



Briefing 4

England's power shift: localism and all that...

This 4th *Power shift* briefing continues our look at the gradual but very deliberate changes in England's politics, power and decision making at local, regional and national levels. These are changes which, as charted in previous briefings, started during the Labour administration and are now taking a dramatic turn under the coalition government.

Power shift is a snapshot of fast moving scenery and a blizzard of new bills and white papers. That said, seven months into the coalition a vacuum still exists with key strategies and targets removed and no certainty that their replacements will maintain public goods, bridge the gap between local and central government and help create the much needed low carbon, wildlife rich and socially just economy.

A consequence of this vacuum is that this briefing raises more questions than answers apart from one certainty: the motivations for the changes are cost cutting and boosting economic growth. This briefing asks where this approach leaves genuine sustainable development. It also identifies where the Government might be pressed to ensure a truly sustainable route out of recession.

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RAPID CHANGE

Events are moving rapidly: we have a new **Local Growth White Paper**, Local Enterprise Partnerships and a **National Infrastructure Plan** and the **Public Bodies Bill** is removing quangos and other bodies regarded as part of costly top down bureaucracy.

We are also standing by for a **Localism & Decentralisation bill**, including the third shake up of planning in a decade and, in spring 2011, a new **Natural Environment White Paper** and a Water Bill - important planks in attempts to be 'the greenest Government ever'.

The implications of these plans are not entirely clear and the attention which will be given to adjusting structures and services to the spending squeeze may prolong the uncertainty.

ECONOMY FIRST

It is worth remembering that the thrust of this power shift remains unashamedly about boosting economic growth, as under the Labour government. In that sense there is little difference between the main political parties and how they regard local councils as key to securing economic and built development.

Similarly, like its predecessor, the current government regards the land use planning system as a block to development. Even though there is little evidence to support the oft-repeated claim that the planning system prevents or holds up development, rather than subjecting it to proper scrutiny which is its legitimate role, successive 'reforms' have resulted in a planning system now geared to the demands of the market rather than its true purpose of delivering sustainable development for wider societal benefit – for more see pages 6 and 7.

CONTROL SHIFT

"It will no longer be possible to concrete over large swathes of the country without any regard to what local people want. From now on communities will be trusted to make the right decisions about what development is suitable for their area, not bossed around by central Government and unelected regional quangos."

Eric Pickles MP, Communities Secretary, CLG press release, 31/5/10

The cliché that 'all politics is local' may be truer than ever as local government moves out of the political backwaters and politicians of all hues champion its role in:

- Helping to restore public faith in democracy;
- Involving local people in key decisions;
- Meeting public demand for high quality, locally-attuned services; and,
- Contributing to and enabling economic recovery.

Previous *Power shift* briefings identified how the Labour government initiated the apparent shift to more local control, required local government to prioritise economic development and reformed the planning system, gearing it to serve economic aims and the will of the market.

Historically, central government talk of devolving power tends to disguise centralisation of powers. For now though local government is in limbo: savouring the prospect of moving centre stage and being freed from top down political diktats and targets but effectively frozen in the spotlight as spending cuts take hold and time is spent structuring.

The Conservative Party's Green Paper on local power, *Control Shift - Returning power to local communities*, is the touchstone of the Government's approach to localism:

"...we want nothing less than radical decentralisation" (because) "Localism holds the key to economic, social and political success in the future...And by making local government more accountable and bringing people closer to the levers of power we can start to restore the trust that's been lost in our political system." It aims to give "people more power and control over the services that are delivered in their areas" and to give "power and financial incentives to local authorities to foster growth."¹

The removal of targets is a key distinction from Labour's plans to retain duties on councils to meet central targets for housing and economic growth, as it says that local councils are:

"...frustrated in their attempts to make local life better by a target-driven, top-down government which is trapped in the bureaucratic age and micro-manages all they do. Our plans for decentralising responsibility and power, set out in this paper, will trust people to manage their affairs in a way that responds to local needs."

LOCAL GROWTH WHITE PAPER...IN SECONDS (details on page 6)

This White Paper, published in October, aims to boost sub-national economic growth by:

1. *Shifting power* to local communities and businesses which are best placed to understand the opportunities and needs of their own local economies.
2. *Focused intervention* – including with a £1.4bn Regional Growth Fund to support strong growth and create sustainable private sector jobs.
3. *Confidence to invest* - an efficient and effective planning system driven by communities to enable growth, and including a presumption in favour of sustainable economic development and a duty to co-operate on local authorities and infrastructure providers, to ensure the right people liaise on decisions in their area.

LOCALISM BILL...IN SECONDS (details on page 7)

Here is our best guess of the Decentralisation & Localism bill expected in December:

1. *Unblock and re-boot* - restore democratic control over and transparency of planning.
2. *Invest in infrastructure* - use this revived role of local government and planning to reinvigorate the economy by investing in infrastructure for 21st Century.
3. *The right development* - enable the right kind of 'sustainable development'.
4. *Cut cost, delay and uncertainty* – allow development to take place with less opposition because people have been involved in plan making.

The next two pages of this briefing summarise recent and expected changes and offer some commentary and questions which arise.

¹ The Conservative Party's *Control shift*:
www.conservatives.com/~media/Files/Downloadable%20Files/Returning%20Power%20Local%20Communities.ashx?dl=true

THE STORY SO FAR: Cuts / creation, clarity / confusion

Bodies	Policies	Mechanisms	To come...
<p>Local plans + services</p> <p>Cut: <i>Local authority leaders' boards</i> – would have developed their region's priorities and regional strategy. Cut despite being a form of local control. May remain informally in some regions if they can be afforded - unlikely.</p> <p>Created: More directly elected Mayors to be created in 12 leading towns and cities.</p>	<p>Cut: <i>Local Development Frameworks (LDFs)</i> – uncertain how these will work in the current strategic vacuum and when councils are preoccupied with spending cuts.</p> <p>Cut: <i>Local Area Agreements (LAA)</i> and the National indicator set against which the Audit Commission assessed council performance (CAA) – see opposite.</p>	<p>Created: Local and neighbourhood plans to involve people more as a way to achieve agreement on development for each area, based on the Conservative's <i>Open Source Green Paper</i>.</p> <p>Cut: <i>Comprehensive Area Assessment (CAA)</i> - quality inspection regime of local councils and their progress on locally agreed priorities.</p>	<p>Created: Councils to keep 6 years worth of receipts for any new housing they approve; more for affordable housing.</p> <p>Clarity? A new inspection regime of '<i>Collaborative democracy and neighbourhood planning</i>'.</p> <p>Confusion? How the aim to give local people more say will stack up if councils are incentivised to permit development? (see <i>Regional economics</i> below)</p>
<p>Regional planning</p> <p>Cut: <i>Regional Assemblies (RAs)</i> – seen as a costly undemocratic imposition on local decision making.</p> <p>London: the Mayor and Assembly are unaffected; the Mayor has bid for and may gain more powers.</p>	<p>Cut: <i>Regional Spatial Strategies (RSS)</i> – means all statutory duties on local councils to follow strategic policies such as on land use, transport, waste, energy and housing will be lost.</p>	<p>Confusion? How will local councils contribute to the overall direction of travel on strategic planning issues if they no longer have a framework, duty or incentives to operate within and deliver on these?</p> <p>Confusion? A 'presumption in favour of sustainable development' – a sleight of hand redefinition of SD as that which is deemed appropriate in a locality and gains consent as a result.</p>	<p>Clarity? A consolidated <i>National Planning Framework</i> (i.e. shorter, less prescriptive document) for all development and national, economic, environmental and social priorities. See below.</p>
<p>Regional economics</p> <p>Cut: <i>Regional Development Agencies (RDAs)</i> – seen as a bureaucratic layer despite their strong economic focus. Ditto: <i>National Housing and Planning Advisory Unit</i>.</p> <p>Created: <i>Local Economic Partnerships (LEPs)</i> – business-led public-private bodies formed with local councils to work across borders and natural economic areas to deliver economic growth.</p>	<p>Cut: Housing targets and all other strategic policies / targets in <i>Regional Spatial Strategies (RSS)</i>.</p> <p>Created: Local councils to have duties of competence and cooperation to liaise with neighbouring areas, and zones covered by LEPs, on economic growth, infrastructure and planning issues.</p>	<p>Created: <i>Regional Growth Fund (RGF)</i> £1.4bn for LEPs and any private bodies and public-private partners in 'vulnerable' regions.</p> <p>Confusion? Financial incentives for councils to permit 'sustainable development' and housing development in their area.</p>	<p>Clarity? <i>Local Growth White Paper</i> sets out how the Government balances the push for growth with greening the economy.</p> <p><i>Public Bodies Bill</i> will formally and legally abolish RAs, RDAs and other bodies and transfer powers and assets but may also centralise some powers despite localism rhetoric.</p>
<p>National planning</p> <p>Cut: <i>Infrastructure Planning Commission (IPC)</i> replaced by major <i>Infrastructure Planning Unit</i> restoring a degree of democratic accountability for major planning decisions.</p>	<p>Cut: <i>Planning Policy Statements (PPSs)</i>.</p> <p>Clarity? <i>National Policy Statements (NPS)</i> now to be subject to Parliamentary consent.</p>	<p>Confusion? Local and neighbourhood plans will not be able to frustrate national aims. The emphasis remains on 'fast-tracking' of major infrastructure projects for economic growth.</p>	<p>Clarity? <i>Localism & Decentralisation Bill</i> due late 2010 with further planning reform and a slimmer <i>National Planning Framework</i>.</p>

TRACKING THE CHANGES

It will be some time before the Government completes its changes and the implications are fully seen. Meanwhile, some themes and effects of early changes can be identified and these prompt a range of observations and questions including:

Strategic vacuum: the swift removal of regional strategies and regional decision-making bodies has created a strategic vacuum; will the resulting fragmentation be likely to lead to centralisation by default more than localism?

Limits to localism: some matters cannot be handled only at local level. Central government also needs to know how and have certainty that local government is contributing to strategic matters such as flood risk, climate change and the restoration of nature.

How will localism ensure that strategic matters which require local action and commitment are not optional? What levers does Whitehall need to have certainty about what is taking place in all 368 planning areas and any new LEP areas?

Targets - not a dirty word: similarly, is there a valid role for some targets and to defend planning as a delivery mechanism? How can there be certainty without imposition i.e. knowing what will happen without falling foul of being seen as wanting to rely on out of favour top down, bureaucratic approaches?

Wither sustainable development: in the Conservative Party's *Open Source* planning green paper SD is defined as meaning whatever local councils decide it is. What does this mean for the existing UK SD Strategy and the way SD is treated in local government?

Balanced economy: the coalition is continuing the previous government's view of the 'regional agenda' as being about reducing inequalities between regions (page 9 of the coalition agreement refers to 'new business evenly shared across regions...') and the *Local Growth White Paper* also signals recognition that more even development is required.

Role for regulation: the Government's approach is to regulate as the last resort and possibly deregulate even further: does its 'one in, one out' proposal suggest an interest in cutting red tape as a good in itself rather than focusing on the quality of regulation?

Duties and incentives: what powers and do local councils need to play their role in tackling climate change and biodiversity restoration? Can this be helped by better relationships between local and central government? Which barriers to local action are within local government control or are related to local government mindset and the way it operates (i.e. only doing what is required)?

Localism and participation: how can genuine and meaningful public participation in decision making be secured and strengthened? What will this mean in practice not least given the public spending squeeze? Given trends toward deregulation including reducing the burden of inspection on local authorities, what forms of scrutiny of local government should be in place to assist transparency and action?

How can local councils reconcile the rhetoric of 'localism', providing responsive local services and need for improved democratic contact with citizens with the reality of a current (and growing) lack of strategic direction and public reactions to imposed spending cuts?

How long will it take for local councils to adjust their finances and services, including allowing for lower funding from constrained statutory agencies and other sources?

THE LOCAL GROWTH WHITE PAPER: Realising every place's potential

<http://www.bis.gov.uk/assets/biscore/regional/docs/cm7961-local-growth-white-paper.pdf>

More balanced growth: The Government accepts that economic growth in the past twenty years or so has been too focussed on a few parts of the country - mainly London and the greater south east, and on a few sectors, such as the financial services industry.

Sustainable growth: The Government recognises the need to govern for the long term and green the whole economy, not just focus on a few sectors: "Government is also committed to growth that is environmentally sustainable and inter-generationally fair. Indeed efficient and sustainable use of the environment now can stimulate growth through innovation, resource efficiency and new markets, whilst reducing future risks to the economy. The commitment to being the greenest government ever and government for the long term will require greening the whole economy". (Paragraph 1.7, page 6)

Green growth: in supporting "Sustainable Private Sector Growth" (para 4.21, page 35), the Government does *not* require green growth as a core element of private sector bids to the RGF. But the Government *does* state that it "is committed to developing a sustainable green economy and it is expected that economic growth should be underpinned by environmentally sound principles. Where possible this should be demonstrated in bids to the Regional Growth Fund but it is recognised that the focus of some proposals will have minimal direct impact on the environment. Where a local economic development strategy prioritises green economic growth, a bid should seek to demonstrate how the aim of the project contributes to meeting those local priorities." (footnote on page 36)

Carbon: The Government's expects the new Local Enterprise Partnerships (LEPs) to deliver on the shift to a low carbon economy and that Government will retain a leadership role in this area: "Low carbon - some local areas have clearer opportunities for delivering low carbon enterprise and growth than others. It will be for local enterprise partnerships to make the most of their areas of strength or comparative advantage through coordination of industry and local partners. Local enterprise partnerships will also need to consider what local green infrastructure issues they can address to enable growth in this area. Where these opportunities and barriers are of national significance the Government will continue to provide a leadership role." (Paragraph 2.24, page 17)

Some concerns:

Sustainable economic growth: there are numerous mentions of 'sustainable economic growth' but this is not defined and is, as usual, used interchangeably with 'economic growth' and 'sustainable'.

Success: the paper states that its success "will be judged on whether it delivers strong, sustainable and balanced growth of income and employment over the long-term...promoting growth that is broad-based industrially and geographically; creating a business environment that competes with the best internationally; and ensuring everyone has access, including future generations, to the opportunities that growth brings." (Paragraph 1.23, page 9)

More planning reform: By continuing to blame planning for any perceived delay in developers' plans the paper ignores that the primary purpose of planning is to deliver sustainable development. Instead the Government states that "The planning system has three main functions: to give people the opportunity to shape the look and feel of their communities, including to protect and promote important environmental and social interests; to provide sufficient housing to meet demand; and, to support economic development through the provision of infrastructure and by using land-use planning to support economic activity." (page 23, para 3.1)

Sustainable development: If the White Paper truly meant 'a presumption in favour of sustainable development', we would support this. But the Government is mis-using the term 'sustainable development' which should mean meeting social, environmental and economic needs together and with respect for the growing crisis of climate change and threats to natural world largely because of the way our economy operates and resources are squandered. By meaning any development which is deemed necessary and obtains local support and consent, the meaning of sustainable development is being denuded and is a world away from setting proper standards for the quality of the type of economic activity which takes place.

THE LOCALISM BILL: The likely approach

Value planning: Ministers will say planning is a distinctive activity of civilised society with a great responsibility to make places of which we can be truly proud. As such planning should exercise innovation and creativity and set standards to allow the right kind of growth, not hamper it.

Enable development: To reinvigorate the economy with 21st century infrastructure; planning should enable not impede compared with recent years of bad planning, central bureaucratic prescription and regional targets designed almost to resist development at all costs. Public opinion surveys by IPSOS Mori show that when people are involved properly they support development and affordable housing. The move toward better planning means less need for development control.

Positive, radical vision: The bill will be the most radical of all with foundations of planning reform in tandem with non legislative changes. It will restore democratic control, locally and nationally and make planning less costly. Equip planning to meet the needs of Britain in the 21st century with new rights and opportunities with people aware of the choices and consequences of choices; through better involvement people are more likely to be positive about development and its role.

Local planning and benefits of development: Reward development via a *New Homes Bonus* where local councils retain 6 years' receipts; there will also be an extra bonus for building of affordable housing and no strings attached to the way these funds are used locally. The *Community Infrastructure Levy* (CIL) will be an important tool to make a proper contribution to local infrastructure for example, where extra road traffic will be generated; greater certainty and Section 106 demands to be focussed more on needs.

Planning fees for proper scrutiny of applications should be met locally with rates set at low level in areas where development is hard to secure and rates independently assessed. A proportion of fees will go to meet very local level - another reason to help communities accept development. Development controls will be more open with annual reporting.

Neighbourhood planning will allow people to influence decisions and use genuine power at local level. The 'indispensable' national perspective does not preclude the local level the means to formulate its own plans for an area over 5, 10 -15 years with the principle of people coming together to agree locations for development. Where there is no neighbourhood plan people must be consulted regardless; neighbourhood plans cannot frustrate local and national plans but can go beyond them. The requirement for consultation on local planning will be set out in the bill.

Good local planning requires thinking ahead including planning contingencies for the wider area and this will require local authorities to involve their local communities and across the larger than local areas including LEAs. The bill will include a *duty to cooperate* for local authorities to join forces.

A sound local plan should look at likely development needs over time. If there is no adopted plan, the presumption of 'sustainable development' will apply. We may set a date for when local plans should be finalised but more important are the good reasons for a local council to adopt a plan (planning is good, local benefits, communities involved etc)

Rights of appeal - the bill will move away from development control to emphasize planning with a more locally planned and amended plans which, if done properly will deal with the problem of appeals at source so avoiding appeals and running battles between legitimate interests.

National policy, process and sustainable development: There will be a clearer, crisper sets of guidance to replace current long, detailed policies which lack clarity about priorities. A *presumption in favour of sustainable development* including policies on environmental protection and climate change will be detailed in a new National Planning Framework; the NPF and regime for deciding on Major Infrastructure Projects will add democratic accountability.

LOCALISM LIVES: Other examples of localism

Sustainable Communities Act 2007

This Act aimed to promote the sustainability of local communities starts from the principle that local people know best what needs to be done to promote the sustainability of their area, but that sometimes they need central government to act to enable them to do so.

It provides a channel for local people and the councils which represent them to ask central government to take such action. In its coalition agreement the Government states that it will "implement the Sustainable Communities Act, so that citizens know how taxpayers' money is spent in their area and have a greater say over how it is spent".

The duty to involve

This has been a legal requirement for local authorities since April 2009 and it is intended to strengthen how authorities consult and involve representatives of local people (including residents and workers), local businesses and voluntary organisations on their **Sustainable Community Strategies** usually through a **Local Strategic Partnership** (LSP).

The future is local

In *The future is local*, one of its final reports before abolition, the **UK Sustainable Development Commission** (UK SDC) said that neighbourhood partnerships are the best way to bring about the improvements needed to improve quality of life and safeguard towns and cities against climate change.

The SDC sees neighbourhood-based approaches as the most cost-effective way to upgrade local infrastructure and it called on government to support 'multi-disciplinary partnerships' of communities, local authorities, infrastructure owners and financial and technical partners. Empowering communities to deliver, whether on transport or home energy initiatives would, it said, save money, strengthen communities and avoid disruption.²

The rise of core cities and city regions

For some time now England's largest cities have been regarded as economic powerhouses and the place for politicians and public allies to see economic progress. The demand created by cities for imported human and physical resources drawn from hinterlands and 'travel to work areas' means that cities increasingly define themselves across wider areas than traditional administrative boundaries sometimes extending from city centres beyond the city fringe and suburbs to rural areas.

England's **Core Cities** * have organised themselves to attract political attention and balance the effect of counter the effect of London and the greater south east, the economic super region regarded by some as 'overheating' from a century of receiving the lion's share of attention and by others as able to support itself because of its advanced position.

Friends of the Earth England has worked with the Core Cities in particular to persuade city leaders to show their intention to act on big issues such as climate change alongside their undoubted primary economic focus.

* Bristol, Birmingham, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield.

² *The future is local: empowering communities to improve their neighbourhoods:*
www.sd-commission.org.uk/publications.php?id=1092