

SIGOMA

Special Interest Group of Municipal Authorities

LYONS INQUIRY JANUARY 2007 ADDITIONAL QUESTIONS FOR STAKEHOLDERS

SIGOMA has submitted evidence and responses to every stage of the Lyons Inquiry, including a number of local case studies and good practice examples of current work in the towns and cities we represent. The following points respond to the additional ‘questions for stakeholders’ set by Sir Michael in December 2006, in light of the published reports from the Eddington, Barker and Leitch reviews.

Rather than repeat our previous arguments or present work that we have already submitted, we have sought to provide a short, ‘high-level’ response to the additional issues raised by Eddington, Barker and Leitch, informed by the initial reactions of our member authorities. Further information and detail can be provided if necessary, by contacting the SIGOMA Office.

1. EDDINGTON TRANSPORT STUDY

Governance issues:

- Local authorities can work effectively together in partnership to deliver transport outcomes – local strategic partnerships at the local level and passenger transport authorities at the sub-regional level are good examples of this in many urban areas.
- Any new governance institutions for transport should ensure that local authorities are central to the arrangements and seek to encourage and reward effective partnerships between local authorities at the sub-regional and city regional level.
- In urban areas, structures are already being developed through multi area agreements or city-region arrangements, and groups of urban local authorities should have the responsibility for deciding which structures would be most effective to deal with transport issues that cut across administrative boundaries.
- SIGOMA supports the proposal for urban authorities to take back powers for controlling bus services – bus transport provides access to jobs and services for many of our communities, and this proposal can help to make the links between transport and other urban issues like quality of life, neighbourhood renewal and regeneration.

Convening issues:

- The Eddington review looks too closely at transport and economic development, with out considering a range of related issues that overlap and relate to economic prosperity, for example land-use planning, housing and wider regeneration objectives.
- As well as meeting the economic needs of growth areas, transport investment provides new opportunities and encourages regeneration in areas undergoing economic restructuring.
- The report has little to say about regeneration or neighbourhood renewal, and the role of transport in these fields, or how transport can help government meet wider PSA targets on economic disparities across the country.
- Aligning all these areas would give an opportunity to ensure that public investment and spending decisions on transport reflect the economic regeneration agenda in urban areas.

Funding issues:

- Eddington suggests that Government should focus policy and sustained investment on improving the performance of existing transport networks, in those places that are important for the UK's success.
- This needs greater clarification – it could be interpreted as spending increasing amounts of transport monies to cut marginal journey times in the country's most congested areas, around London and the south-east.
- This would simply perpetuate current spending patterns rather than seek to tackle the imbalance of the national economy. For example, the 2006 PESA report shows how transport funding is three times higher per head in London than in the north east.
- SIGOMA is concerned with regional disparities across England and how public spending, like that on transport, can be better targeted to address disparities and meet the Government's wider regeneration and PSA targets. CSR2007 needs to bring a more consistent policy and spending framework for transport, so that it releases the potential for urban areas across the whole of England.
- We would support the report's emphasis on smaller scale projects and agree that many relatively small-scale transport projects have the potential for large pay back in economic terms. This shows how transport spending can release the potential of local economies as well as the regional and national economies.
- But larger scale schemes are also crucial to the future of SIGOMA areas. For example, the success of a local road-pricing scheme as a demand management option (rather than simple revenue-raising) will depend heavily on the existence of viable alternative modes of transport. In many cases, the revenue from the scheme will be an important contribution to this provision, either for running costs or to finance prudential borrowing for initial investment and set-up costs.

2. BARKER REPORT ON LAND USE PLANNING

Governance and convening issues:

- The proposal for an independent Planning Commission may provide greater certainty in the system by reducing the amount of planning decisions 'called-in' by the secretary of state, over the heads of local planning authorities.
- However, the proposal for a Planning Commission will still lead to decisions being made centrally, away from the accountability of democratically elected members. We feel that this is in contradiction to the strategic, place-shaping role for local authorities now being promoted by Sir Michael and the recent White Paper.
- Although the Commission may be able to have an important advisory role to Ministers, we would have concerns that it could fail to recognise local quality of life issues, have very little knowledge of the area in question and be unable to engage with local communities.
- Overall, many of the proposals in the Barker review appear to be proposing solutions to an over-heating economy in the South East, by relaxing the constraints imposed through the Green Belt. Un-fettered economic growth in the South East could not only harm the economic and environmental capacity of the south east through the likes of even greater congestion than is currently being experienced, but would result in creating a greater disparity with the other regions and their ability to regenerate.
- Taken together, the recommendations to review greenbelts and relax the requirement on developers to demonstrate a demand for new out of town retail development could also have a negative impact on town and city centres in SIGOMA areas. This would be

detrimental and could undermine the success of many urban renaissance and regeneration programmes in our towns and cities.

- Sub-regional and city regional, as well as regional, collaboration between local authorities on a range of issues illustrate the propensity for councils to work together and make strategic decisions that impact beyond the boundaries of one local authority area.

Funding issues:

- Any incentives for local authorities to support growth need to work in a range of different local economies and local situations. Any proposals must demonstrate relevance to growth areas, core cities, large towns and wider urban areas in different regions.
- We accept the need to support growth, but this should not be at the expense of financial equalisation in the local government funding system or support for more deprived communities. Without such measures in place, a tax increment scheme will benefit areas already experiencing high economic growth and increase inequalities between regions. To avoid these problems, as far as possible the funding for such a scheme will need to come from outside the existing quantum of local government resources.
- Relief from business rates for empty property could be reformed in a similar way to the reform of council tax relief on domestic properties. This leaves local councils free to decide whether to remove tax/rate relief on empty properties and gives councils the freedom to decide what proportion of tax/rate relief should be removed.
- However, we would like to see any incomes from the removal of tax/rate relief remain with the local authority, to be invested in local regeneration and development schemes.
- Similarly, the suggestion for a charge on vacant/derelict brownfield land will also receive support from many towns and cities, but would gain more support if the income raised from charges was retained by local authorities.
- However, it will have to be used sensitively and strategically to avoid negative or unintended implications and will therefore require local discretion and flexibility. The tax should not apply to public authorities as there are other mechanisms in place that can be used to encourage public sector bodies to release land and will need to avoid disadvantaging private sector partners working with local authorities in large scale regeneration programmes (like housing market renewal) where land is being assembled to be redeveloped.
- As such, we believe that any charges on derelict/vacant land should leave scope for local authorities to decide when and where to apply the charge, at what rate and at what stage. For example, there may need to be different policies in different types of local areas as well as in different circumstances, such as between town centre and out of town locations.

3 LEITCH REVIEW OF SKILLS

- For SIGOMA, key recommendations in this report are around:
 - the proposal for compulsory education and training up to age 18
 - an exhortation to employers to pledge training for their employees, followed by a statutory right to training if the pledge fails
 - the proposal for creation of a national Commission for Education and Skills
- We support the emphasis of the report as skills and education are important issues in SIGOMA areas. But there needs to be more clarity on how these new commissions and any local arms of national bodies will support local learning partnerships and LSPs.
- We need to avoid the over centralisation of any new bodies and ensure that local authorities can take a lead in setting locally tailored training and education solutions for

their area. For example, the proposed network of local employer led Employment and Skills Boards will be licensed by the national Commission for Education and Skills.

- Local Authorities are well positioned to collate, interpret and share the findings of the large quantities of data and other management information which is held on local communities, young people and the skills needs of local employers. There is a clear role for a Local Authority in providing a strategic core in support of local partnerships that improves understanding and enables effective decision-making on the targeting of resources by partners to impact on improved outcomes for local people.
- The proposal to make education compulsory until the age of 18 has implications for SIGOMA areas and local government in terms of funding as the report does not give an indication of whether there will be any additional resources, or where resources should be channelled, to provide extended education.
- At the moment education and training is being seriously held back in many SIGOMA areas, for example:
 - Over 2006/07 a school child in SIGOMA areas gets on average £347 less than a pupil in Outer London and £1465 less than a pupil in inner London;
 - The Dedicated Schools Grant means school resources have been based on historical patterns of local spending rather than on the need in the future, and councils have no flexibility on how local resources are targeted;
 - Some SIGOMA local authorities are struggling to implement major educational programmes like Building Schools for the Future because of the problems of the capital financing system and their costs of financing large scale borrowing through the grant system;

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