

Economy and Transport Board

Agenda

Thursday 29 November 2012
11.00am

Smith Square Rooms 3 & 4, Ground Floor
Local Government House
Smith Square
London
SW1P 3HZ

To: Members of the Economy and Transport Board
cc: Named officers for briefing purposes

www.local.gov.uk

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Economy and Transport Board

29 November 2012

The **Economy and Transport Board** meeting will be held on **Thursday 29 November 2012 11.00am** in **Smith Square Rooms 3 & 4**, Ground Floor, Local Government House, Smith Square, London, SW1P 3HZ.

Please note that there will be a Lead Members' Pre-meeting at 9.15am in Meeting Room 6.

Refreshments will be available upon arrival and lunch will be at 1.00pm.

Apologies

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

Labour:	Aicha Less: 020 7664 3263 email: aicha.less@local.gov.uk
Conservative:	Luke Taylor: 020 7664 3264 email: luke.taylor@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235 email: libdem@local.gov.uk
Independent:	Group Office: 020 7664 3224 email: independentgroup@local.gov.uk

Attendance Sheet

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Location

A map showing the location of Local Government House is printed on the back cover.

Contact

Virginia Ponton (Tel: 020 7664 3068, email: virginia.ponton@local.gov.uk)

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Economy & Transport Board - Membership 2012/13

Councillor	Authority
Conservative (8)	
Tony Ball [Vice-Chair]	Basildon DC
Andrew Carter	Leeds City
Philip Atkins	Staffordshire CC
Martin Tett	Buckinghamshire CC
Gillian Brown	Arun DC
Nick Clarke	Cambridgeshire CC
Ann Steward	Norfolk CC
Mike Whitby	Birmingham City
Substitutes:	
Heidi Allen	St Albans City and DC
Phillip Bicknell	Windsor & Maidenhead RBC
Arif Hussain JP	Wycombe DC
Bob Lanzer	Crawley BC
Labour (6)	
Peter Box CBE [Chair]	Wakefield MDC
Claire Kober	Haringey LB
Chris Roberts	Greenwich LB
Barrie Grunewald	St Helens MBC
Joan Dixon	Derbyshire CC
David Wood	Tyne & Wear ITA [Chair of ITA SIG]
Substitutes:	
Tony Page	Reading Council
Liberal Democrat (3)	
Roger Symonds [Deputy Chair]	Bath and North East Somerset Council
Heather Kidd	Shropshire Council
Colin Rosenstiel	Cambridge City Council
Substitute:	
Ian Stewart	Cumbria CC
Independent (1)	
Mike Haines [Deputy Chair]	Teignbridge DC
Substitute	
Peter Popple	Scarborough BC

LGA Economy & Transport Board Attendance 2012-2013

Councillors	27.09.12					
Conservative Group						
Tony Ball	Yes					
Andrew Carter	No					
Philip Atkins	Yes					
Martin Tett	Yes					
Gillian Brown	No					
Nick Clarke	Yes					
Ann Steward	Yes					
Mike Whitby	Yes					
Labour Group						
Peter Box CBE	Yes					
Claire Kober	Yes					
Chris Roberts	No					
Barrie Grunewald	Yes					
Joan Dixon	Yes					
David Wood	No					
Lib Dem Group						
Roger Symonds	Yes					
Heather Kidd	No					
Colin Rosenstiel	Yes					
Independent						
Mike Haines	Yes					
Substitutes						
Phillip Bicknell	Yes					
Tony Page	Yes					
Peter Popple	Yes					

Economy & Transport Board – Meeting Dates 2012/13

DAY (2013)	DATE	TIME	ROOM / VENUE
Thursday	31 January 2013	11.00am – 1.00pm	Smith Square Rooms 1 & 2
Thursday	28 March 2013	11.00am – 1.00pm	Smith Square Rooms 1 & 2
Thursday	30 May 2013	11.00am – 1.00pm	Smith Square Rooms 1 & 2
Thursday	25 July 2013	11.00am – 1.00pm	Smith Square Rooms 1 & 2

Agenda

Economy and Transport Board

29 November 2012

11.00am – 1.00pm

Smith Square Rooms 3 & 4, Ground Floor, Local Government House

	Item	Page	Time
Part 1			
1.	Note of previous meeting	3	11.00am
2.	Oral update on Town Hall debates		11.05am
3.	City Deals and the Heseltine Report	9	11.10am
	Emma Squire, Head of Local Growth Strategy, Department of Business, Innovation and Skills (BIS), will present to members.		
4.	Transport Update	27	11.50am
5.	Higher Education	41	12.30pm
	Chris Hale, Deputy Director of Policy, Universities UK and Professor John Coyne, Vice Chancellor, University of Derby will present to members.		
For Information			
6.	Growth and Infrastructure Bill	49	12.55pm
7.	Appointments to Outside Bodies		

Note of Meeting 27 September 2012

Title: Economy & Transport Board
Date and time: 27 September 2012, 11.00am
Venue: Local Government House

Attendance

Position	Councillor	Political Group	Council
Chairman	Peter Box CBE	Labour	Wakefield MDC
Vice Chair	Tony Ball	Conservative	Basildon DC
Deputy Chair	Roger Symonds	Liberal Democrat	Bath and North East Somerset
Deputy Chair	Mike Haines	Independent	Teignbridge DC
Members	Martin Tett	Conservative	Buckinghamshire CC
	Philip Atkins	Conservative	Staffordshire
	Nick Clarke	Conservative	Cambridgeshire CC
	Ann Steward	Conservative	Norfolk CC
	Mike Whitby	Conservative	Birmingham City
	Philip Bicknell	Conservative	Windsor & Maidenhead RBC
	Claire Kober	Labour	Haringey LB
	Barrie Grunewald	Labour	St Helens MBC
	Joan Dixon	Labour	Derbyshire CC
	Tony Page	Labour	Reading Council
	Colin Rosenstiel	Liberal Democrat	Cambridge City
	Peter Popple	Independent	Scarborough BC
Apologies	Heather Kidd	Liberal Democrat	Shropshire Council
	Andrew Carter	Conservative	Leeds City
	Gillian Brown	Conservative	Arun DC
	Chris Roberts	Labour	Greenwich LB
	David Wood	Labour	Tyne & Wear ITA [Chair of ITA SIG]

In attendance: Ian Hughes; Philip Mind; Eamon Lally; Rachael Donaldson; Charles Loft, Nick Porter; Virginia Ponton (LGA)

Item	Decisions and actions	Action by
	<p>The Chair welcomed everyone to the Board and invited introductions from all for the first Board of the new cycle.</p> <p>Cllr Martin Tett gave apologies that he would have to leave the meeting early.</p> <p>It was agreed to take Item 3 first.</p>	
3	City Deals	
	<p>The Chair welcomed Miatta Fahnbulleh, Head of the Cities Policy Unit, Cabinet Office and outlined the Leeds City Deal, showing the Board the signed agreement. He questioned how far the Wave 2 would extend, highlighting the role that counties can play and the need to focus on functional economic areas (FEAs) rather than local authority boundaries. The Chair had reported back on City Deals to the LGA Executive the previous week.</p> <p>Miatta thanked the Board for the invite. She outlined the City Deal principles, highlighting the need for change in local leadership and economic drive and therefore the need to empower local areas with resources and tools and encourage innovation. The deals comprise sets of asks and offers between local authorities and central government and are bespoke to the local area. Once signed, the deals are binding - local and central government must action their part of the deal.</p> <p>Wave 2 will focus on functional geographies and on big cross-cutting issues, where work can be done deeper rather than broader. This will be complemented by a core package of devolved powers. Selection of the areas will be competition-driven by locally set standards around ambition, governance arrangements and private sector engagement. They will likely focus on urban conurbations, though the LGA's push for other areas to be considered has been recognised. She said there is thinking on how another process could run alongside City Deals for these non-city areas. Miatta understood the challenge from local government for Whitehall to change cultures and relationships but highlighted that there is appetite for the deals from ministers. The message that 'local knows best' is gaining traction in Whitehall.</p> <p>The Chair thanked Miatta and added that a combined authority governance arrangement for the planning and delivery of City Deals, such as the Leeds City Deal, could be helpful to other areas as a vehicle for overcoming local tensions or difficulties.</p> <p>Members discussed a range of issues including boundaries, "county deals" and innovative governance arrangements.</p> <p>Miatta accepted the points made by the Board and said that the messages would be fed back to the government. Responding to the questions, Miatta said that the message on including non-city areas had been received loud and clear from the LGA and that there was potential for another process along-side City Deals for these areas. The starting point had been cities. Miatta expected conversations about deals in other areas to happen outside of the Cities Unit. She understood the</p>	

need for varied approaches and said that there is no set model, the emphasis rather is on the standard of the offers.

The Chair thanked Miatta and the Board for the discussions.

Decision

The Board agreed to write to the Minister for Cities, Rt Hon Greg Clarke MP, to send thanks for Miatta's presentation and to reiterate the key points and appetite for local government to deliver growth. The Minister was also identified as the lead on counties.

Action

- Officers to draft letter to Rt Hon Greg Clarke, MP.

Sarah Bull

1 Note of previous meeting

Decision

The notes of the last meeting were agreed.

2 Moving the Local Growth Campaign forward

The Chair introduced the item by commending the LGA's local leadership, local growth publication, which has been a major piece of work for the Economy and Transport Board and which has been well received. He highlighted the next tour of Town Hall Summits, for which there is still great enthusiasm from members and the business community.

Ian Hughes asked for members' comments on the priorities of the local growth campaign for the coming year.

Members were pleased to see opportunities for influencing national policy and discussed:

- ensuring conversations on rural growth at the May Board at South Lakeland DC in Cumbria.
- the importance of transport to growth and the ability of local authorities to deliver schemes cheaper than, for example, the Highways Agency and the need, therefore, for more local discretion on transport.
- the key message of aligning education with business needs and ensuring a focus on school education not only at HE/FE level.
- the need to attract foreign investment and to persuade government that local authorities can and do take on this role.
- Cllr Steward outlined a three-county approach to growth and skills in Norfolk where the private sector and LEPs are also involved in a scheme which focuses on young people's ambition.
- Cllr Clarke outlined an example where Cambridgeshire CC has bought the assets of a bank to invest in pensions and run as a fully commercial FSE-approved bank; the first local authority one. With finance underpinning economic growth, there is a need to remove barriers for local authorities to enter into the financial market.

The Chair highlighted a key message in ensuring engagement with young people happens earlier in order to nurture their ambition.

The Board agreed:

- that the local growth campaign is on the right track and agreed for officers to add messages on removing barriers for local government access to the finance market as well as a focus on school education.
- to seek a meeting with Rt Hon Patrick McLoughlin MP, the new Secretary of State for Transport as per the commitment with the former Secretary of State to discuss barriers to growth.
- to take a paper on Higher Education at the next Board.
- to move the May Board to meet alongside the Town Hall Summit at South Lakeland DC.

Action

Officers to:

- add in member comments to the Local Growth Campaign.
- arrange meeting with Rt Hon Patrick McLoughlin MP.
- add paper on Higher Education to the next Board.
- arrange the May Board to meet in Cumbria, alongside the Town Hall Summit.

**Rachael
Donaldson/Ian
Hughes
Eamon Lally
Nick Porter
Rachael
Donaldson/Virginia
Ponton**

**4
and
7**

Roads Strategy and Transport Update

Item 4 and 7 were taken together.

Eamon Lally introduced the paper, with the importance of discussing the role of local government in road strategy and the future of the Highways Agency. He proposed that there is some advantage to integrating the national and local road networks to improve local community outcomes and asked for members' views on this.

Members discussed:

- how to respond to the government's expectation, which runs counter to much expert opinion, that the strategic network usage will rise by 40 per cent in the next 20 years.
- a lack of appreciation by Network Rail that national and intercity networks do include commuter traffic.
- the lack of communication and linking between areas within DfT, for example between roads and rail. There should be a focus on an integrated network with integration across modes of transport as well as other related departments such as Health.
- local government can develop and deliver transport for growth but the national structure must enable this.
- the importance of future funding and charging mechanisms for roads, as electric and hybrid cars create a decline in fuel income
- the need for clear income streams, so that road charges, for example are reinvested into roads.
- TMS powers in Wales.
- Cllr Clarke gave an example of Cambridgeshire CC working closely with the DfT using local knowledge on a project, which officers can capture as a case study.

Eamon said that the national strategy for transport in December will not give model shift options but will provide principles for the role of transport in growth

The Chair updated members on the HS2 roundtable. The DfT Minister had responded negatively to the LGA's request for four places at the HS2 Environment Forum in order to represent the breadth of local government opinion. The LGA Chairman would be asked to restate our request to DfT.

The Chair said that members support and welcome Norman Baker MP's devolution of funding for local major schemes, but not any added bureaucracy.

Decisions

The Board agreed:

- to write to Norman Baker agreeing with devolution but not bureaucracy of local major schemes.
- to a meeting with the Vice-Chair, Cllr Tony Ball and Norman Baker MP on TMA.

Actions

Officers to:

- capture Cllr Clarke's case study on local authority and DfT engagement.
- investigate Welsh TMA powers.
- LGA Chairman to be asked to restate the request to DfT for four places at the HS2 Environment Forum.
- draft letter to Norman Baker MP on local major schemes.
- arrange a meeting with the Vice-Chair and Norman Baker.

**Eamon Lally
and
Charles Loft**

5 Hidden Talents

The Chair commended the Hidden Talents publication and introduced the item. He added that at the LGA Executive meeting he had pushed the importance of working across Boards on this issue.

Nick Porter asked members for a steer on the next steps and ideas on the potential propositions for improving services for young people. He added that there would be a joint Lead Member meeting between the Economy and Transport Board and the Children and Young People Board on 14 November 2012.

Members discussed the following points:

- there are short- and long-term needs and community budget pilots could help in the short-term.
- careers advice is key.
- skills must align with business needs.
- it must be recognised that there is no easy fix – this issue is complex
- it is important to engage with HE and FE as well as understand that not all providers agree with this agenda.
- success must be demonstrated, collated and shared as best practice, international best practice must also be considered.

The Chair was positive in the Board's ability to demonstrate the range of good work being done on skills.

Decisions

The Board agreed for officers to write to all members for case studies on skills and share as best practice.

Actions

Officers:

- to write to members for case studies.
- to circulate the last LGA Executive notes to members.

Nick Porter
Virginia Ponton

6 Streetworks

Charles Loft introduced the item on the streetworks campaign, which focuses on quality reinstatements after road works. Officers are working with DfT on permit schemes and DCMS on broadband.

Decision

The Board agreed this lobbying campaign.

8 Appointments to Outside Bodies 2012/13

The Board agreed to appoint members to outside bodies through the Lead Members.

The Chair thanked all for attending and closed the Board meeting.

Item 3

City Deals and the Heseltine Report

Purpose of report

For discussion and direction.

Summary

The Board has some clear lobbying priorities which include the extension of City Deals to any council that has a transformational idea for growth and the devolution of transport and skills budgets to local partnerships to enhance local growth.

The announcement of a wave two of City Deals and the aspects of the Heseltine Report which called for greater economic devolution were welcomed by councils.

For the Board to influence the future direction of these policies, Emma Squire, a Head of Local Growth Strategy at the Department of Business Innovation and Skills will be attending the Board. She will be briefing the Board about the direction Government is taking in response to the Heseltine Review and early thinking on a wave three of city deals.

Recommendation

Members are asked to comment.

Action

As directed by members.

Contact officer:

Sarah Bull / Phillip Mind

Position:

Adviser / Senior Adviser

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0207 665 3872 / 3243

E-mail:

sarah.bull@local.gov.uk / philip.mind@local.gov.uk

Item 3

City Deals and the Heseltine Report

Background

1. The Board has called for a number of levers of economic growth to be devolved to help drive local growth. The extension of City Deals and the Heseltine Review offer new opportunities to help drive these objectives.
2. Emma Squire, Head of Local Growth Strategy, Department of Business, Innovation and Skills (BIS), will attend the Board to discuss how these policies could be developed in future. This report provides a summary of the current Government position and offers some issues for debate with BIS.

City Deals

Summary

3. The LGA has been pressing Government to extend City Deals to councils that have transformational ideas for growth. We have worked extensively with the Cities Unit putting this case to ministers. On 29 October, the Deputy Prime Minister announced the 20 cities which have been invited to bid for a Wave 2 City Deal. Cities and their wider areas have been invited to submit innovative and ambitious proposals around the key issue facing their area.
4. The LGA welcome this expansion of the city deal process and have offered support to the cities which have been asked to bid. The LGA hosted a successful conference on 31 October on City Deals and Local Growth. This provided councils with the opportunity to hear experiences from cities that already have deals and from central government about their hopes for the next wave.
5. The LGA also will be pressing Government for a further extension of deals, especially to county and non-urban areas. There is also a case for mainstreaming the devolved powers achieved in the early City Deals as a part of a general mainstreaming programme, making these powers available to all councils that want them to help boost growth. The Wave 2 cities will receive a “core package” of devolved powers as part of their deal. Thus the case for making this available to all councils is strong.
6. The core package is currently under discussion in Government and to influence this, the LGA are running a seminar with Centre for Cities on 19 December to discuss what an ambitious core package might contain.

Details of Wave 2 City Deals

7. Twenty areas have been asked to bid for Wave 2 of City Deals:

The Black Country (Wolverhampton)
Bournemouth
Brighton and Hove
Greater Cambridge
Coventry and Warwickshire
Hull and Humber

Item 3

Ipswich
Leicester and Leicestershire
Milton Keynes
Greater Norwich
Oxford
Reading
Plymouth
Preston and Lancashire
Southampton and Portsmouth
Southend
Stoke and Staffordshire
Sunderland and the North East
Tees Valley

8. Places have been chosen to bid based on the fact that they are the next fourteen largest cities and the next six with the highest population growth between 2001 and 2010. The areas were all asked as to how they would like to be represented in this list but the expectation is that all will engage with their wider areas.
9. Leaders across the Wave 2 cities have been asked to work together across their Functional Economic Areas (FEAs) to put forward proposals designed to unlock the full growth potential of the area.
10. Lessons learnt from Wave 1 have informed the Government's approach to Wave 2. This has led to the following approach:
 - 10.1 **Focusing on the wider economic area:** Wave 2 deals will be negotiated with groups of authorities across an FEA (cities will self define the economic geography that makes sense).
 - 10.2 **Deals will focus on one flagship proposal that addresses a big cross cutting problem:** deals will be focused on developing one innovative/transformational solution to this problem.
 - 10.3 **A guaranteed core package:** a core package will be offered to all cities that agree a deal in Wave 2, in return for a set of government asks.
 - 10.4 **Longer project timescales:** deals will be announced in November 2013. This will give more time for options development, negotiations and agreement.
 - 10.5 **Building an element of competition: no guaranteed deals – cities will need to meet 5 key tests to go forward and negotiate a deal:**
 - 10.5.1 strong governance across an FEA
 - 10.5.2 doing more with less
 - 10.5.3 private sector leverage
 - 10.5.4 strong political commitment and willingness to invest resources to get a good deal
 - 10.5.5 transformational proposals at the leading edge of our economic reform agenda.

Item 3

- 10.6 **Focusing on impact:** establish a strong expectation that cities will need to demonstrate success before they can come forward for a future round of deals. Cities will need to be clear about what outputs/outcomes they want to achieve and their process for tracking these.

Proposed timescales for Wave 2:

<u>Jan 19</u>	Prospective Wave 2 cities to submit initial proposal to Cabinet Office.
<u>Early Feb</u>	Decision on which cities will go forward for detailed negotiations.
<u>Feb to April</u>	Discussions with Cabinet Office about content of the core package.
<u>April to June</u>	Ad hoc ministerial meetings with individual cities.
<u>June to Nov</u>	Finalise city deals through detailed negotiations.

LGA programme of work:

11. There are three core areas of work that the LGA will be taking forward on City Deals:

- 11.1 **Provide bespoke support to Wave 2 councils.** An offer of support was sent out from the LGA Chief Executive to Wave 2 Chief Executives. This offer included brokering assistance with research, peer support/challenge of bids, seminars, support from Wave 1 cities and evaluation of deals.
- 11.2 **Influencing and pressing for a comprehensive core package to be offered to Wave 2 Deals and ensuring that this is devolved to more councils.** We will be commissioning a paper to challenge thinking about what an ambitious core package might contain and hold a seminar for councils to discuss the core package.
- 11.3 **Continue to press BIS and DCLG for more deals, principally regarding counties.**

12. For discussion at the Board, Members may wish to consider:

- 12.1 Issues they would like to raise with BIS on promoting local growth possibly including what they would like to see coming from discussions with BIS and DCLG regarding counties?
- 12.2 What an ambitious core package might look like and how much access to a core package might negate the need for separate deals?
- 12.3 Any concerns or questions about the Wave 2 programme.

Item 3

Heseltine Review – “No Stone unturned in pursuit of Growth”

Summary

13. Lord Heseltine was commissioned by the Prime Minister to review UK competitiveness. The LGA worked extensively with his review team to plant ideas about greater devolution, especially more City Deals and greater devolution in skills and transport policy.
14. On 31 October Lord Heseltine published a series of proposals for economic growth which calls on Government to pool £50 billion of Whitehall money into a single pot so that it can be bid for by “city states” and regions. In the report, he advocates a network of local enterprise partnerships becoming the engines of local planning and growth. Members of the Economy and Transport Board were invited to the launch in Birmingham and a number were able to attend.
15. The main issue now is understanding how Government will respond to the Review. This issue will be addressed by Emma Squire.

The Report

16. The report makes 89 recommendations, including an overall theme of Localism and decentralisation from Whitehall. The report also promotes the idea of bringing money from different Whitehall departments into a single pot to fund skills, transport and support for small and medium enterprises (SMEs). **Appendix A** sets out the LGA’s formal response to the recommendations regarding local government interests.
17. In summary, Lord Heseltine set out a number of recommendations aimed at providing a stable yet flexible architecture for promoting growth in the UK. These include:
 - 17.1 A Prime Minister led National Growth Council to ensure that all parts of government play their part to support growth and with an independent secretariat to ensure its conclusions are implemented.
 - 17.2 A very significant devolution of funding from central government to Local Economic Partnerships (LEPs) so that government investment in economic development is tailored directly to the individual challenge and opportunities of our communities and can be augmented by private sector investment.
 - 17.3 A clear statement by government of its priorities to guide LEPs in preparation of strategic plans for their local economies.
 - 17.4 For central government, a clear policy for each sector of the economy conceived in conjunction with industry and academia.

LGA key messages

18. The formal LGA response is **attached** at **Appendix A** to this report. In summary, the press statement released by the LGA Chairman was:
19. Lord Heseltine is absolutely right to champion the role of local areas in delivering growth. This report provides clear evidence that giving local areas more power and funding to nurture business opportunities is absolutely essential to national economic recovery.

Item 3

20. *"The coalition has ruled out top-down structural reform of local government, so the issue is a moot point. The more urgent priority for councils is helping local businesses to drive growth and create jobs, and the report proposes a number of helpful measures. As well as empowering local areas, it is important that central government agencies also do their bit to promote growth.*
21. *"We endorse Lord Heseltine's idea of bringing money from different Whitehall departments into a single pot to fund skills, transport and support for SMEs. Local economies are complex and national funding streams are not always as coordinated, flexible and responsive as we need them to be in order to get projects off the ground in good time.*
22. *"It is important that Whitehall hands responsibility for administering any money to sub-regional areas so that it can be awarded based on local needs, rather than an inflexible set of national criteria. This will help avoid creating perverse outcomes, such as the shocking skills mismatch in this country which, among other things, last year saw fewer than 40,000 people trained to fill around 72,000 new jobs in the building and engineering trades.*
23. *"It is pleasing to see an acknowledgement that there are variations in the economic potential of different regions. It is important that all areas benefit from national economic recovery and that those places with less potential for short-term growth are not left behind."*

Discussion with BIS

24. As set out above, the key issue now is the delivery of the Government's response to Lord Heseltine. Key issues which members may wish to raise are:
- 24.1 The positive aspects of the review, for example the proposal to devolve skills, transport and other budgets to the local level.
 - 24.2 The concern expressed by councils about the competition for funds and the structural reorganisation proposed by Lord Heseltine.

LGA On the Day Briefing Heseltine Review- “No Stone Unturned in Pursuit of Growth”

31 October 2012



Lord Heseltine has today published a series of radical proposals for economic growth which calls on Government to pool £50 billion of Whitehall money into a single pot so that it can be bid for by “city states” and regions. In the report he advocates a network of local enterprise partnerships becoming the engines of local planning and growth.

LGA Key Messages

- Lord Heseltine supports the LGA view that we need a more place based approach to growth and states that too many decisions are taken in Whitehall.
- He says that *“local leaders are best placed to understand the opportunities and obstacles to growth in their communities. Policies that are devised locally holistically and locally, and which are tailored to local circumstances, are much more likely to increase the economy’s capacity for growth”*.
- Lord Heseltine suggests that the government should encourage two-tier areas to move towards unitary status. The Coalition has ruled out top-down structural reform of local government and the LGA supports that position, so the issue is a moot point.
- The urgent priority for councils is helping local businesses to drive growth and create jobs, and the report proposes a number of helpful measures.
- We welcome recommendations devolving to local partnerships control of the budgets for vocational skills, apprenticeships and for reengaging young people. The LGA has made the case that the mismatches between training provision and employers’ skills needs mean that we need more local decision-making over vocational skills budgets. Our Hidden Talents work has promoted a single pooled budget to tackle the problem of NEETs – the current system is fragmented.
- We welcome the proposal to bring the budgets that promote local growth into a single, un-ringfenced pot. We disagree however that this pot can be allocated effectively through a competitive process – government departments lack the local knowledge to judge competing local bids.

Briefing

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- There is, however, criticism of the complexity of local government, labelling it as “inefficient” and claiming out that the boundaries of English local authorities bear no relation to “functional economic areas”. Local Government is the most efficient part of the public sector, and there are numerous examples of cross boundary working furthering economic growth.
- The Government should lift restrictions on local authority borrowing for housing, freeing councils to build new affordable homes and kick-start job-creating infrastructure projects.

The Report

The report makes 89 recommendations, including an overall theme of Localism, and decentralisation from Whitehall. The report also promotes the idea of bringing money from different Whitehall departments into a single pot to fund skills, transport and support for SMEs.

The recommendations and our responses are as follows:

Chapter 2: Localism – building on our strengths

- (1) Central government should identify the budgets administered by different departments which support growth. These should be brought together into a single funding pot for local areas, without internal ring fences.

LGA response: we support the devolution of the budgets that support growth to local areas and local decision-making about how they are used.

- (2) Local partnerships should bid for the funds from central government on a competitive basis. Bids should be for a minimum of five years starting from 2015/16

LGA response: formula allocation of funds to places will be faster and more effective than competitive bidding. Whitehall lacks the local knowledge to compare competing bids from different places.

- (3) Government should streamline its management of EU Common Strategic Framework funds in England, strip out the bureaucracy of multiple programmes and align local allocations from the four funds with the single funding pot.

LGA response: We welcome the emphasis on integrating and locally allocating EU funds. We have consistently called for greater integration of EU funds, so for instance people are trained by ESF to take jobs created by ERDF, and with existing budgets seeking similar objectives. Local partnerships can do more - they should have the levers to commission, shape and monitor spending according to the local investment plans, and to manage joint local programmes.

- (4) Taking full account of the Government's national growth strategy, all LEPs, in collaboration with local stakeholders, should lead the development of a long term strategy and business plan for their area that will be used to bid for economic growth funds from central government.

LGA response: local partners should determine the best way to develop the long-term economic strategy for a place.

- (5) The Government should allocate LEPs up to £250,000 of new public funding, resourced through departmental efficiency savings and underspends, in each of the years 2013/14 and 2014/15 specifically to devise their local economic strategies, and create the foundations for their implementation.

LGA response: government recently agreed in September core funding for LEPs of £25 million. It is not clear if Lord Heseltine took this into account in making his recommendation, but the extra funding is welcome.

- (6) The Government should invite LEPs to review their boundaries within a three month period to ensure they have a good match with their functional economic market area and that they do not overlap.

LGA response: defining functional economic geographies is not an exact science. Some councils on the boundaries of local enterprise partnerships with strong economic links to more than one area, chose to be in more than one LEP area. If this arrangement works locally, we see no reason to review it. Local Authorities are best placed to determine what works locally.

- (7) In the light of the new role and vision for LEPs, each LEP should ensure that their board has the necessary skills and expertise to deliver their expanded functions and pay particular attention to the representation of employees from both the private and public sector.

LGA response: we support strong LEP governance.

- (8) At the earliest opportunity civil servants based across the country should be brigaded into Local Growth Teams, structured around clusters of LEPs, primarily tasked with joining up government and local partners in the areas of their responsibilities to facilitate, identify and realise economic opportunities.

LGA response: we support a joined up conversation between places and government on economic issues. Any new arrangements must recognise and support local governance of economic decisions, and all government departments and agencies should be signed up to the growth agenda.

- (9) Ministers and permanent secretaries should be associated with individual LEPs, not to advocate individual plans but to add an understanding of place to the existing culture of function.

LGA response: we support the general thrust of the recommendation to build stronger links between Whitehall and places.

- (10) Local authorities should have an overarching legal duty to have regard to economic development in the exercise of all their activities and functions. Where local authorities share a functional economic market area they should be required to collaborate on economic development.

LGA response: a new duty is unnecessary. Local authorities already prioritise growth and work across boundaries to do so.

- (11) All two-tier English local authorities outside London should pursue a path towards unitary status. The Government should encourage this and work with authorities to clarify the process and enable it to happen.

LGA response: The Coalition has ruled out top-down structural reform of local government, so the issue is a moot point. The more urgent priority for councils is helping local businesses to drive growth and create jobs, and the report proposes a number of helpful measures.

- (12) Proposals for formal collaboration between local authorities that reinforce the standing of the LEP and enhance the partnership with the private sector across a functional economic market area, should be encouraged and prioritised for government approval. All proposals to move to unitary or combined authority models should be scrutinised by the Prime Minister's Growth Council.

LGA response: The way in which authorities come together should be a matter for local decision and it is possible that there could be good reasons to depart from LEP boundaries.

- (13) The government should remove all legislative barriers that are preventing local authorities from collaborating with functional economic market areas, including moving to unitary status.

LGA response: see response to (11)

- (14) Local authority council members should be elected using the same electoral cycle across England where the whole council is elected at the same time every four years.

LGA response: Local government elections should be about local issues and not distorted into a national pattern to create some artificial English echo of American mid-term elections. Under the Local Government and Public Involvement in Health Act 2007, district councils already have the power to change to a four-yearly, whole-council election should they choose to do so. It would not be right for central government to compel councils to adopt one model over another, where local people have not

expressed a view.

- (15) Legislation should be passed to enable combined local authorities and other combinations of authorities that wish to elect a conurbation mayor to do so.

LGA response: Local authorities should indeed be free to determine their own governance arrangements driven by local democracy, without central government interference. If the changes councils wish to make require legislation, Parliament should certainly not refuse to pass it.

Chapter 4 - Government and Growth

- (41) The Department for Business, Innovation and Skills and the Technology Strategy Board must set out a clear statement explaining how they and other government agencies will work with LEPs and the devolved administrations to better connect national strategy with local initiative.

LGA response: The LGA are meeting with the TSB in the next couple of weeks and will include this as part of our discussions.

- (45- 52) Focus on regulation:

LGA response: Local regulatory services in councils recognise their important role in creating a nurturing environment for well-run businesses to thrive whilst protecting vulnerable people and have long been at the forefront of risk based, intelligence led and proportionate regulation. However, it is right that we continue to examine what more can be done to create a flexible and cost effective system that focuses regulation on those that fail to comply with the law and therefore will be examining the Heseltine recommendations in detail.

LGA overall view on planning - it is not the barrier to growth and government should to focus on measures to stimulate demand and tackle affordability which are the key barriers to bringing forward much needed housing. The planning reforms put in place over the last 18 months are significant and need time to bed in and make a difference. Further reform to planning will add uncertainty for councils, communities and business.

- (55) The planning inspectorate should be given powers to investigate planning decisions proactively. The Government should also consider on a rolling basis all the possible options to inject urgency and purpose into the planning system.

LGA response:

- Local authorities are saying 'yes' to development and the number of acceptances have hit a ten year high.
- Of those decisions referred to the planning inspector in two thirds of cases the inspector agrees with the original decision made by the council. A measure to extend the role of the inspectorate to

proactively override local decision making is not only centralising but disproportionate.

- (56) The government should consider the effectiveness of local Development orders and extend their use after consultation with affected parties to establish best practice.

LGA response:

- Councils tell us that the tools that they have to restrict or relax permitted development (Article 4 directions and Local Development Orders) are often difficult to use, costly and time consuming.
- A national approach to permitted development and changes of use will inevitably lead to unintended consequences and adverse impacts in different locality. Encouraging investment of a particular type by relaxing permitted development rights or encouraging change of use may be right for one area and not for another. The current system allows central government to set out permitted development rights and provides local authorities limited tools to amend this. However these tools are cumbersome and expensive and as a result are not well used. The LGA will be seeking flexibilities through the Growth and Infrastructure Bill to provide local authorities with powers to set out permitted development rights locally – subject of course to consultation and a local impact assessment^[1].

- (57) The government should consider using Special Development orders to speed up specific planning decisions of strategic significance.

LGA response:

- Planning decisions of larger than local significance are one of the most important decisions a local authority must make and work collaboratively with partners on through the duty to cooperate. Applications of national importance are also dealt with nationally through the National Infrastructure Regime.
- It is not clear whether this recommendation is seeking to remove decisions about key strategic issues such as the provision of housing and waste facilities from the local level through the increased use of special development orders. This would remove the ability for local decision making as decisions would now be taken by the Secretary of State. Viewed against the measures in the Growth and Infrastructure bill to increase the scope of the definition of nationally significant infrastructure and removing decision making on planning decisions from some local authorities this recommendation contributes to the significant shift towards centralism taking place across planning.

- (58) The Government Property unit should work with local authorities to identify and publish details of all surplus and derelict public land

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on the PMS database so that LEPS and local authorities can collaborate to bring this land back into reuse in support of the local economic strategy.

LGA response:

- Seventy-five per cent of respondents to a recent LGA survey said that their council released its own land for housing development over the last five years and almost ninety per cent said that their council planned to release its own land for housing development over the next five years
- Local authorities are proactively using their land and assets to bring forward development; this measure proposes a national data base which is unnecessary and costly given that land release and joint working is already taking place.
- We would like to see government departments and agencies working proactively with councils on land and asset release programmes to ensure most effective use of the public sector estate.

Chapter 5- Private Sector – broadening the capacity for excellence

- (65) Local authorities should publish the list of all businesses paying non-domestic business rates so that chambers and other business representative bodies can identify businesses in their area more reliably, and seek to draw them into the local business support infrastructure. There should be exceptions for businesses where the identification of business premises could give rise to security concerns.

LGA response: Councils could publish non domestic business rate information if they felt it would as part of their growth strategy help to deliver greater business involvement in local decision making. BIS have been looking at models in France and Germany where chambers of commerce have very large membership and thus their role in decision making is greater because of the number of businesses they are representing. It is felt by opening up details of businesses in the local area this will help business organisations to increase membership and impact on local decision making.

However there are a number of issues specifically around the current data set that will need to be addressed for this to happen and the case for doing this will need to be articulated given the potential costs to councils for setting up and maintaining information for public use.

- (70) The development of leadership and management skills should be integrated where appropriate into the education and skills system at every level from schools through to higher education and vocational skills training. We need to see individuals having opportunities to develop their leadership and management capabilities earlier on in their working lives alongside the development of technical or academic competencies.

LGA response: We are starting a programme of work with Universities UK to explore how graduates can be better prepared for the world of work.

Chapter 6 - Education and Skills – the foundation for growth and prosperity

Education:

74. All failing schools should be subject to the intervention process forthwith. There should be a clear timetable within which an improvement strategy for each school is agreed, with the education authorities using their powers to intervene if the head teacher and governors fail to act. If local authorities delay, central government should intervene.

75. The regional directors being appointed to lead Ofsted's new regional structure should be given formal powers to act swiftly where they identify problems in local schools.

76. Business engagement should be incorporated far deeper into the school curriculum in order to develop young people's understanding of business, increase their employability, and further their understanding of career and future training options and where they might lead. LEPs should consider how they engage with local schools and work with chambers to facilitate this.

77. The bureaucracy and paper work around work experience and work placements must be streamlined. DfE must be clear about what is absolutely necessary. Government must then ensure the removal of all regulations and requirements that place unnecessary burdens on employers, schools and colleges.

78. All boards of governors in secondary schools should include two influential local employers, at least one of whom should have good connections with the wider business community. This could be coordinated by the local chambers of commerce.

79. Local authorities should publish the Destination Measures for all secondary schools in their areas alongside academic attainment so that parents can make better informed choices, and to incentivise schools to give a higher priority to developing the employability of their leavers.

LGA response: Councils have an absolutely central role in meeting the challenges of improving education and training to support growth. They have a statutory duty to promote educational excellence in their areas and a central role in challenging and supporting schools that are underperforming, as well as related to admissions, sufficiency of school places, raising the participation age. As well as these wide-ranging formal statutory powers councils also have a democratic mandate to promote and protect the interests of local children, young people and their families. As directly elected representatives of their local communities, councillors will always have an interest in improving the outcomes for local families. So

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making sure that the children and young people in their areas have fair access to a good local school is always going to be near the top of every council's agenda.

The LGA is calling on the Government to give the responsibility for decisions on funding, improvement and intervention back to councils once an area has reached a point where more than half its secondary schools are academies. It is concerned that without local intervention poor performance will not be spotted early enough and educational standards may slip. At the moment, when a school becomes an academy, responsibility for performance transfers to the Department for Education. There are currently 2,373 academies, which are funded and overseen by central government. In 86 local authority areas, 50 per cent or more of the secondary schools are, or are in the process of becoming, academies. Council leaders are concerned that, as the number of academies grows, it will become impossible for the performance of such a large number of schools to be monitored from the centre. They fear that without local oversight, standards in schools may fall.

The LGA believes that the existence of the Education Funding Agency (EFA), (a centralised body) which is responsible for the funding of academies, duplicates work already being carried out by councils for the schools they maintain, creating a needless cost to the taxpayer. The LGA is calling for the functions of the EFA to be devolved to councils in areas where more than half of secondary schools are academies.

(80-83) Lord Heseltine recommends local control over skills and NEETs.

LGA response: We welcome recommendations devolving to local partnerships greater leverage over skills, apprenticeships and for reengaging young people. The centralised funding formula for skills and apprenticeship provision has presented an enduring barrier to local growth efforts.

(80) The existing budget lines for adult careers advice should be included in the single funding pot. Each LEP as part of its local economic plan, should consider how careers advice is best provided in its areas to meet the needs of both the adult population and the requirement under the Education Act 2011 for careers advice in schools.

LGA response: We would support the devolution of budget, alongside some aspects of adult careers advice that can be provided online. For children, councils have supported schools to take on their new duty to provide careers guidance to all their pupils, and it will be important in ensuring all young people are supported at pivotal stages to make decisions on future learning routes. The recommendation is welcome. The current national careers model has in itself become complex – new duty on schools, new National Careers Service etc.

(81) The Budget for vocational training for learners aged 19 and over and all funding currently set aside for apprenticeships for those aged 16 and over should be devolved to local areas through the

single funding pot described in chapter 2. This therefore calls into question the continuation of the Skills Funding Agency. Each LEP should incorporate skills need within their local economic plans driven by the needs of local employers and the practical experience of FE colleges.

LGA response: We agree that post 19 and all vocational training should be devolved to local partnerships in line with the needs of employers in labour markets. Councils have a legal responsibility for Raising of the Participation Age, so we welcome proposals for 16 – 18 year old further education providers to have to agree provision locally, but for this to be effective they need to have real levers over commissioning, and monitoring provider performance against these priorities will be important.

(83) Action to address NEETS is best taken at the local level. Resources to tackle the problem should therefore be available from the single pot. Youth unemployment will not be a problem or a priority for action in every areas, but where it is, LEPs working with local authorities, employers and other local partners should develop proposal for reducing NEET numbers as for of their local economic plans.

LGA response: We welcome acknowledgement that NEETs are best supported at local level, and that the single pot should support this. NEETs, particularly those furthest from work and learning, tend to have a complex array of personal circumstances driving disengagement and it is right that all programmes seeking to reengage them are devolved to local partnerships, which can tailor provision to improve the outcomes of national provision, such as the Work Programme. The Youth Contract and other reintegration support for young disengaged 16 and 17 year olds would be far more effective and responsive if locally commissioned, in line with the recommendations, rather than nationally commissioned by the Education Funding Agency.

Item 4

Transport Update

Purpose of report

For discussion and direction.

Summary

This paper provides early warning on the Department for Transport's (DfT) development of a National Transport Statement, a Roads Strategy and a feasibility study into future institutional arrangements for the strategic highways operator. It sets out a draft position statement in **Appendix A** for consideration. The paper also reflects on the increased use of bus partnerships and asks how the LGA can support the dissemination of good practice on partnerships and support authorities that are still seeking franchising as an option for managing bus services locally. Finally the paper provides brief updates on the Traffic Management Act Part 6 and Streetworks.

Recommendation

Members are asked to:

1. consider and agree a final version of the position statement on Local Authorities and the Strategic Roads Network, which is set out in **Appendix A**.
2. consider the increased use of partnerships to achieve bus service improvement, and their promotion by government.
3. consider how the LGA can support the dissemination of good practice on partnerships and support authorities that are still seeking franchising as an option for managing bus services locally.
4. note the continuing work on the Traffic Management Act Part 6 and Streetworks.

Action

Officers to take actions as directed.

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Item 4

Transport Update

National Transport Statement, Roads Strategy and Feasibility Study

1. As discussed at previous Board meetings, the Department of Transport (DfT) is preparing a national transport statement and a roads strategy and is set to produce these before the end of the year. A feasibility study looking at the future institutional arrangements needed to increase roads infrastructure investment has also been prepared.

National Statement

2. The National Transport Statement is expected to be a very high level document that will set out the broad principles that will shape transport policy over the next spending review and beyond. Growth is likely to feature as a very prominent priority for transport as is the user experience, which is in line with the LGA's position. It is not clear however, whether it will go further and say how this might be achieved. There is unlikely to be a strong statement on investment priorities over the longer term. Currently the DfT does not intend to consult on the statement. The intention is to publish without consultation before the end of the year.
3. The LGA pushed for and was successful in getting access at an early stage to the process of developing the National Transport Statement. We brought technical experts from the sector together to advise the DfT. The key message was that the DfT, in developing the statement, must engage across Whitehall to make the links with desired health, employment, environment and business outcomes. Transport is facilitative rather than an outcome in itself and the National Transport Statement needs to reflect this.

Roads Strategy

4. The development of the roads strategy and feasibility study provides an opportunity for local government to consider and press for a more localised approach to investment in the whole network (both strategic and local).
5. The roads strategy will be more substantial than the National Transport Statement. It will reflect on future trends & pressures on the network and set out how investment and technology can resolve problems and unlock growth. The strategy will take a route based approach which has the potential to see greater local authority involvement in decision-making on the strategic network.
6. The route based approach is currently being piloted on three routes: the A1 west of Newcastle; the M62 between Leeds and Manchester; and the A12 (between M25 and A14 and including the A120 Colchester to Harwich). The choice of pilots is to provide a range of different issues, road types and governance arrangements.
7. The roads strategy is likely to try and marry a range of outcomes including achieving a reliable higher quality national network which is run efficiently is safer, greener and meets

Item 4

user needs. The strategy is also likely to include a performance framework for the network manager and outline a long-term investment plan.

8. The feasibility study's prime intention is to identify the best model for increasing investment in the road infrastructure, recognising the constraints on public finances. The Prime Minister has spoken about the utilities model, particularly water, as a possible model for highways management and this has been picked up and championed by the CBI in its recent report.
9. In developing the roads strategy and future institutional models for the network operator, it is important that local government takes a central role. It is key that:
 - 9.1. local authorities should have a primary role in decision-making on the Strategic Roads Network (SRN)
 - 9.2. decisions on investment on the SRN and the local roads network should be taken together
 - 9.3. a route based and partnership approach to addressing problems is essential, but the governance should be centred locally.
10. A position statement on the role of local authorities is set out in **Appendix A**. We have worked with the sector in developing the statement on local authorities and the strategic roads network. We have met with officials and pressed our view and there is recognition within the DfT that local authorities have an important role to play in the governance of the SRN. This is a policy area that is developing quickly and we have recognised the need to be proactive in advance of any formal consultation.

Bus Partnerships

11. Following successful lobbying by the LGA, the DfT is devolving a substantial proportion of the Bus Service Operators Grant (BSOG), around 60 per cent, to local authorities. This money has previously been used as a fuel subsidy for bus operators. Giving the money instead to local authorities will mean that it can be used more strategically to benefit the needs of communities. The money devolved to local authorities will consist of all BSOG that is currently paid to services tendered by local authorities and for all services that operate within the new Better Bus Areas (BBAs). In line with these developments the government has been pushing partnerships between local authorities and bus operators as the best approach to achieving better outcomes, including increased bus patronage and increases in the quality of services. Board members have asked that partnership arrangements be explored and the following paragraphs begin that process.
12. In the foreword to the DfT's *'Green Light for Better Buses'* Norman Baker MP noted that bus partnerships were making a difference "up and down the country". He went on to say: "We're doing everything we can to make the environment more conducive to these types of collaboration. Whether it's improving the regulatory environment, making more money available at a local level or ensuring local people have more power to make local decisions about transport in their area".

Item 4

13. Voluntary and statutory bus partnerships are both recognised in the 2000 and 2008 Transport Acts as legitimate mechanisms for improving bus patronage and quality of provision. And there are currently a range of examples of both voluntary and statutory partnerships in existence. Some of these cover single routes and some cover broader geographic areas.
14. The introduction of the BBA initiative provides further incentives for partnerships, in the form of top-up funding, equivalent to about an additional 30 per cent of the regular BSOG payment in a given area. Local authorities in BBA areas will receive all relevant BSOG funds, which are currently paid to operators.
15. Nottingham is an example where voluntary and statutory partnerships are in operation for some time. There are eight bus operators in Nottingham, all under local ownership. The City Council has progressed a substantive scheme of joint improvement works with these operators over the past 15 years, under voluntary Bus Quality Partnership approach. This agreed approach focuses on action rather than detailed formal prescriptive processes. However, there is tightly focussed joint delivery and careful monitoring to quantify progress and prioritise future investment. There is also a formal statutory bus quality partnership covering the whole of the city centre. This aims to set given standards on exhaust emissions, vehicle quality, accessibility and management, together with ticketing and infrastructure. This has ensured that bus services are planned into all parts of the growing city centre and fully integrated into key developments.
16. Other areas with a history of bus partnerships include Norfolk (Norwich), Cheshire, Hertfordshire (St Albans), Greater Manchester, Sheffield and South Tyneside.
17. Sheffield is a pilot for the new BBA initiative. The Sheffield Bus Partnership comprises South Yorkshire Passenger Transport Executive, Sheffield City Council, First Group, Stagecoach, TM Travel and Sheffield Community Transport. The partnership aims to deliver a simpler bus network, co-ordinated timetables, a new range of tickets which you can use on any bus or tram in Sheffield, more services on many routes, fewer changes to timetables and more buses with low-floor access.
18. The LGA has a long held position that franchising (the suspension of deregulation) should be available to those authorities that believe it is the best approach to managing their local bus networks. The LGA has pursued this aim with government over a number of years. In our recent work with authorities as demonstration projects for devolution it is clear that there is still an appetite for some form of franchising by local authorities. The current method for achieving this is Quality Contracts (QC). Although this option has been available since 2000, no QC has been established. An opportunity to develop a new franchising approach was lost when the Competition Commission ruled in favour of on street competition rather than competition through franchising. Further, the decision to rule out top-up funding for QC as part of the BBA initiative is a further blow to franchising. West Yorkshire is currently pursuing the QC approach and if it is successful it will be the first in the county.
19. Buses are very important to our economy. One billion bus passenger journeys annually are taken by people to their work place. 50 per cent of students are reliant on buses to get them to school and college. Local authorities have a vested interest in seeing bus

Item 4

networks succeed and the LGA can support them to achieve this locally by gathering and disseminating good practice on partnership working and by continuing to press for franchising where local authorities wish to pursue this option. An update on bus statistics is set out in **Appendix B.**

Traffic Management Act Part 6

20. Enforcement of moving traffic regulations is a key to improving transport's contribution to growth, particularly in urban areas. Following recent correspondence between the Board and Norman Baker MP, the Minister hosted a meeting attended by Cllr Tony Ball from the LGA and representatives from Sheffield and Nottingham Councils who have both sought the implementation of Traffic Management Act (TMA) part 6 through their city deals. The Minister asked the two councils to prepare statements setting out the reasons why the implementation of TMA Part 6 was necessary in those cities and is seeking responses by December. The LGA is working with Sheffield and Nottingham, supported by TAG, to ensure that the best case is submitted. The Minister made it clear both in his letter to the Board and in the meeting with the two authorities that this would ultimately be a political decision.

Streetworks

21. The LGA has commissioned a survey of local high street retail businesses with a view to understanding the impact of utility works on their businesses. The survey is now complete and the findings are being analysed. The report into the impact on businesses will be launched on 12 December 2012 at an event in the House of Commons. All members of the Economy and Transport Board have been invited to attend the launch.

Conclusion and next steps

22. Once agreed, the position statement will be used in discussions with DfT on the future institutional arrangements for route based strategies and future institutional reform.

Local Government and the Strategic Roads Network – A Draft Position paper

The purpose of this paper

1. The Government has said that it wants increased investment in roads and the development of new funding streams for that investment and new structures to deliver it. This intention was stated by the Prime Minister in March and restated by the Secretary of State at the Conservative Party Conference.
2. To this end, DfT is already working on two related projects: a roads strategy and a Feasibility Study, looking at the ownership and financing of the strategic roads network (SRN) with a view to achieving a step change in investment.
3. The outcomes of the roads strategy and feasibility study will have significant implications for local government. They represent a once-in-a-generation opportunity to influence one of the most significant shapers of place. The state of our roads (both the 2 per cent that is trunk roads and the 98% that are local roads) has a major impact not only on local economies but on the quality of life, the desirability and the health of our cities towns and villages. If we fail to take this opportunity, vital decisions with significant local implications may be taken out of our hands.
4. A key question therefore is how we can secure greater local government influence over road infrastructure investment in the short and medium term through route based strategies and into the long-term through institutional reform (as determined through the feasibility study).
5. The government has pledged that in developing its road strategy it will institute a route-based approach that will “support a much greater local and regional stakeholder involvement in planning for the network and help to inform our investment decisions for the next spending review”.
6. There are three major issues that Local Government must influence:
 - 6.1. How a bottom up approach/local engagement in a route based roads model might work
 - 6.2. The future institutional structure to manage road investment
 - 6.3. Future funding mechanisms for roads
7. Engagement in the route-based approach is the key issue for local government. If the structure for engagement is the right one it will enable locally accountable politicians to influence the process of identifying and solving problems in the transport infrastructure. Issues of finance and structure are only relevant to local government in as much as they facilitate or frustrate this outcome.

The Government's proposals

The Roads Strategy

8. The roads strategy seeks to accommodate an anticipated 44 per cent increase in traffic on the strategic network by 2035 (compared to 2010). These projections run counter to expert opinion and may be reduced, not least because it is hard to see how the local roads network (LRN) could accommodate the extra traffic involved. The strategy but will focus on a small number of high level messages to set a framework for the future (rather than a specific set of investment projects).
9. The 2006 Eddington Report established that the strategic network connects the right places via the right routes and does not need significant alteration but there are parts of the network which appear not to be working – pinch points.
10. New road infrastructure proposals within this framework are presently likely to focus on these problem areas on the interurban network and, in addition, a limited number of new routes designed to take account of changes in economy and populations since the roads programme was first devised (the most obvious example being better roads to some ports). DfT is keen to avoid environmental controversy and sees an opportunity to do so by arguing that vehicles will become more CO₂-efficient in future and that roads can be environmentally positive, reducing congestion and by-passing villages, and using less environmentally intrusive routes for example the Hindhead tunnel. A route-based approach is expected to be central to roads strategy.

The Feasibility study

11. Although the Feasibility Study has yet to reach firm conclusions, it is likely to recommend some form of privatisation of the SRN and options will include (without being confined to) regionalisation. In a recent report the CBI called for an approach along these lines, based on the model used for water privatisation, with investment proposals fed through a High-Level Output Specification based on the approach used in the rail industry.
12. The challenge the Government faces is that attracting private investment is seen as requiring an income stream from the motorist to the operator to provide a return on investment. This might involve paying to use specific roads, hypothecating road/petrol tax in relation to road use or road pricing related to road use (and therefore requiring some form of surveillance). None of these is politically or technologically simple. The approach to financing, the institutional models and their governance are likely to be intrinsically linked and will potentially raise significant issues for local government.
13. Any institutional change, such as the application of the utilities model to highways, is not likely to take effect, if at all, until 2018. Likewise a major change in the way roads are funded seems unlikely in the short to medium term, as the Government has ruled out charging on the existing network.

The opportunity for local government

14. **The involvement of local authorities in decisions and the provision of transport infrastructure is essential if the country is to invest successfully.**

Transport infrastructure investment is a key plank of the Government's efforts to stimulate growth and has a vital influence on the delivery of policies on health, housing and the environment. The inadequacy of our transport infrastructure is perceived to be a national problem, but it is made up of numerous individual problems each of which is a local issue, with a unique combination of causes and potential solutions. The relationship between investment in transport infrastructure, economic growth and other policies is complex and requires local oversight and expertise if best value is to be obtained.

15. **The local and the strategic roads network must be managed in concert.**

Traffic does not disappear when it leaves the strategic road network it enters the local roads network. Improving the SRN with no thought for the effect on the LRN may simply speed drivers between local jams and therefore negate the benefits of investment. There is no absolute division between the SRN and the LRN, there are only individual journeys which share most of their route, and therefore any attempt to define the SRN and address its problems in isolation from the LRN will fail.

16. **A broad route-based approach to transport problems is needed.**

An approach is required that will allow national and local policy makers to work together to take a route-based approach (or an area based approach where that is seen to be preferable) to *transport* problems rather than addressing road problems in isolation, and to address them in the context of housing provision, access to services and health issues as well as in pursuit of economic growth.

17. For example where congestion on the strategic network is caused by short-distance commuter traffic it may be that providing alternative transport solutions and improved transport efficiency (i.e. reducing the need for travel by promoting homeworking or influencing the relationship between housing and employment) for commuters is a more economic approach than building a new road. Where increased road capacity is thought to be the best solution to relieve traffic, the possibility that extra traffic, including that arising from subsequent development will negate many of the benefits needs to be properly considered and either accommodated at the design stage or averted through long-term planning and transport strategies. There is no shortage of evidence to show that previous road-building schemes have often failed to deliver promised benefits. This does not mean that road building is never an appropriate solution, but that it is one of a suite of solutions, the choice of which needs detailed consideration.

18. We must avoid simplistic assumptions about the economic case for addressing congestion. An approach which attaches monetary values to time savings when calculating business cases in a complex modelling and assessment method has been criticised by transport economists.¹ The decision to build or not build a particular piece of transport infrastructure is a political decision which can be taken

¹ Metz, David (2008) 'The Myth of Travel Time Saving', Transport Reviews, 28:3, 321 -

in pursuit of a variety of policy goals, so long as those taking the decisions are locally accountable.

19. In developing a route based approach it will not be sufficient simply to consult with local government. The governance arrangements for developing route based approaches must facilitate, as a minimum, a partnership approach between local government, the HA (and any successor) and government.

20. The tests to be applied in setting out the governance approach are that it:

20.1. allows for locally-based solutions to specific issues, informed by national and local strategies and centrally and locally held expertise

20.2. addresses transport problems rather than looking at roads in isolation

20.3. considers transport in the context of other policies rather than as an end in itself

20.4. empowers local politicians to take decisions rather than tying their hands with inflexible formulae

A model of local prioritisation and decision-making

21. **Local authorities should have a primary role in prioritising infrastructure investment.** Local authorities working together and in partnership with central government and its agencies are in a strong position to understand what is needed locally to unlock growth and meet other priorities.

22. **A partnership approach with government is essential, but it needs to be centred in the local arena.** Our preferred approach would see bodies, perhaps the emerging local transport boards, taking on this role with national (DfT) representation. The boards need not own or directly control the infrastructure but could commission work from a private operator if the government decides it wants to pursue that route. Where city deals are in place, these may provide mechanisms that could take on the role outlined above.

23. In the case of transport issues occurring across common travel to work areas or cutting across regions it is important that there are mechanisms to bring relevant LTBs and LAs together with HA (and any successor) and the DfT to tackle particular strategic issues.

24. The key feature of the structure adopted is that it must be in a position to take a route-based approach, consider all modes and other solutions to transport problems) and relate transport infrastructure decisions to other policies both locally and nationally.

25. Whatever structure is adopted as a result of the Feasibility Study, it is obvious that the economic drag imposed by road congestion cannot be addressed solely by expanding road capacity in an attempt to outstrip demand. It will be necessary to

manage demand to some extent in the future (even if that extent is no greater than at present). At its most basic, allowing providers to charge motorists for road use would incentivise providers to encourage traffic, which makes little sense if the aim of privatisation is to raise funds for enhancements designed to increase capacity. The reality will be more complex, but a fifth test may need to be added to the list above: whatever mechanism is devised to produce an income stream from motorists to road providers must not create perverse incentives that present a barrier to the management of demand.

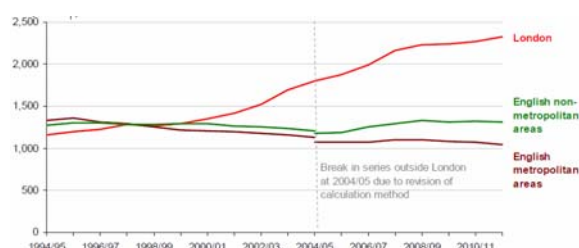
The offer to Government

- 26. Local authorities want a greater say on the decisions taken on the strategic roads network and would welcome the opportunity to develop a partnership approach with the DfT on prioritisation of infrastructure investment.**
- 27. Local government will work on a sub-regional level with central government to identify and prioritise schemes**
- 28. Local Government will work to ensure that the emerging governance arrangements (LTBs and City regions) are able to take on greater decision-making responsibilities over the Strategic Roads Network.**
- 29. Local Government will work with delivery bodies, either the HA or its successor (private or public) to ensure that road schemes are appropriate, value for money, and meet local, regional and national requirements.**

Transport Digest: Buses

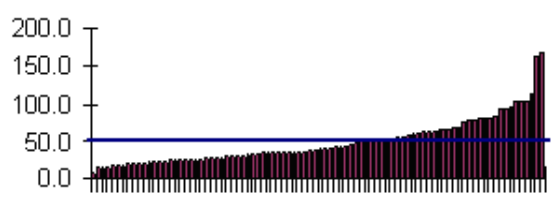
1. There were 4.7 billion bus passenger journeys in England in 2011-12.
2. Patronage has increased in London and the South East, but has declined elsewhere.
3. London accounts for half of all bus passenger journeys in England.

Fig 1 Annual Bus Passenger Journeys (millions)



4. Bus journeys per head of population vary enormously across local authorities. The average is 48.3 journeys per head of population, but the range is from 7.9 to 167.8 journeys per head of population.

Fig 2- Passenger journeys per head of population on local bus services by local authority: England, 2011/12 (excl Ldn)



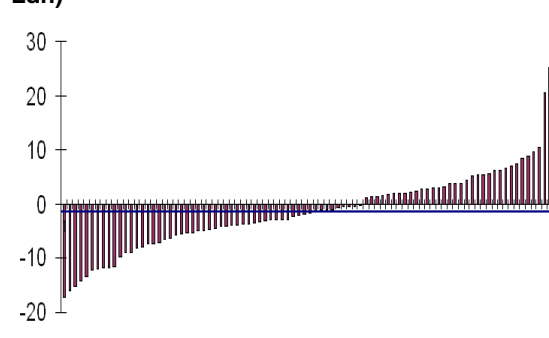
Sources:
Annual Bus Statistics, 2011/12, DfT
Concessionary Fare Statistics 2011/12, DfT
Buses and Economic growth, 2012, Green Journeys

Buses and Growth

- Bus commuters help generate £64bn of economic output every year.
- One billion bus journeys are made to places of work in the UK each year,
- People use the bus to make shopping and leisure trips with an annual value of £27.2bn.
- 1 in 10 bus commuters would be forced to look for another job if they could no longer commute by bus.
- More than 50% of students are frequent bus users and depend on the bus to get to their education or training.

5. The average change in bus journeys per head between 2009-10 and 2011-12 is -1.4%. However not all authorities have seen a decline in bus journeys.

Fig 3- % change in bus passenger journeys per head by local authority 2009/10-2011-12 (excl Ldn)



Concessionary bus travel

7. In 2011/12, there were around 9.8m older and disabled concessionary bus passes in England, with an average of 109 bus journeys per pass per year. Travel Concession Authorities (TCAs) paid £898m in 2011/12 to reimburse bus operators for concessionary journeys by older and disabled people, a fall of 2 per cent in real terms from 2010/11. 82 per cent of English TCAs' expenditure on concessionary travel in 2011/12 was on the statutory scheme.

Item 5

Higher Education

Purpose of report

For discussion and direction.

Summary

A key strand from the Board's local growth campaign in 2012 focused on the role of higher education in promoting local growth and innovation. Our discussions with member councils have identified gaps in three key areas where councils, higher education institutions (HEI's) and business can collaborate to promote and support local economic growth:

1. Through ensuring that HEIs are firmly positioned within the local ambition and strategy for growth.
2. Closer working on supporting graduates into work and raising their job prospects.
3. Supporting innovation and small and medium enterprises (SMEs).

Chris Hale, Deputy Director of Policy, Universities UK and Professor John Coyne, Vice Chancellor from University of Derby and a member of the UUK's Employability, Business and Industry Policy Network will provide a short presentation on how the HEI sector is supporting local economic growth and how it can work with councils and LEPs. Biographies for both speakers are included at the end of the paper.

Recommendations

Members are asked to:

1. agree the proposed actions to promote closer collaboration between local government and HEIs on economic growth
2. provide input to UUK's work on innovation and supporting local growth
3. provide a steer as to what output they would like to see from the April summit in Manchester.

Action

Officers to take actions as directed.

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Item 5

Higher Education

Aim

1. A key message emanating from the LGA's local growth campaign last year was that better relationships between local government, higher education institutions (HEIs) and local businesses were an important way of driving local innovation and growth. As such an initial scope for a programme of work was produced for the Local Leadership, Local Growth publication in July 2012, with the stated aim to:
 - 1.1 "promote greater collaboration between councils and local higher education institutions".
2. Independent research and discussions with member councils have identified gaps compared to international practice, for example in how effective universities are in helping to attract inward investment. In his review of business-university collaboration, Professor Wilson states:
 - 2.1 "The UK has 25 of the top 150 research universities globally and the diversity of universities in this country provides a rich supply chain of high level skills and innovation capability to companies; yet it is not apparent that UK universities are the magnet for inward investment in a manner that meets their potential. Some places, notably Cambridge, can claim such a status, but this phenomenon does not appear to have been created through strategic policy, rather through the initiative and activities of entrepreneurial individuals, supported by the civic authorities at that time."
3. This is not about starting from a zero basis – there is already some very good practice which has been highlighted through last year's town hall debates. Developments such as Catapult Centres and University Technology Centres are welcome developments. However, evidence and recommendations from a number of pieces of recent research point to three key areas, set out below, where greater collaboration between local authorities and the HE sector can better promote local economic priorities. This paper sets out how the LGA can help by establishing building a better relationship with sector leaders at the national level which could assist discussion at a local level.

Background

Being part of the solution for local economic growth

4. As part of the Government's 2011 higher education white paper, Professor Sir Tim Wilson was asked to undertake a review. This review looks at how we make the UK the best place in the world for university-industry collaboration. The independent report 'A review of business-university collaboration' was published in February 2012. It calls for universities to be at the heart of the economy, to promote growth in the UK and to improve the employability of our graduates.
5. However, his report recognises that universities choose to engage in their communities in different ways.

Item 5

6. "For example, some universities have a stronger focus on international links and world-class research, whilst others are rooted within the economy of their cities or regions, playing a central role in driving economic growth and social regeneration. Individual university missions will dictate the priorities of each university but each has an obligation to its local community as a major employer, a source of high-level skills and a centre of research and innovation."
7. Research by Universities UK has demonstrated that universities have a significant economic impact on regions. For every £1 million of university output a further £1.38 million of output is generated in other sectors of the economy (UUK 2009).
8. However, there is potential for improvement here. According to a recent report by IPPR North commissioned by Universities UK, "only 4 per cent of higher education institutions (HEIs) see their locality as being a priority of their mission and almost a third of HEIs do not see any geographical area as part of their mission. Just 12 per cent of universities see supporting community development as a main area where they make a contribution to economic development. In terms of community regeneration, about a third of universities see themselves in a leadership role within their local area."
9. Local enterprise partnerships were encouraged to have a university representative on their boards, but it was not mandatory. Of the 39 local enterprise partnerships across England 35 have higher education representation at Board level.
10. *What are members' views on how best HEIs can engage in local dialogue and action on economic growth and how best can the leadership of HE sector and LGA support local efforts?*

Graduate job prospects

11. The LGA's recent analysis "Hidden talents: a statistical review of destinations of young graduates" revealed that record numbers of university leavers are failing to find work with almost half still looking for a job three months after graduating. The report also highlighted that the number of graduates in full-time work is at its second-lowest level since 2003, with just 51 per cent in full-time employment in 2010, a sizable decline from 57 per cent in 2003. However, there is some excellent council/ university good practice in collaboration and some places are bucking the trend. The LGA is calling for all universities to work with councils so all students are offered robust careers advice in their final year – including information on job opportunities available where they choose to live.
12. *Is there any good practice that all HEIs should be adopting? How can HEIs work better with local careers service providers and businesses to maximise the opportunities to both local employers and graduates?*

Supporting innovation

13. Innovation and the ability of UK businesses to maximise the commercial outcome from innovation is recognised at the highest levels. Innovation accounts for 63 per cent of all annual labour productivity growth since 2002.
14. A small proportion of Small and Medium-sized Enterprises (SMEs) are critical to driving innovative growth. The 6 per cent of UK businesses with the highest growth rates generated half of the new jobs created by existing businesses between 2002 and 2008.

Item 5

They were far more likely to be innovative, and data shows that their innovation was a source of growth.

15. Many councils and Local Enterprise Partnerships recognise the importance of SME's as key drivers of growth and providers of jobs, and are refreshing the support available to them. It will be important that councils, private sector and universities can work together to foster SME growth through providing connectivity to local research talent and resources, and opportunities to do business locally and through international trade and investment.
16. *What more can councils, HEIs and private sector do to support the commercialising of innovation for the benefit of local communities and jobs?*

Outcomes and proposed programme of work

17. In circumstances where public finances are squeezed and resources are tight, it is vital that local public services work collaboratively to maximise opportunities for local people and businesses. The LGA would like to see a new relationship fostered between councils and higher education establishments in their collective drive for economic growth and job creation.
18. The LGA intends to do this through:
 - 18.1 Developing a constructive dialogue between LGA leaders and with Universities UK. This will include:
 - 18.1.1 a briefing document showcasing examples of collaboration between councils and HEI's and also mapping out what support is available to support close collaboration. The purpose of this will be to help all areas recognise the value of greater collaboration.
 - 18.1.2 A town hall summit on 22nd April in Manchester with The University of Manchester and Universities UK. We aim to use this event to promote the need for a good relationship between local councils and universities to highlight and promote the benefits that each can bring to the area and each other.
 - 18.1.3 Influencing national strategy for growth with local initiative. One of the recommendations of the Heseltine Review on economic growth, No Stone Unturned, is for BIS and the Technology Strategy Board (TSB) to better connect national strategy with local initiative. Having recently met at an official level, the TSB are keen to channel their resources and expertise through the LGA.
19. As well as launching a briefing/ discussion paper, members are invited to agree on what further outcomes they would like to see?
20. One suggestion would be to use the summit to demonstrate to others the LGA's commitment to work with the HEI sector by signing a statement of intent with UUK. We

Item 5

envisage that this would serve as a prompt to others to reach out to colleagues and develop a closer working relationship and recognition of HEI's role beyond that of skills.

21. Another recommendation is a letter from LGA and UUK to vice chancellors and chief executives setting out the ambition for this work.

Possible points for discussion

22. Universities UK have been invited to give a presentation and lead a discussion on greater local government and HEI working on local economic growth, and in particular to respond to the three key areas of collaboration. Members have already been invited to comment at various points in this report, however, in their discussion with UUK representatives, they may wish to explore the following issues with UUK:

- 22.1 What routes can be identified for universities to work more closely with local councils?
- 22.2 For board members with universities and other HEIs in their locality to share how well they contribute to local economic ambition? How can their power and potential be better harnessed?
- 22.3 What can councils do to encourage the involvement of universities in local growth strategies?

Recommendations

23. The objective of this work is to develop better collaboration between the LGA and higher education sector leadership, which includes Universities UK. Members are asked to:
- 23.1 agree the proposed actions to promote closer collaboration between local government and HEIs on economic growth
 - 23.2 provide input to UUK's work on innovation and supporting local growth
 - 23.3 provide a steer as to what output they would like to see from the April summit in Manchester.

Item 5

Biographies

Professor John Coyne, Vice-Chancellor, University of Derby

24. Professor John Coyne has been Vice-Chancellor of the University of Derby since 2004. An economist by original discipline, John has a wealth of experience involved with business development, small firms, management buy-outs and new business creation. He has been instrumental in leading the University of Derby to a doubling of its size over the past seven years, increasing its profile both nationally and regionally. Under John's leadership, the University of Derby has a growing reputation for high quality programmes, delivered by committed staff. It is student centred, learning led and committed to making a difference to the communities that it serves. Recognition of the work under John's leadership includes the shortlisting of the University for 'University of the Year' and in 2010 the winning of the 'Leadership Team of the Year' at the Times Higher Education awards. In 2011 John was appointed as a Commissioner to the UK Commission for Employment and Skills (UKCES). UKCES provides strategic leadership on skills and employment issues in the UK. He is also the founder and a director of Cfe Research and Consultancy Ltd, a company that specializes in the development of policy and application in the fields of enterprise, skills development, and the delivery of public services.

Chris Hale, Deputy Director of Policy, Universities UK

25. Chris Hale is the Deputy Director of Policy for Universities UK and is responsible for working with the Director of Policy in the planning, coordination and management of UUK's policy work. Chris has significant expertise in research policy and funding and leads on a number of cross-cutting projects, including efficiency in HE. Before joining UUK, Chris worked at the General Medical Council and the University of Sussex. He holds a degree from the University of Sussex and an MSc in public policy from University College London.

Growth and Infrastructure Bill and extensions to Permitted Development rights

Purpose

For discussion and direction.

Summary

This paper provides an overview of the LGA's lobbying programme on the Growth and Infrastructure Bill and sets out a proposed forward influencing programme. This paper also sets out current and planned activity to take forward LGA lobbying on the proposals to extend permitted development rights for specific householder applications.

Recommendation

Members are asked to note the report.

Action

As directed by the Board.

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Growth and Infrastructure Bill and extensions to Permitted Development rights

Part 1 Growth and Infrastructure Bill

1. The Growth and Infrastructure Bill was introduced to Parliament on 18 October 2012. The Bill contains many of the measures announced previously by the Government on 6 September 2012. The Bill had its second reading on 5 November and began committee stages in the Commons on 13 November.
2. The LGA issued an 'on the day' briefing in response to the Bill, has submitted written and oral evidence to the House of Commons Bill Committee and will be issuing further and subsequent briefings and relevant amendments for each stage of the Bill process. The LGA has also begun meeting with key stakeholders, MPs and CLG to discuss the Bill and this will continue throughout the Bill's process through Parliament.
3. Part 1 of this paper provides an overview of the LGA's positioning on the bill, key proposed amendments and a forward programme of work.
4. It should be noted that the planning and development issues are being led by the LGA Environment and Housing Board.
5. The LGA has stressed that the bill is
 - 5.1 **A missed opportunity.** This Bill presents an ideal opportunity to empower local areas to drive economic growth. Whilst measures to align the town and village green registration process with the planning system are helpful overall, the Bill will miss that opportunity. The LGA will be proposing measures to broaden the scope and increase the ambition within the bill.
 - 5.2 **Misguided.** The Bill's focus on planning is misguided and will not tackle the real barriers to growth.
 - 5.3 **A blow to democracy.** The Bill is at odds with the Government's localism programme by providing sweeping new powers for the Secretary of State to take away decision making from locally and democratically accountable councillors.
 - 5.4 **Centralising.** The Bill proposes a massive shift of resources and responsibilities from councils to the Planning Inspectorate (PINs), an unelected quango, which is likely to result in delays to planning applications and removal of local accountability, as well as significant expansion in the scale and role of the Inspectorate.
 - 5.5 **Counterproductive.** The measures to remove local choice and influence in favour of central decision-making risk seriously denting trust at the local level meaning some communities may be increasingly reluctant to accept new development in their areas. The measures will also introduce delay and unnecessary bureaucracy into the process, contrary to the aims of the legislation.

Item 6

- 5.6 **Redundant.** There are a number of clauses that will have no impact on growth.
6. The LGA has already been actively lobbying MPs, government and stakeholder organisations on the big issues for local government. We are meeting individually with key MPs and the LGA Vice Presidents from all parties.
7. The House of Commons 2nd Reading of the Growth and Infrastructure Bill took place on Monday 5 November 2012. The LGA briefed MPs in advance of the debate, resulting in widespread use of our arguments from across the chamber. This included contributions from:
- 7.1 Hilary Benn MP, Shadow Secretary of State for Communities and Local Government
 - 7.2 Joan Walley MP (Stoke on Trent North, Lab)
 - 7.3 Mary Glendon MP (North Tyneside, Lab)
 - 7.4 Annette Brooke MP (Mild Dorset and North Poole, Lib Dem, LGA Vice-President)
 - 7.5 David Ruffley (Bury St Edmunds, Con)
 - 7.6 Bill Esterson (Sefton Central, Lab)
 - 7.7 James Morris MP (Halesowen and Rowley Regis, Cons, CLG Select Committee member)
 - 7.8 Clive Betts MP (Sheffield South East, Lab, Chair of CLG Select Committee)
 - 7.9 Martin Horwood MP (Cheltenham, Lib Dem)
 - 7.10 Ian Murray MP (Edinburgh South, Lab, Shadow business minister)
8. The Bill has now entered Committee Stage, and Cllr Mike Jones, Chairman of the LGA Environment and Housing Board (supported by Paul Raynes) gave evidence to the committee on Tuesday 13 November. During the remaining committee stages we will work with MPs from all sides of the House to table amendments and to press for more information from Government on issues such as powers to designate authorities and to extend the nationally significant infrastructure planning regime.
9. We will be seeking amendments to the following parts of the Bill (included in the order they appear in the Bill):
- 9.1 **Clause 1** - provides applicants with option to apply direct to Secretary of State if the council has been designated. (The LGA will put forward an amendment to delete this clause).
 - 9.2 **Clause 4** - limiting information the planning authority can require to 'reasonable and material to the determination'. (We will be citing this as an example of unnecessary and centralist legislation).
 - 9.3 **Clause 5** - modification of the discharge of affordable housing elements of s106 agreements. (The LGA will put forward an amendment to delete this clause).
 - 9.4 **Clause 7** - Amendments to the Communications Act (we will highlight our concern regarding the proposed extension of permitted development rights for

Item 6

broadband boxes and seek clarification on how this is linked to the measures in the Bill).

- 9.5 **Clauses 12-14** - Registration of town and village greens (we will be supporting these clauses).
- 9.6 **Clause 21** - Extending the Major Infrastructure Planning Regime to include commercial and business projects (we will be seeking further information on these clauses and highlighting our concerns that this takes decision making out of local hands).
10. The LGA has numerous proposals which it will be urging Parliament to consider in order to ensure the Bill has a positive impact on growth. These will include:
- 10.1 **Removal, or relaxation, of the housing borrowing cap:** Local authorities have demonstrated their ability to borrow prudentially. Continuing to impose a cap, particularly on housing borrowing, is unnecessary and contrary to localism. Relaxation of the limitations here would allow for some authorities to double or treble their development programmes providing both much needed affordable housing and a huge stimulus to the local construction industry. This clause will also reinforce and link to the research and publication we are undertaking in partnership with the National Federation of Arms Length Management Organisations (ALMOs), the Chartered Institute of Housing (CIH), and others to make the case for the borrowing cap to be lifted or relaxed.
- 10.2 **Devolve economic powers to drive local growth.** The Localism Act included provision to allow for devolution of such powers, for example skills and transport. This is being taken forward in some areas through City Deals; however devolution has been limited so far. This could be achieved by introducing a “right to challenge” for local authorities to allow councils to bid to take over functions and services delivered by Government departments, or by inserting a duty on the Secretary of State for Communities and Local Government to act on clauses 15 and 16 of the Localism Act 2011.
- 10.3 **Improve powers to bring properties back into use and to unblock stalled sites:** The compulsory purchase scheme could be used to better effect to bring empty properties¹ back into use and unlock stalled sites. We would like to discuss with government how we can speed up the process and reduce liability for costs up front.
- 10.4 **Removal of the current power held by Highways Agency** to give directions to restrict the granting of planning permission, by local planning authorities (if they impact upon the strategic network). The Highways Agency is already a statutory consultee on planning applications that may impact on the strategic road network, and a named partner under the duty to cooperate in the Localism Act. They should be required to negotiate appropriate transport solutions rather than being able to veto development unconditionally.

¹ There are 700,000 in England existing homes sitting underused with many in poor condition and empty for long extended periods of time.

Item 6

- 10.5 **Improvements to statutory consultee system** so that consultees can be forced to pay costs if they are late with a submission and removing requirements to re-consult with statutory consultees in cases of minor amendments to permissions.
- 10.6 **Require water companies (and other utilities subject to economic regulation) to have regard to future housing numbers** in planning infrastructure.
- 10.7 **Improvements to Empty Dwelling Management Orders (EDMOs)**, to make them a useful tool, quicker, and less bureaucratic.
- 10.8 **Allowing councils more flexibility over the permitted development framework by making it easier to use Local Development Orders.** Further details are provided in section 2 of this report.
- 11. We continue to highlight developments on the Growth and Infrastructure Bill to member councils through the Environment and Housing Bulletin, the Parliamentary Bulletin, First and the Chairman's bulletin and encourage them to raise their concerns with their MPs, Ministers and in the local press.
- 12. We have also been discussing the bill with stakeholders including key government departments (DCLG, DCMS and DEFRA), the Home Builders Federation, Campaign to Protect Rural England, National Housing Federation, Chartered Institute of Housing and the Planning Officers Society to highlight councils' concerns.
- 13. We will be pursuing discussions with the following organisations over the coming weeks: British Property Federation, Royal Town Planning Institute (RTPI), the Royal Institute of British Architects (RIBA), and Shelter.

Part 2 Extension to Permitted Development Rights for householder extensions.

- 14. The government proposed a relaxation of permitted development rights for householder extensions as part of its Housing and Growth package on 6 September. These measures would require amendments to secondary legislation through the General Permitted Development Order. A consultation on these measures was published on 12 November.
- 15. The proposal has generated significant media interest and the LGA has secured front page coverage in the national press highlighting our concerns. This is alongside coverage of the views of individual councils citing their opposition to the measures.
- 16. Discussions with CLG continue at political and officer level regarding this policy including formal correspondence from the Environment and Housing Board Chairman to Ministers outlining our concerns. Officers have, as requested at the last Environment and Housing Board, developed a number of mechanisms for councils to demonstrate their concern with this proposal, should they wish. These include:
 - 16.1 Development of a model motion for debate at full council; and
 - 16.2 Development of a template letter which could be sent to Government citing concern with the proposal.

Item 6

17. An update on progress was provided to the Environment and Housing Board on 21 November 2012.
18. There is also an opportunity through the Growth and Infrastructure Bill to pursue a more ambitious amendment which would allow local authorities the flexibility to set permitted development rights. This would build on and take forward the campaigning work undertaken earlier this year to allow for an umbrella use class. Officers are discussing the detailed amendment with planning officers.
19. In summary our proposal would make the case that a national approach to permitted development and changes of use will inevitably lead to unintended consequences and adverse impacts in different localities. Encouraging investment of a particular type by relaxing permitted development rights or encouraging change of use may be right for one area and not for another. The current system allows central government to set out permitted development rights and provides local authorities limited tools to amend this. However these tools are cumbersome and expensive and as a result are not well used.
20. We propose that it is made easier for councils to determine permitted development at local level either by providing them with powers to set their own permitted development framework locally – subject of course to consultation and a local impact assessment; or by making Local Development Orders easier to use.

LGA Economy and Transport Board

Appointments to Outside Bodies

Outside Body	Background	Representatives	Allowances / Expenses	LGA Contact Officer
Motorists Forum Michael Dnes Department for Transport Great Minster House London SW1P 4DR 0207 944 6310 michael.dnes@dft.gsi.gov.uk	<p>The Motorists Forum is intended to be the primary regular channel through which road users and other key stakeholders from the roads and motoring sector contribute to government thinking on priorities for and performance of roads. The Forum will both have a role in helping to shape topics of current interest, and setting a longer term strategic direction for roads and motoring policies.</p> <p>LGA representative will be invited when their expertise and local perspective are required.</p>	1 place Member to be appointed on an 'as required to attend' basis.	LGA will cover reasonable travel and subsistence	Charles Loft charles.loft@local.gov.uk 020 7665 3874 Eamon Lally eamon.lally@local.gov.uk 020 7664 3132
Bus Partnership Forum Mark Hrabí Department for Transport 55 Victoria Street London SW1H 0EU Mark.Hrabí@dft.gsi.gov.uk	<p>Brings together senior representatives from the bus industry, central and local government.</p>	4 places Cllr Philip Atkins, Staffordshire CC (Conservative) Cllr Tony Page, Reading BC (Labour) Cllr Roger Symonds, Bath and North East Somerset Council (Liberal Democrat) Cllr Mike Haines, Teignbridge DC (Independent)	LGA will cover reasonable travel and subsistence.	Charles Loft charles.loft@local.gov.uk 020 7665 3874 Eamon Lally eamon.lally@local.gov.uk 020 7664 3132

Appointments to LGA bodies

LGA body	Background:	Representatives:	Allowances/ Expenses	LGA Contact Officer:
Rural Commission LGA	Provides a forum in which rural authorities can discuss common issues and share good practice. It ensures the LGA considers rural needs, priorities and aspirations. It helps the LGA promote the role and interests of rural areas and their communities.	1 place Joan Dixon, Derbyshire CC (Labour)	No expenses or allowance paid	Eleanor Gasse eleanor.gasse@local.gov.uk 020 7664 3124 Virginia Ponton virginia.ponton@local.gov.uk 0207 664 3068
Urban Commission Steering Committee LGA	Provides a forum in which urban authorities can discuss common issues and share good practice. It assists the LGA in considering urban needs, priorities and aspirations. It helps the LGA promote the role and interests of urban areas and their communities.	1 place Cllr Tony Ball, Basildon DC (Conservative)	No expenses or allowance paid	Nick Porter nick.porter@local.gov.uk 020 7664 3113 Virginia Ponton virginia.ponton@local.gov.uk 0207 664 3068

LGA location map

Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Tel: 020 7664 3131

Fax: 020 7664 3030

Email: info@local.gov.uk

Website: www.local.gov.uk

Bus routes – Millbank

- 87** Wandsworth - Aldwych
- 3** Crystal Palace - Brixton - Oxford Circus

For further information, visit the Transport for London website at www.tfl.gov.uk

Public transport

Local Government House is well served by public transport. The nearest mainline stations are:

St James's Park (Circle and District Lines), **Westminster** (Circle, District and Jubilee Lines), and **Pimlico** (Victoria Line) - all about 10 minutes walk away.

Buses 3 and 87 travel along Millbank, and the 507 between Victoria and Waterloo stops in Horseferry Road close to Dean Bradley Street.

Bus routes – Horseferry Road

- 507** Waterloo - Victoria

C10 Canada Water - Pimlico - Victoria

- 88** Camden Town - Whitehall - Westminster - Pimlico - Clapham Common

Cycling facilities

The nearest Barclays cycle hire racks are in Smith Square. Cycle racks are also available at Local Government House. Please telephone the LGA on 020 7664 3131.

Central London Congestion Charging Zone

Local Government House is located within the congestion charging zone.

For further details, please call 0845 900 1234 or visit the website at www.cclondon.com

Car parks

Abingdon Street Car Park (off Great College Street)

Horseferry Road Car Park
Horseferry Road/Arneway Street. Visit the website at www.westminster.gov.uk/parking

