

# Lyons Inquiry

## Further questions for stakeholders arising from the Eddington, Barker and Leitch Reviews

### Response from the Leader of Vale of White Horse District Council

19<sup>th</sup> January 2007

#### General Questions

**1. Do local authorities have the powers they need to undertake their place-shaping role, particularly in pursuing economic prosperity?**

Local authorities will not have the power to pursue economic prosperity in their areas until they are given the power to raise and vary local business rates and to use the funds raised to invest on the local economy as they see fit.

Any such additional power must recognise that the current Uniform Business Rate is a crude tax which does not in any way reflect the provision of local services. The Vale of White Horse District Council has taken part in a study of Land Value Taxation (LVT) [available on request]. LVT would allow local authorities to vary business taxes to reflect local circumstances. For example, businesses sited next to major transport routes, which would allow for easier distribution of goods produced, would be asked to pay a higher charge, while businesses in rural communities with less convenient access to markets would pay less, thus encouraging rural enterprise and employment.

This response must be taken in the context of our earlier submission, which noted that, while the Vale does not consider economic development to be a core function for local authorities, it recognises that local authorities should be free to pursue this function if they choose to, subject to appropriate support from local residents and businesses. The Vale has for eleven years actively promoted economic development in the district and made it a key local priority.

**2. How would the implications of the reviews and their recommendations vary between different parts of the country and different kinds of place, for example between rural areas and major cities.**

This question is crucial to the entire scope of the review being undertaken. While the majority of the population of the country live in larger towns and cities, the distinct nature of rural communities must be recognised and addressed in the final report. Any conclusions of the Lyons Review must offer sufficient local variation to allow local authorities to tailor their service provision to their distinct communities, rather than seeking to impose a single model across the country.

The issue of 'place-shaping' will have far greater relevance to concentrated communities such as exist in major towns and cities, while in a rural area like the Vale of White Horse residents will naturally look to a variety of connections, often beyond the borders of the district.

A specific example of this centrifugal force is the fact that the Vale of White Horse district effectively has six market towns, three of which (Abingdon, Faringdon and Wantage) are inside the district and three of which (Oxford, Didcot and Swindon) are outside. Residents in the west of the district look to nearby Swindon for healthcare, employment, education and shopping, while those in the north east of the district live on the edge of Oxford and therefore look to that city for many of their needs. Our south eastern parishes look towards Didcot.

Residents across the district still celebrate a clear distinction between their areas and the two major towns mentioned. However, any attempt by the Vale of White Horse District Council to generate some form of artificial unity among these varied communities is unnecessary and would be doomed to failure. The Vale is diverse and should remain so.

### **3. Are there any other aspects of these reviews relevant to local authorities and to their place-shaping role that have not been identified in the Lyons Inquiry?**

The question of a review of local government has already been widened extensively and the list of areas which *could* be included is practically limitless. As far as the Vale of White Horse District Council is concerned, for the greatest possible clarity the issues identified so far should be focused on without any further additions.

## **Responses to specific questions posed**

### **1. Eddington Transport Study**

*The Vale of White Horse District Council is not a transport authority but transport decisions are key to the vitality and viability of this largely rural district. The comments below reflect this position of interest but not direct involvement.*

#### **Governance**

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

A move to unitary authorities would provide the ideal framework for a transport authority, either distinct to a unitary authority or comprising a network of neighbouring authorities. New institutions are not necessary. The Vale has an established record of working productively with neighbouring authorities and with Oxfordshire County Council to deliver improvements for this district. There is no reason to assume that cross border co-operation - within the constraints of a national and regional strategy - could not continue to work in future between new unitary authorities.

##### **1.2 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?**

Local government will always require co-operation between neighbours if the authorities concerned wish to deliver improvements to benefit residents. New arrangements are not required, other than freedom from unnecessary interference from central government. The only additional support which may be beneficial is the provision of *ad hoc* support from central or regional government *if requested* to establish or to help take such relationships between specific authorities forward.

##### **1.3 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?**

Transport should be aligned with all local decision-making by its inclusion within the framework of unitary local government. Unitary local authorities working with

neighbours to a regional and a national strategy offers the ideal framework for the alignment of this policy with other areas such as planning and healthcare as it allows one set of officers and councillors the opportunity to link decisions in different areas within their authorities for the best possible outcome.

Where higher level involvement is envisaged, a robust scrutiny function for local government should be introduced to allow for local democratic oversight of decision-making.

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

Public transport is a key local service and the deregulation of buses in the 1980s is widely accepted to have been disastrous for the long term growth of this sector across the country. The involvement of private companies in bus provision is unlikely to be reversed but additional powers for local authorities to address specific local economic and social needs would offer benefits in many areas.

The Vale is not a local transport authority but the Council would welcome any increase in the powers available to local authorities to improve public transport provision. This is related to the need for a comprehensive set of competences - or a stake in services provided by other bodies, such as healthcare - for local authorities to allow them to perform the 'place-shaping' function which the Lyons Inquiry is promoting.

### **Convening**

#### **1.5 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?**

This question is too broad to be addressed simply and the answer will differ for each local authority. For the rural Vale, transport is vital to the economic and social life of the district and therefore questions of local transport provision will be central to most major decisions of the Council. For this reason a general presumption of local authority involvement in transport decisions should be made.

### **Funding**

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

Giving local authorities the power to raise and vary fair local taxes on residents and businesses would offer significant benefits, allowing local authorities and partners to take sound decisions on local transport infrastructure and services. The availability of good local bus routes might be a factor which affected the level of Land Value Taxation in a specific area, allowing a local authority to better fund a bus service which directly benefits local employers through a small additional levy on those companies.

**1.7 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?**

Fair local taxation, such as Land Value Taxation for both businesses and private homes would allow local authorities to charge variable rates for local services from which charge payers benefit directly, allowing investment directly into those services.

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

It is likely that road pricing will become a national system in due course. The income from such a national scheme would consequently need to be overseen by a central body and allocated in accordance with regional and sub-regional requirements.

## **2. Barker Review of Land Use Planning**

### **Governance**

**2.1 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?**

Existing planning regulations and guidance, including the Vale's adopted Local Plan to 2011, Oxfordshire County Council's Structure Plan to 2016 and the South East of England Regional Assembly's (SEERA) Regional Development Framework to 2026 offer local authorities significant powers and guidance on appropriate local development, with the option of referring more high profile or strategic proposals to the Secretary of State if required. A national planning authority, whose first task might reasonably be the preparation of a national development framework, may be useful in setting out the national framework for development but the Vale would not support any weakening of local involvement in planning decision-making.

The north east of this district falls within the Oxford Green Belt and Oxford City Council has declared its desire to develop housing in this area. The Vale has sought to protect the special status of the Green Belt through its adopted Local Plan to 2011 and this has been endorsed in Oxfordshire County Council's Structure Plan. We would strongly oppose any relaxation of the national guidance surrounding the use of green belt land. It is clear that all land within green belts is not of high quality but changes to existing designations would lead to overwhelming pressure to develop in all areas designated as green belt.

The largest town in the Vale, Abingdon, is six miles from Oxford and a large number of Vale residents live in villages between Abingdon and Oxford. The potential for urban sprawl in this area is clear and any change to the status of the Oxford Green Belt would be likely to lead to such an outcome. Residents in the communities threatened have regularly expressed their strong opposition to any expansion of Oxford into the Vale. Rural communities have strong identities which are important to them and any weakening of green belt status could threaten this.

**2.2 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?**

Current structures allow for local, county-wide, regional and national priorities to be fed into decision-making on development. This system is adequate and we would oppose any reduction in the role of local authorities in identifying local needs and constraints. As mentioned above, the Vale has a well-established record of working productively with neighbouring authorities on matters of joint interest and there is no reason to assume that such relationships do not exist across the country. A current example is the significant expansion of the town of Didcot, which is currently entirely within South Oxfordshire district but where that authority and the Vale are working closely together in order to achieve the best long term outcome for local residents and businesses, based on local circumstances.

**2.3 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 current system allows for local democratic involvement in decision-making and offers applicants local redress. We would not support a change to a national Planning Commission as this would remove almost all local involvement in important decisions. However vexed such involvement may render decision-making, we support it as a vital element of a democratic and accountable system.

There may be scope for an Independent Planning Commission intervening in authorities where a large number of decisions are overturned as this may indicate problems within that authority. However, the great majority of authorities function entirely adequately under the current system.

### **Convening**

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

The creation of unitary authorities throughout England would allow all these areas to be linked within a single structure, either through the authorities controlling the specific services or through the creation of appropriate scrutiny functions.

### **Funding**

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

The most important point to note is that not all authorities will seek growth and that should remain an option. Those areas that do seek growth would be enabled to pursue this by the creation of unitary authorities and the return to local control of income from businesses in the form of Land Value Taxation (see above).

**2.6 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?**

If Land Value Taxation were introduced, all land would be taxed according to the amenities which are available locally, rather than occupancy. This would impose an appropriate charge on all land which would create pressure on the owners of empty land or properties to develop or sell them. As only one system of business taxation is needed under Land Value Taxation, this would be the simplest option. It would also give authorities the power to vary local charges, allowing them to reduce rates in areas which are relatively worse off, to encourage local enterprise there.

**3. Leitch Review of Skills**

*The Vale of White Horse District Council is not an education authority so it is not appropriate to comment on this area beyond a restatement of our support for unitary authorities, which would be able to co-ordinate policy on the full range of competences controlled by local government.*