

Lyons Inquiry
Room 3/12
1 Horse Guards Road
London
SW1A 2HQ

19 January 2007
JS/JC

By e-mail to sirmichaellyons@lyonsinquiry.org

Dear Sir Michael,

Lyons Review questions to stakeholders on the Barker, Eddington and Leitch Reports.

I am responding to the invitation to submit a response as follows.

General comments

1. In the context of the Local Government White Paper local authorities face the challenge of working with partners to plan strategically, for places and for people, to improve services and the quality of life, including economic prosperity, for all their citizens. This will involve implementing effective and efficient mechanisms at a number of geographic levels including places (e.g. towns), the County and the sub region (as well as for individual clients).

2. Leicestershire County Council (LCC) welcomes this challenge and has the leadership qualities and managerial abilities required to act both strategically and locally. As a 'four star' Council it has already acted to transform itself internally through a major change programme, to put in place effective governance across themes within the overall (County) Local Strategic Partnership umbrella, to develop arrangements to plan for places and involve communities and to join with five other Principal Authorities within the Three Cities Sub Region to plan for an economic region.

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3. As a general principle new powers and arrangements should *enable* LCC and other Principal Authorities to work with their partners rather than *prescribe* rigid formats or arrangements. It is now appropriate to consider new freedoms/powers for Principal Authorities that enable them to act effectively in the role envisaged in the White Paper. Principal Authorities are more than capable of creating their own implementation vehicles - a greater challenge is whether Government departments are willing to relax rules that will enable Principal Authorities (collectively and individually) to address cross cutting priorities within their areas.

4. While the White Paper provides a vision for the future that the County Council broadly supports, there are a number of concerns regarding its implementation. It is essential that funding is sufficiently flexible and responsive to local prioritisation, that the promise of a light touch performance regime is not undermined by additional theme based requirements and that sufficient powers are available to convene disparate stakeholders, strategies and funding streams to plan and implement improvements to transport, housing, public health and community safety.

5. These freedoms/powers should enable Principal Authorities to work with both local and regional level bodies. In two tier areas such as Leicestershire the co-operation of districts councils needs to be assured. The Government needs to consult further on how that can realistically be achieved. Principal Authorities need to be able to work with RDAs on an equal basis to ensure that both regional level strategic objectives and local (strategic and place) objectives are met in ways that recognise local priorities.

6. One of the justifications for local determination is the need to plan for the different requirements of areas be they rural or urban, prosperous or deprived, well connected or poorly connected. In deciding local (strategic and place) priorities LCC does accept the need to ensure their fit with national and regional level strategies through dialogue and agreement with Government departments and agencies (the LAA concept).

Eddington

Governance

7. LCC recognises that transport planning needs to be undertaken for economic areas as a whole. To this end it works jointly with Leicester City Council in preparing and implementing LTP strategies and is now working with its 5 County and City Council partners in the Three Cities Sub region to assess transport requirements using TIF. It therefore already demonstrates that Principal Authorities can work effectively in partnership at the strategic level.

8. Robust governance arrangements are currently being put in place for the Three Cities Sub Region to bring together transport and other strategic planning arrangements. Within this context the County Council would wish to influence all forms of transport to create cost effective, integrated and co-ordinated solutions.

9. The key partners for transport in an area like Leicestershire are the bus companies, the train operating companies and Network Rail, the districts and the regional development agency. The relationship with districts is being addressed through the Local Government White Paper and that with the bus companies

through the Transport White Paper referred to below. There is a continuing problem with the rail industry in that its control is heavily centralised with almost no space for regional, let alone local, input. This is a weakness that should be addressed.

10. Principal Authorities need to be able to ensure that bus services expand in scope, and improve in quality, to meet the needs of higher mobility and new development. Weaknesses in the present deregulated system, particularly the ever-present threat of on the road competition, mean that there is a high risk that bus companies will not respond in the necessary way. The proposed new legislation goes only some way to resolving this weakness: local government will be able to make sensible use of any new powers but the more relevant question is how useful those powers will be.

Convening

11. There is a need to join up planning for (local) places to ensure that land use, transport, town centre improvements and skills planning are integrated. LCC is putting arrangements in place to achieve this but it is unclear at this time whether district councils will be willing to co-operate fully. This is likely to be the situation in other two-tier areas. Powers across a range of activities including transport may be required to ensure that holistic/joined up improvements to places can be achieved.

12. The local transport plan (LTP) is the Government's chosen means of setting out transport policy for the medium term and, within the LTP, there are Government-dictated priorities. For the LTPs just completed, promoting economic development is not a defined priority, though it is implicit in the objective of reducing congestion.

13. Similarly Local Development Documents are the Government's chosen way of planning for land use.

14. If real joining up is to be achieved at the place level the prescription around the content of such plans and the arrangements for preparing them, including timescales, needs to be reduced.

Funding

15. Overall LCC wants to use funding in the way that most effectively meets strategic and local (place) needs. This requires more flexibility that could be delivered through MAA and LAAs. It is unclear whether Government will allow this flexibility to back up the other freedoms promised in the White Paper.

16. Regarding transport:

a) One suggestion would be to make rail investment, and continuing subsidy, more determined by regional and local priorities. There was discussion of bringing rail capital investment into the regional funding allocation system for major transport schemes but that has disappeared from view. In addition, Government rules for prioritising transport major capital investment still rely heavily on costed savings in journey time, a measure which is irrelevant to much of the investment that needs to be undertaken. A more thorough review of these rules could help.

b) The authorities currently considering charging mechanisms will only be encouraged to move ahead if they can be sure that the income generated will be used for local transport or other improvements. The main, and very expensive, challenge will be to ensure that public transport offers a much more attractive alternative for motorists, but beyond that there is no reason why the income streams from charging should not be used for other aspects of economic and environmental development.

Barker

Governance

17. Again it is important that spatial land use planning is undertaken within real economic and housing market areas. LCC is working with the other five principal Councils in the Three Cities Sub Region to achieve this. However the current planning system is not aligned to decision making at this level. It is also difficult to ensure that strategically important development is subsequently allocated because district councils take a more local view.

18. There is a danger that the Planning Commission (PC) will be like the Planning Inspectorate and local authorities may use it to avoid making difficult decisions. Having said that, it is not clear how the LDF fits in with the Commission's role in determining planning applications since any local authority must address major infrastructure issues through their frameworks and the RSS. If LDF's have gone through a community engagement exercise and taken on board any national Statements of Strategic Objectives, then any decision should be made in accordance with those policies. The PC would need to have a closer involvement in the plan making arena, particularly with RSS, if they are to have an influence on major infrastructure provision. For LCC this would mean transport and waste. LCC considers that this would be entirely contrary to the White Paper objectives of local accountability.

Convening

19. There are three changes that could improve effectiveness:

- a) Giving sub regional coalitions of Principal Authorities more powers over strategic spatial planning - land use, transport and economic development; and,
- b) Enabling County and District Councils to plan and take decisions jointly at the place level (recognising they have complementary roles in land use and transport planning and joint roles in economic development); or
- c) Giving Principal Authorities direct responsibility for land use as well as transportation planning.

LCC considers that a) and b) would provide the most effective way forward.

20. The development plan process needs to be made simpler, less engineered and less process bound. (It should also be noted that the move to a presumption in favour of development undermines the plan led system in any event.)

Funding

21. There is a need to use funding flexibly to meet both strategic and local (place) requirements. It may be for example that the most effective investment to enhance the prosperity of a town would be to improve the transport system. Why not use economic development funding to achieve it? Principal Authorities need

to be able to bring together funding streams without too many strings attached. Again the principle of MAAs/LAAs is supportive of this but there are doubts that the Government's practice around funding will back this up.

Leitch

Governance

22. Again Principal Authorities are able to establish effective governance arrangements for joining up planning for 14-19 skills and education. Leicester City Council and LCC have established a joint strategy group with the Learning and Skills Council and Connexions service. This Group has jointly appointed and funded a strategy manager to oversee joint strategy development and planning and the management of pooled funding. With the regionalisation of the LSC this arrangement provides integration with the regional level acknowledged above to be necessary.

23. The main concern here again is that, despite this joining up locally, Government performance regimes require separate reporting to different Government Departments/Regional bodies for each of the four organisations.

Convening

24. Robust links need to be made between business communities and higher education providers to ensure that there is a skills match in the labour market and that there is high quality talent within the local services. Better integration of local employment and business start-up services with universities would help to give graduates a sound reason to stay.

25. Principal Authorities should take a leading role in a new demand led skills system. For economic and social development of their localities, it is important that Principal Authorities build on the strengths of their areas but also tackle the gaps and issues to ensure that there is skills led growth for them to compete in the global, national and regional economies.

Funding

26. The skills development agenda has resource implications and if the local authorities are to take a leadership role, they will require appropriate resources to deliver the changes and to work with partners to bring about these changes. It is noted that Leicestershire remains the lowest funded LA under the Government's current formula.

Yours sincerely

**Chief Executive
Leicestershire County Council**