

## **Rotherham Metropolitan Borough Council**

### **Lyons Inquiry - Promoting economic prosperity: considering the implications of Eddington, Barker and Leitch**

#### **Responses to questions: subject to final approval**

##### **Overall**

- We would wish to see the sub-national review of economic development address the balance of powers and functions between the regional and local level to provide for greater local governance and place shaping, especially in relation to the control of resources. We will be interested to be involved in developing the economic component of LAAs and the potential use of Multi Area Agreements.
- Evidence from LAA freedoms & flexibilities process suggests that local powers are not sufficient. Particularly important in Rotherham are those relating to fast track reinstatement of benefits and also opportunities to use savings on benefits through higher employment levels to reinvest in employability programmes.
- We are concerned to ensure that implementation of new policy arising from the three reviews does take account of regional and local variances. We would want to see sufficient flexibility to enable local solutions to be developed, aligned to local strategies.
- In the Leitch Review there appears to be little recognition of the role of local authorities and the major disparities in skills levels across the country, skills at level 3 are at 35.2% in Rotherham for example compared to 44.4% nationally
- Little recognition of the differing skills needs of local economies and the skills transformation needed to enhance a less prosperous economy.
- The Government's recent White Paper and the Local Government and Public Involvement in Health Bill 2006 seek to address the role of local authorities in place shaping by setting out a range of new powers and responsibilities. Although welcome, there is a concern that the proposals do not go far enough in devolving power to local authorities, away from quangos. Indeed, this can be illustrated by the way in which the Government is currently taking forward the learning and skills agenda (abolishing sub-regional LSCs, and transferring responsibility to regional quangos, thereby further removing local authority influence over this key agenda). In addition, unless local authorities have greater freedom to raise income, there will continue to be doubts about the extent to which they can provide effective local leadership.

##### **Eddington Transport Study**

We are generally supportive of Eddington's conclusions and the high weight the report attaches to transport issues. Good and effective transport is at the heart of sustainable economy and growth, and improved Quality of Life. To achieve this requires sustained and significant levels of investment, and a supportive institutional framework.

##### **Overall**

- We are concerned however that many aspects of the current infrastructure and levels of investment will not meet local needs and priorities, and is acting as a barrier to delivering the much needed economic restructuring of Rotherham and wider South

Yorkshire and an improved Quality of Life. Some of the key policy changes that would like to see through the review and more widely would be:

- The effective planning and delivery of transport requires a long term approach and programmes. However often funding and funding decisions are short term and responsive, which creates uncertainty and impedes strategic planning and problem solving. This is particularly true for major projects.
- Closely linked to the above bullet point, there is too much emphasis placed on relieving congestion in city regions with buoyant economies and too little weight attached to regeneration in determining funding allocations. There needs to be increased recognition of the importance of transport investment to economic and wider growth (for example by linking areas of need with sources of opportunity) in the Government's decision making processes and supporting plans and programmes.
- There should be greater flexibility and decision making powers at a local level to enable transport decisions to respond more effectively and efficiently to local needs and circumstances. Transport is a cross-cutting issue and spans a wide and diverse range of activities and partners. Greater flexibility would make it easier to develop tailored, integrated and joined-up interventions and responses, for example allowing greater alignment between transport and employability or reducing CO2 and other emissions. This flexibility should also extend to funding regimes enabling greater pooling of resources, and virement between funding streams.

#### Governance

- Need to move away from "reactive" planning to a more pro active approach based on the principles of accessibility planning, for example by linking areas of greatest 'need' to sources of 'opportunity'.

#### Convening

- Need to manage local expectations. The 'bottom-up' approach of community involvement is sometimes at odds with the 'top-down' approach prescribed by central government via regulation, targets, performance indicators and funding and this often causes tensions.
- Stern review regarding the economics of climate change is underdeveloped and not fully addressed by the Review Eddington. The Stern Review and its findings need to be build into

#### Funding

- Need to put in place good quality alternatives to the private car before introducing demand management measures. However, to achieve this more up front funding is required to provide these alternatives.
- The Transport Innovation Fund is likely to be a key source of step change funding required to tackle demand management in a robust and effective way.
- The introduction of Sub regional LTP allocations (as opposed to discrete allocations to individual local authorities) would ensure more efficient and effective use of funding, as would allocations linked to demand management (and would offer incentives to deal with this issue at a more strategic level).
- It will be difficult for some areas to find funding for improvements to encourage alternative modes of transport to the car, where it is not felt that fiscal demand management measures like road pricing or parking levies (which raise revenue to

be reinvested in improvements) can be sustained due to the struggling economy (as in South Yorkshire).

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

### Overall

- The proposals to review national guidance in relation to green belt to ensure that they still fulfil the purposes of green belt as set out in PPG2 is welcome.

### Governance

- Green belt boundaries should be decided at local rather than regional level. A more flexible approach to the use of green belt land to meet housing and other needs should be treated with caution, and not as a carte blanche to develop anywhere. The priority should still be one of focussing development and regeneration in sustainable urban locations, as advocated in the RSS for Yorkshire and Humber. The lack of land to meet housing need is largely a south east problem, rather than one for this region, so the approach to the use of land should reflect the local context.
- Local Authorities have a strong record in partnership working and there is strong infrastructure and arrangements to support this. At the wider level, there is the Regional Spatial Strategy and the Regional Assembly, which set the broad strategic context. We therefore see little merit for further institutions, and should there be any gaps would argue that these could be filled through enhancing existing arrangements than creating new ones.
- In terms of the independent planning commission, we would argue that the first step is to decide at what level it should operate. Our view is that it should only deal with developments that are of national significance. We would expect the relevant Local Planning Authorities to be fully represented at any subsequent Public Inquiry, have full rule 6 party status, and able to present their case and evidence. The same front loading approach should apply, as enshrined in the requirement under the Planning Act to have a statement of community involvement. Any proposal considered by such a commission should have a clear and agreed framework for involving and consulting with the public and stakeholders.

### Convening

- We agree that the Government could assist further in helping to look at these issues on a cross boundary basis. This is already happening to some extent, certainly with transport and with housing, in terms of the requirement to look across the boundaries with housing needs assessments.

### Funding

- We would like to see the continuation of Planning Delivery Grant for planning performance, but also financial incentives for achieving targets within the Regional Spatial Strategy would help ensure that the RSS is delivered.
- In terms of business rates and rate relief, we would suggest that incentives for developing derelict and difficult brownfield sites, to help make the reclamation of such sites more economically viable. This may mean a more flexible approach to the proposed Planning Gain Supplement, with perhaps a lower rate of PGS levied on the more difficult sites. We support the suggestion of land remediation relief as set out in the report. Also, relaxation of VAT on the repair of historic buildings as recommended in the 2006 English Heritage /RICS report (the role of historic

buildings in regeneration) would assist in bringing such buildings back into productive use.

## Leitch Review of Skills

### Overall

- We broadly welcome the proposed approach to the strategic management and planning of skills for 14-19 year olds.

### Governance

- The reform of the LSC to a stronger regional body has left the relationship with the local authority in an uncomfortable position. If the local authority has the strategic leadership role for the whole of the 14-19 agenda, then it begs the question as to what role and function the LSC has at local authority and sub regional level. Based on current formation, one way forward would be to have the local authority linked LSC officers (those responsible for 16-19 provision) based within the local authority and not at sub regional level. These LSC officers could be the eyes and ears of the regional LSC body, which incidentally might be better placed as the learning and skills (16-19) part of government office. This would save LSC infrastructure costs at both sub regional and regional level and also force the local authority and local LSC to work together in a much more coherent way to plan, deliver and monitor the 14-19 strategy. However, the Leitch report gives conflicting messages about the future role of the LSC, page 76 para 4.18, *'the LSC should not undertake detailed planning at national, regional or local level. Rather, it should focus on processing funding for Train to Gain and Learner Accounts and ensuring effective competition.'* The earlier paragraph of the report, 4.17, states that the 16-19 budget accounts for around two thirds of the LSC budget, is it then planned that the local authority is to become the responsible body that ensures the effective use of this substantial LSC held budget?

### Convening

- There are already good infrastructure mechanisms at local level, whereby the local Chamber of Commerce facilitates regular meetings of the LSC, employers, Education Business Partnerships, Jobcentre Plus, the authority Economic Development Service and the local authority education providers. This is the practitioner forum that can feed into the proposed Employment and Skills Boards.
- The local authority should, through its effective partnerships through the Employment and Skills Board, be working closely with employers, the LSC and the HEFC (as founders of FE and HE), and the local FE/HE providers to ensure that responsive demand led skills provision is available to world- class standards. We need to maximise our linkages to programmes such as 'Train to Gain' and the pilot 'Training Pays' (for 16/17 year olds) as these and the proposed 'Learner Accounts'
- As described in the previous bullet points, the local authority, through its Economic Development Service and its schools provision, should be exercising its strategic leadership. This is linked into its commitment to its enterprise strategy; as a major employer itself; and as a key player in the realisation of the Community Strategy and of the Local Strategic Partnership
- Specific questions cover: "What links need to be made between employment and skills provision, and other local services and responsibilities?"
  - Utilise the developing South Yorkshire DWP City Strategy model of employer led Work and Skills Boards, with the support of a multi-agency delivery team.

Develop the role and responsibility of the Board to improve capacity, joint understanding, shared priorities, etc between the public, private and voluntary sectors. Employer led skills provision to develop workforce to compete internationally. The Boards are managed locally, however it is imperative that this is within a city region/sub-regional framework.

- Improve alignment between Jobcentre Plus and the LSC
- Increased focus on the low skilled (economically active and inactive) by all relevant agencies
- Recognition of the benefits of volunteering to employment and skills
- Communication network to be developed to network with all agencies who come into contact with the most vulnerable citizens.
- Government Departments to clarify links between DWP city strategy and Leitch Employment and Skills Boards
- “What role should local authorities play in a new demand led system?”
  - Lead by example, be the first to agree 'pledge' to train all eligible employees to level 2
  - Pass the 'pledge' onto the supply chain
  - Individual awareness and aspiration raising - supporting capacity building to help employers and employees articulate their needs
  - Role models more flexible working patterns to allow women (mothers) to fully achieve their potential

“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?”

- Member of local and city region board
- LA Chief Executives with private sector chairs to lead the city region level boards
- Boards to be aligned with targets already established via LAAs and Community Strategies and performance of Board to be reported into the Council
- Work with Government to ensure the Boards are given a clear remit
- Local authority to ensure the different expectations of large, medium and small businesses are managed, one size doesn't fit all
- Facilitating improved links between local employment opportunities and local people (linked to the planning system)
- Links to be made by Local Authority between one stop shops for careers and advice, council services and new employment sites
- Working to raise awareness of new developments and working with new employers on the recruitment of local labour
- Local Authority should take lead on social exclusion / child poverty / inequality agendas.

## Funding

- Local authority investment in 14-19 strategy and implementation will need to be increased or at the very least maintained at current levels. Support for the new 14-19 Diplomas is crucial as an underpinning strand to the Leitch recommendations which seek to increase substantially to 90 per cent the numbers of young people staying on in full time education, part time education or work based training until the age of 18.
- Funding needs to change to reflect the needs of the economy and workforce

- Funds need to be allocated to develop new employer-led approach, building the capacity of employers to better understand their own needs and the needs of their sector.
- Need to clarify impact of all funding for adult vocational skills (excluding community learning) going through Train to Gain and Learner Accounts.
- Who is to fund the development of the Employment and Skills Boards?

I trust you find these comments useful.

Rotherham Metropolitan Borough Council  
Chief Executive's Department

2<sup>nd</sup> February 2007