groups of councils require significant devolution of responsibilities from quangos and central government with more local discretion to raise funding and to make decisions about funding allocations. Current constraints and obstacles to local action will need to be removed if local authorities are to ever place-shape effectively.

There is exemplary practice, where Councils have achieved great things by working in partnership with others, but many of the instruments of change are not in our direct control. In many cases, they are in the control of those over whom we have no influence.

Nothing illustrates this more accurately than the delivery of JobCentre Plus services at local level. Opinion surveys of residents frequently cite unemployment as one of their main priorities – yet there are no explicit mechanisms to exercise influence over the national template that dictate service delivery at local level. Commissioning is done at national level, making linkage with local activity, for example that which is funded for example through Neighbourhood Renewal Fund, difficult to develop and sustain. Add to this mix independent commissioning by the Learning and Skills Councils, and you have a confused picture of duplication, gaps in services, and a plethora of local provision which is not joined up enough to provide the combination of support to residents furthest from the labour market.

The current highly centralised system at the national level and the fragmentation at the local level severely constrain local government in delivering on its strategic role. There needs to be real devolution from the centre to local authorities, particularly in the capital. The complexity of funding streams and the lack of accountability for decisions are the most frustrating aspects of the current system. Much greater devolution is possible, even within the current democratic framework, for example to sub-regional arrangements, and the new multi-area agreements.

On raising funding for investment, the prudential framework opened up investment opportunities for local authorities, but has severe limitations – particularly where there is up-front investment needed before schemes can go ahead, but councils cannot borrow against future income. Reform is needed to ensure the prudential framework can fulfil its potential, with solutions and vehicles that maximise local control and flexibility, and ensure sustainable income streams are available. New

models of raising investment should be investigated, for example capturing the increase in land values as a result of investment.

On the Barker review, it is particularly disappointing that when faced with difficult issues, the answer proposed seems to be the creation of yet another quango, which raises all the usual issues of accountability to local people.

Barker Review of Land Use Planning

Specific response to the questions:

Governance

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

The new development plan system is a major step forward in this respect with its emphasis is on “front loaded” public consultations to determine what policy options are to be adopted. The process of then incorporating these into a development plan is now comparatively quicker than before. Plans can also be more quickly revised. This Council would support proposals to further refine the plan making process by removing the need for a prior issues and options stage – moving straight to an Examination in Public following preparation of a proposed strategy.

A further aspect of the development planning system as it now stands is the need to prepare a Core Strategy prior to any local area action plans. The logic behind doing this was clear at the inception of the new system. Local area planning would only go ahead in the context of a clearly defined and agreed overarching policy framework. In practice, this is delaying bringing forward new local area plans which do not concur with prior (Unitary Development Plan) policy frameworks. Pressure for new housing or other development – where this is now demonstratively broadly supported by local communities – is in effect being compromised by not being able to quickly adopt new supporting area action plans prior to Core Strategy adoption.

Advice from central Government to date has been that Core Strategies should be prepared ahead of any other supporting plans. This Council would support reviewing this position and allowing, at least, concurrent preparation.

The development control system in London has a level of intervention by the Mayor on issues considered to be of strategic significance. This borough broadly supports that system. The Government’s forthcoming decision as to further broadening of the Mayor’s planning powers will obviously be of concern to the London boroughs regarding their acting flexibly on local planning issues.

Are there particular implications from the Review’s recommendations on the use of Green Belt land?

There are two facets to this:

1. The Green Belt surrounding London – has been successful for over 50 years in preventing London’s coalescence with surrounding towns in the Outer Metropolitan Area (i.e. along / near the M25). This is now being threatened by development sector lobbying which many consider the Barker Review to be effectively putting voice to.

Radial growth along main transport corridors and a corresponding relaxation of Green Belt controls is proposed. It is too simplistic an approach in the face of the need to foster sustainable future economic growth & development in London and the surrounding OMA. Against Green Belt has to be balanced the need to retain areas of countryside close to London and surrounding towns’ boundaries to serve amongst other things agricultural, landscape amenity, ecological and equality objectives.

It may be wiser to conduct a national reappraisal of the success of the Green Belt around London and other metropolitan centres before making any final decisions. Regional Spatial Strategies for the East and South East of England together with that for London itself should be properly co-ordinated by a national or over-arching regional Green Belt strategy which recognises and as far as possible resolves these different agendas. This might be realised via producing a revised and updated Planning Policy Statement 2. Currently it is left to the consideration of individual regional strategies to come up with a piecemeal approach to future Green Belt designations / relaxations – via deliberations at individual Examinations in Public. London boroughs, county and district councils are left uncertain as to the outcome of these and resultant impacts on their areas.

The Government needs to give clearer guidance as to where it wishes to concentrate future growth in the corridors identified in its Sustainable Communities initiative. This would largely determine where particular parts of the Green Belt might be relaxed to facilitate that growth – and give a firm framework for this in Regional Strategic Statements. Currently, authorities find themselves having to make cases at one or more examinations in public – e.g. as to whether growth in the London-Stansted-Cambridge-Peterborough Corridor should take place at the London end or see development spread across a wider area – notably around Harlow.

2. Green Belt designations within London's boundaries – given that London is a single regional planning entity with its own regional spatial strategy it is difficult to reconcile the need for separate Green Belt and Metropolitan Open Land designations. A single designation – simply as MOL - would be more appropriate in London, with clear protection controls set by the Mayor in the London Plan. Notably, the Green Belt designations in this borough fall within the Lee Valley Regional Park or Epping Forest and as such are protected by other primary legislation. They do not need additional protection from Green Belt designation.

What different approaches could be taken to enable strategic decisions to be taken at the appropriate spatial level?

Development control decisions in London already have a hierarchy of decision-taking with the Mayor's intervention powers. The Government could consider having a hierarchy modelled on this – with an Independent Planning Commission authorising decisions of national significance, the Mayor advising on an agreed range of regionally significant matters for London and boroughs continuing to exercise primary local development control powers.

In London's case, the Government might want to consider whether there is a need to formalise the sub regional alliances created by the Mayor to further develop local policy for the London Plan. Whilst the precise alignment of these is to be reconsidered following publication of the Mayor's draft Further Alterations to the London Plan, boroughs now have several years' experience of working collectively within these groupings on sub regional planning issues. They might offer a way forward for boroughs collectively to determine their local approach on cross-boundary issues regarding transport, waste, town centre networks, health facility strategies, etc. – possibly with direct intervention by the Mayor acting as the final arbiter.

Can local authorities work effectively in partnership across wider areas to do this or are new/reformed institutions necessary?

As above, the model offered by the Mayor's sub regional groupings might offer the best approach to inter-borough partnership working. Formal institutions are considered unnecessary by this borough.

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?

Borough experience of the London Plan Examinations in Public suggests this might offer a model for working with a future Commission. Boroughs could be able to be represented independently, or as part of a sub regional partnership or within a London-wide grouping such as London Councils – dependent upon the project under consideration at an Examination in Public.

Convening

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

In London, officers would again suggest that the sub regional groupings – working in close liaison with the Mayor – offer the best model here. Boroughs are already working collectively in their groupings on such matters as joint waste planning strategies.

Transport and housing issues are similarly considered in regular meetings between borough officers and TfL or GLA colleagues – and these are influential in shaping boroughs' respective strategies. Perhaps joint work by the boroughs in conjunction with the Mayor on the Lower Lea Valley Opportunity Area Planning Framework offers one significant practical example of the benefits to date of such arrangements.

Funding

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

One way forward might be to offer similar support to that given via Sustainable Communities Funding. Boroughs would be able to undertake initial planning & consultation work for their development strategies drawing on such funding.

Incentivisation might also come from the Government being able to offer firmer support for – or bring forward - necessary social / physical infrastructure investment in support of particular development 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 local flexibility on such measures be desirable?

One related issue of relevance to our borough is that of public bodies holding on to land / sites for rail safeguarding, new police stations, etc.. These might result in sites being held vacant for many years with no clear long term plan in place for their eventual use – and any public access to them prevented. The Government could look again at this issue to see if there is a way of preventing such "land banking" by public agencies.

Leitch Review of Skills

Specific response to the questions:

Governance

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

What are the merits of the different options for managing the division of these responsibilities?

Through involvement with the LSC at a local level through LSP partnership. We are developing an initiative initially funded through NRF to improve the coordination of the delivery of employment and skills support to people in our most deprived areas in the borough. The Leitch review should assist this approach and ensure that resources are targeted at both identified gaps in service provision and in particular those suffering from multiple disadvantage. The success of this approach hinges on the active engagement of key funding partners including the LSC with the intention to move towards an LAA approach predicated on aligned/joint funding and aligned/ joint commissioning.

Convening

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

In areas where multiple disadvantage is at the root of worklessness and worklessness is the key issue in an area, we believe that a local, coordinated approach which can identify and support those people furthest away from the labour market is the most effective and sustainable route to employment. We are testing this approach through the WorkNet programme mentioned above

which uses outreach workers to identify marginalised groups and work with them through our Neighbourhood Hubs. This approach relies on coordination and access to services at a local level and the cooperation of service providers at both a strategic and operational level.

It will also be essential to forge closer links between the LSC and Business Link to ensure that there is no duplication of activity. A critical element of this development will be engagement of employers, a joint approach with the LSC will help to ensure a more effective demand led service.

We are very aware in WF that a disjointed and uncoordinated approach to the delivery of business and skills provision at a local level has resulted in duplication of activity and a confusing plethora of activities for local people support on employment issues. We would hope that the Leitch review would assist in working towards a delivery model of skills support which both streamlines delivery in a real sense and releases funding to deliver a holistic and sustainable approach.

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?

Councils should have a strong role to play in the E & S Boards proposed particularly in an area such as Waltham Forest where a demand-led approach would need to be able to address the needs of the predominantly micro-business climate in the borough. 67% of the borough's businesses employ less than 5 people. In our experience these businesses may have difficulty not only in articulating their skills needs in a coordinated and strategic way but also in responding to the employer engagement agenda proposed in the review. They may need additional support to do this and this is an area that the Council could help with.

We would have concerns however if such a centralised approach were to exclude this local input. We would also have some concerns if our smaller local employers were coerced to provide training support that they could not afford and might therefore prevent them from employing people with low skills levels.

Funding

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

The Leitch review proposals support the approach that this Council would like to take in addressing skills issues in the local economy. However, this approach is predicated on the local authority assuming a leadership, strategic coordination, monitoring and development of closer links with the many small businesses and training providers in the borough. We would therefore propose that the LSP is provided with mainstream funding to enable this role to be fully integrated with the LAA approach.

Eddington Transport Study

General response to the questions:

Governance

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

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

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?*

Funding

- *How could current funding arrangements best be reformed to support cost effective and appropriate spending and investment decisions at sub-national level?*
- *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?*
- *Local authorities currently retain the revenues from local road pricing schemes. How might further developments in this area affect the use of those revenues?*

Response

Eddington suggests that the case for road pricing is best illustrated by the alternatives, either greatly increased and expensive road building which would need to significantly increase the existing rate of expansion in the inter urban road network, or very high levels of road congestion, both with resulting increases in emissions. As to how the recommendations could be delivered, this could only be achieved if promoted by the regional transport authority.

In effect, London boroughs already work in partnership through Transport for London (TfL) to deliver transport outcomes. However, the question must be asked: 'how much power do London boroughs actually have in this arrangement?' With the Local Government White Paper, and local government reform generally, emphasising local issues it would be beneficial to explore how explicitly local transport issues affecting London boroughs can be addressed more through the current arrangements in London.

A tension to be managed is that London's 33 boroughs have widely differing political views on transport policy. A good example is the Congestion Charging scheme where some boroughs opposed the scheme right through its stages of development, and others supported it. Waltham Forest is likely to support the introduction of road pricing as this in turn would support our sustainability objectives of reducing car use in favour of improved public transport and hence reduce the borough's carbon footprint. However, road pricing must be accompanied by substantial investment in local walking and cycling schemes plus upgrading of the local rail / tube infrastructure to increase capacity. Development of local walking and cycling schemes should be managed by local authorities to ensure alignment with local policies on sustainability. The potential is massive for local authorities to use local bus powers to enhance not only economic development but also to improve cohesion and tackle exclusion. These powers would be an excellent addition to local authorities place-shaping role.