

West Midlands Regional Assembly

Agenda Item 7

WEST MIDLANDS REGIONAL ASSEMBLY

Assembly Board of Directors

2 February 2009

SNR Consultation Update/Consultation

1. Purpose of the Report

- 1.1 To brief the Assembly Board of Directors on the steps required to implement the SNR in the region; inform the Board of the steps that are being taken to progress the draft change management plan, and seek the views of Board members about the key issues that should be progressed within that.

2. Recommendation

- 2.1 That the Board discuss the change programme and give their views both in general and also as to the matters of critical importance as they seem them.

3. Background

- 3.1 At their meeting on 3rd December 2008 members received a report on the progress of the SNR, detailing the Government's response to the submissions made to the SNR consultation document published earlier that year. For convenience this report is attached as Appendix 2. Later that month the Local democracy, economic development and construction Bill was published. This is a wide ranging Bill covering a number of different areas of provision, and the relevant clauses, for these purposes are to be found at part 5 within clauses 65 to 82. The Bill was introduced in the House of Lords and is presently at Committee stage.
- 3.2 Subsequently the government has published further guidance that gives more detail about the requirements of the change management programme that Assemblies, RDA's and local authorities must submit by the end of March 2009

This states that:

“RDAs, regional assemblies and local authorities will be expected to demonstrate at an early stage that they have a change management programme in place, which sets out how they will implement the changes needed to institutions, relationships and processes.

- 3.3 Government expects each change management programme to clearly set out a timetable for how regional partners will implement the changes needed to institutions, relationships and processes. To ensure that momentum is maintained in driving the transition process we expect regional partners to bring such plans forward and to have agreed their basic structures in the change management programme by 31 March 2009”.
- 3.4 The aim of the submission from the region is to give confidence to the Government that the necessary partners- ie AWM, Local Government and WMRA are collectively on top of the new SNR agenda and the transition from the current to the new working arrangements. In particular the Government has made clear that it will require assurance that a full consideration of the functions and staff that are currently the responsibility of the Assembly are included in the change management programme
- 3.5 The transition to the new structures must be completed by March 2010 at the latest. Already a range of different activities are in train to secure a smooth and comprehensive transition and the Board will recall early reports from September 2007 giving some initial thinking which was subsequently held up by delay and uncertainty around the direction in which the government intended to take forward the initial SNR proposals. None the less, work by the regional partners has been continuing.
- 3.6 The Change Management Framework set out in Appendix 1 shows:-
 - the direction of travel regional partners are taking
 - commitment to secure the necessary governance and organisational changes by March 2010
 - work in progress

It concentrates on Governance, organisational change and stakeholder engagement, although the way in which the RSS; especially Phase 3 will be taken forward and the early stages around the single regional strategy are also under active consideration.

- 3.7 The Board will appreciate that the document in Appendix One is an early and outline piece of work only; indicating work streams which will require significant further work over the next 12 – 15 months.
- 3.8 At this stage the Board is asked for their initial views on the framework so that these can be fed into the development of the change programme. In the weeks leading up to 31 March the framework will be further populated with information; and by the date of the next Board meeting on 25th March the Board will receive a report showing the progress that has been made to the submission which by then will be in the final stages of preparation. It is proposed to keep Board members informed as this progresses and in particular of the progress with the matters indicated by the Board to be of critical importance during the course of discussion at this meeting.
- 3.9 There are two areas which it is suggested the Board may wish to consider in some depth. The first of these is the future of partnership working across the region. The Review of Regional Partnerships, which concluded in September 2008, identified the following principles for regional decision making and delivery arrangements:-
1. Include high level decision makers, able to have the desired impact on public spending decisions in the region, promoting effective delivery and addressing key infrastructure needs.
 2. Promote robust priorities, based on the evidence base, to ensure funding is allocated to address key regional economic, environmental and social challenges (whilst also reflecting the wider national priorities).
 3. Be integrated, seeking to debate the trade-offs across economic, social and environmental themes and demonstrate how the linkages help drive regional economic performance and growth.
 4. Be accepted and owned by the key regional and sub-regional partners, to be inclusive and democratic, and secure agreement on key priorities and joined up delivery at the most appropriate spatial level.
- 3.10 In drawing up the new arrangements partnership working is likely to be a critical consideration and each of the regional partners have indicated that the partnership working which has gone on over the last few years has been of significant value and delivered very successfully across the regional agenda. However, given the opportunity to take stock and put new arrangements in place the views of the board are sought about how

this should best be taken forward. For example, are the principles outlined above the valid ones upon which, in the view of the Board, the ones the new arrangements should be based?

- 3.11 A second area which the Board may like to consider in some detail and provide their views about how this should be taken forward concerns stakeholder engagement. The question of the involvement of stakeholders has been a matter of substantial discussion since the SNR was published in July 2007; and it is likely to be a cause of considerable debate and the Bill makes its way through into legislation. There is, in line with much else in the SNR, some considerable freedom for regions to develop their own arrangements about this, as in relation to the regional strategy functions the Bill simply requires "the responsible regional authorities to prepare and publish a statement of their policies as to the involvement of persons who appear to them to have an interest in the exercise of those functions".
- 3.12 Some further guidance about stakeholder engagement is contained within the recently published policy document on regional strategies where the government emphasises its view that one requirement of a regional strategy is that it is based on meaningful engagement and consultation with regional stakeholders including local communities and statutory advisers and that the necessary overview of the key regional and sub-regional opportunities and challenges over the plan period This should be derived from analysis of a robust common evidence base, informed and shaped by regional and local partners.
- 3.13 The policy document goes on to state that the Government is also committed to stakeholder engagement as a fundamental feature of the processes for developing and delivering the regional strategy and that there will be a duty on the RDA and Leaders' Board to consult and engage stakeholders. Further detail about how this can be done is contained within part 4 of the policy document, the relevant part of which is attached as Appendix Three. The whole policy document can be found at:
<http://www.communities.gov.uk/publications/citiesandregions/ldedcregionalstrategies>
- 3.14 Again, by the end of March 2009 the principles of how this is intended to be done must be in the submission, although the details will take some time to develop. The question of stakeholder engagement and both the

linkages with and separation from partnership working is, it is suggested a critical area upon which the views of the Board would be welcomed.

4. Recommendation

- 4.1 That the Board discuss the change programme and give their views both in general and also as to the matters of critical importance as they seem them.

**Olwen Dutton
Chief Executive
WMRA**

SNR - CHANGE MANAGEMENT PROGRAMME - OUTLINE
Presented by AWM, Local Government in the West Midlands and West Midlands
Regional Assembly

Introduction

This Change Management Programme is submitted by the Shadow Joint Strategy and Investment Board for the West Midlands. It has been produced by the SNR Transition Team working with AWM, Assembly and local government.

The establishment of new governance and operating arrangements plus transition of functions, resources and staffing will be completed by March 2010. This Programme sets out the work undertaken to date and the matters to be taken forward in the next twelve months. The Programme takes full account of the extensive work being undertaken by the Assembly, Local Government and AWM to support the Examination in Public of Regional Spatial Strategy (RSS) during April to June. The partners who are signatories to this Programme want to create certainty around the transition phase to ensure that critical work on the RSS continues and the momentum behind the SIRS is stepped up.

This Programme identifies the Current State of Play and Next Steps against the following headings:-

- Governance
- Organisational Change
- Stakeholder Engagement
- West Midlands Regional Spatial Strategy – reference Assembly Business Plan including Preparations for Examination In Public and Phase 3
- SNR/SIRS Progress Report

This Change Management Programme sets out the broad direction of travel we are taking as regional partners. The detail will be developed over the next twelve months at a pace that ensures we involve key players and regional stakeholders and is responsive to any amendments made to the Local Democracy, Economic Development and Construction Bill.

I Governance

Current State of Play

The regional partners are committed to securing strong regional governance arrangements which are streamlined and capable of taking difficult decisions. An early test of this commitment has been the development of the Regional Funding Advice requiring complex assessments and critical choices.

Local Authority Leaders Board

The Local Authority Leaders Board (LALB) is up and running, all 38 authorities are represented. Its first meeting was 15 December 2008 and a second is scheduled for 9 February 2009. It has met on a less formal footing from November 2007. The frequency of future meetings is under discussion and expected to be quarterly.

The LALB is advised by the Chief Executives Task Force.

LALB has agreed that a group of six Leaders will represent them on the 'shadow' Joint Strategy and Investment Board'.

West Midlands Local Government Association (WMLGA) is currently the lead body for local government in the region. WMLGA Executive has hosted a number of discussions with Elected Members to prepare the ground to develop the new regional local government arrangements focussed on and supporting the LALB.

Joint Strategy and Investment Board

The Joint Strategy and Investment Board (JS&IB) has been set up in shadow form. It has been meeting since November 2008. Membership is six nominated from LALB and up to six from AWM's Board. Shadow JS&IB is co-chaired by Councillor Roger Philips, LALB chair and Nick Paul, AWM Board chair.

JS&IB's current role is to direct and oversee the development of Regional Funding Advice. In this capacity it is advised by the RFA Advisory Group (CEOs from AWM, local government, Assembly, Homes and Communities Agency, Highways Agency and Learning & Skills Council)

Shadow JS&IB has issued four RFA Briefing Notes which have been widely circulated to partners and stakeholders. Each details work in progress and the direction of travel. A Regional RFA Briefing Event was held on 19/1/09, this provided an opportunity for stakeholders to hear more about the RFA process and discuss with the Shadow JS&IB how RFA was shaping up. The RFA submission is on partners websites.

Next Steps

Local Authority Leaders Board

In line with the Local Democracy, Economic Development and Construction Bill: Policy Document on Regional Strategies, January 2009, work is in hand to develop a proposal (or 'scheme') for LALB which sets out;

- Membership
- Decision-making process
- How and when it will refresh or re-elect its membership
- Managerial structure and organisation

JS&IB

In line with the Local Democracy, Economic development and Construction Bill: Policy Document on Regional Strategies, January 2009 work is in hand to develop a proposal (or 'scheme') for the JS&IB setting out

- How the two bodies, RDA and Leaders Board, will work together to fulfil their duties to jointly produce the draft regional strategy and implementation plan
- What the decision-making process will be, including resolving differences

Draft terms of reference for (ToR) for Shadow JS&IB were produced in September/October 2008. Shadow JS&IB have made a small number of refinements to

the draft ToR at their meeting on 16/1/09. Further discussion on the draft ToR will take place at Shadow JS&IB meetings on 17/2/09 and 26/3/09 – finalised ToR to be attached?

II Organisational Change

Current State of Play

Work is underway to secure a smooth transition of activity and staff from the West Midlands Regional Assembly (WMRA) to a new local government body based on the LALB and/or a new Team to be put in place to support the JS&IB. The transition will take place during 2009-2010. Exact timings and milestones will be guided by a Steering Group (see Next Steps) plus two pieces of independent consultancy referred to below.

Supporting the LALB

Preparations are in hand for an independent consultant to scope out the policy and support functions required by the LALB to enable it to be a strong regional player, speak with one voice on behalf of local government, support a strong, efficient and improving local government sector and work with AWM to develop and deliver the Single Integrated Regional Strategy (SIRS) through the JS&IB. This will involve a transfer of function and staff from WMLGA to a new local government body supporting the LALB and/or a Team supporting the JS&IB. WMLGA is the employing body for WMLGA staff and those working for WMRA.

There is an interdependency between this commission and the commission to identify the policy and support functions required by the JS&IB – see below.

Supporting the JS&IB

JS&IB have commissioned an independent consultant to scope out the policy and support functions required in the region to develop and deliver the Single Integrated Regional Strategy (SIRS) under the direction of JS&IB. The content and timescale is noted below:-

Phase 1

- Type and nature of policy and other support required to enable JS&IB to fulfil its role.
- Balance of permanent staff, consultants or partner contributions.
- Skill mix, including policy expertise on economic development, planning, transport, housing, environment, climate change etc; policy integration, engagement with partners and stakeholders, partnership working, technical support and corporate support.
- Linkages/working arrangements with AWM staff and West Midlands Leaders Forum staff and other partners.
- A draft report should be available by 13 February, final report by 6 March 2009.

Phase 2

- Reporting and accountability arrangements.
- An appraisal of options for who hosts the Support Team.
- A draft report should be available by 20 March, final report by 3 April 2009.

AWM Organisational Change

Organisational change will be required by AWM to take forward the SNR and SIRS agenda. AWM Leadership Team has set up an internal Project Board to develop an Implementation Plan to take forward the changes required. This will recognise the stronger strategic role ascribed to RDAs by SNR together with new joint investment planning arrangements with local government and other partners. Nominated members of the Project Board will act as the interface with WMLGA via the Steering Group noted below in Next Steps to support transitional arrangements..

Next Steps

Implementation Phase - Following the outcomes of the Shadow JS&IB and LALB commissions, mentioned above, implementation plans will be produced, one each for Shadow JS&IB/Joint Team, LALB Support Team and AWM. They will be taken forward by a steering group comprising the CEOs of WMLGA/WMRA, AWM, Corporate Director – Economic Regeneration and chair of the local authorities SNR Chief Executives – Task Force, supported by the SNR Transition Team. The Steering Group will co-ordinate and oversee all matters of implementation including - TUPE/COSOP issues, financial/budgetary matters, premises, data/records, contracts, reputation management and continuity of work programmes etc.

Resources – The financial resource requirement of implementing the above and the ongoing budget requirements will be quantified in April. At this stage JS&IB would like to confirm that regional partners will require resources equivalent to those currently available from CLG to the Assembly. This will be a minimum requirement in respect to this regions expectations and those of Government in respect to the new roles ascribed to the LALB and JS&IB.

III Stakeholder Engagement

Current State of Play

The West Midlands has developed strong and inclusive partnership arrangements over the last 10 years. All partners recognise the need review existing partnership arrangements and embed robust stakeholder engagement process in the SNR agenda and SIRS development work.

The SNR Transition Team is having discussions with a number of groupings, agencies sub-regions and sectors regarding stakeholder engagement with the development and ultimately the delivery of the SIRS. JS&IB are committed to ensuring. These discussions take forward findings from the Review of Regional Partnership Arrangements completed in September 2008 and discussions based around the diagram and discussion points on the following 2 pages.

Next Steps

Over the coming months the SNR Transition Team will work with the stakeholders to develop a preferred model for regional working. At this point in time all options remain open including modifying existing partnerships through to starting with a blank sheet of paper. Whichever set of arrangements is agreed, by JS&IB with partners, will ensure that the transition from the old to the new arrangements will enable continuity of function and decision making.

West Midlands Regional Assembly

Agenda Item 10

WEST MIDLANDS REGIONAL ASSEMBLY BOARD 3 December 2008

Government Response to SNR Consultation

1. Purpose of report

- 1.1 On 25th November the government finally published its response to the many submissions that it had received to its consultation following the publication of the sub national review (*Government response to Prosperous Places: Taking forward the Review of Sub-National Economic Development and Regeneration*). A summary of the response is attached as Appendix A. The response reaffirms that regional assemblies will not continue to be the regional planning body and that their funding will be discontinued at the end of March 2010. Arrangements will need to be put in place to ensure an effective transition.

2. Recommendation(s)

- 2.1 Members are invited to discuss the government's response and its implications for the assembly.
- 2.2 To agree an extra meeting of the Board in early 2009.

3. Background

- 3.1 In Budget 2006 the Government announced that it would carry out a review of sub-national economic development and regeneration – commonly called the sub-national review or SNR. The review considered how to strengthen economic performance in England's regions, cities and localities, as well as how to tackle persistent pockets of deprivation.
- 3.2 The review was published in July 2007 and – informed by its three key principles of ensuring policy is managed at the right spatial level, ensuring clarity of roles, and helping places to reach their potential – it set out a number of recommendations aimed at achieving four objectives:

1. empowering all local authorities to promote economic development and neighbourhood renewal, giving them added flexibilities and incentives to promote sustainable economic growth
2. supporting local authorities to work together, where they wish, across the sub-regional level to promote economic development, and providing them with the tools to do this
3. streamlining the regional tier outside London through simplified structures, streamlined decision-making and improved accountability
4. reforming central Government's relations with regions and localities.

3.4 On 31 March 2008, the Government published a consultation document, *Prosperous Places: taking forward the review of sub-national economic development and regeneration*, to seek views on its detailed proposals to put in place some of the review's recommendations. In particular, respondents were asked to comment on the process for developing new, integrated regional strategies that would build on, and replace, the existing regional economic and spatial strategies; the creation of a statutory economic assessment duty for upper tier and unitary local authorities; and the development of statutory mechanisms for collaboration on economic development by local authorities across sub-regions.

3.5 On 25th November the government published its response. The headlines from this are as follows-

- The RDA and the Local Authorities Leaders Board (RFL) will share joint responsibility for developing and submitting the Strategy to Ministers - including an EiP process; and for developing the delivery framework and monitoring
- There will be a duty on the RDA and Leaders Board to consult and engage with stakeholders (and communities), but stakeholders will not be part of the sign off process

- In future, no regional scrutiny role for local government, Government considers that the Regional Select Committees will be capable of carrying out necessary scrutiny
- Regions will have to produce a regional strategy that delivers sustainable economic growth and contributes to sustainable development; an implementation plan and annual monitoring
- There will be a new statutory duty for local authorities to prepare a local economic assessment
- Government will legislate for the creation of MAAS with statutory duties; and to allow for the creation of statutory sub regional authorities for economic development (Economic Improvement Boards)
- Legislation will not be introduced which requires RDAs to delegate funding to Local Authorities as it is considered that joint investment planning by RDAs and Local Authorities Leaders Board will secure appropriate delivery mechanisms.

3.6 To read it in full members are directed to:-

<http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces>

A summary of the response is attached as appendix A; a summary produced by Government Office West Midlands (GOWM) is also attached for information as Appendix B. The Government produced answers to "frequently asked questions" about the SNR, which can be found at <http://www.communities.gov.uk/citiesandregions/thesubnationalreview/fagstransition/> and members may find some of the detail contained within these answers of interest.

3.7 As well as the general and far reaching implications of the response, indications from government are that the necessary legislation will certainly be in the Queen's speech and be introduced into parliament at an early date; there are specific implications' for the Assembly and its workload, especially around the RSS; which will be subsumed at some stage into a single strategy. Officers are already working with the RDA

and local authority leaders to discuss transitional arrangements and this work will continue at an increased pace now that there is more certainty. Officers have been advised that the government will require regions to have draft plans in place by March 09. Change management arrangements will be required to be put into the business plans which need to be submitted to CLG in January.

- 3.8 At present the board is not due to meet until 25 March 2009 which is very late in the day to consider these matters. It is therefore recommended that a special board meeting is arranged for the New Year to discuss these matters. In the meantime, members will be kept informed of progress and, in particular, of change management and transition plans.

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Appendix A

Government's Response To Consultation ON SNR **Published 25 November 2008**

HEADLINES

The RDA and the Local Authorities Leaders Board (RFL) will share joint responsibility for developing and submitting the Strategy to Ministers- including an EiP process; and for developing the delivery framework and monitoring

There will be a duty on the RDA and Leaders Board to consult and engage with stakeholders (and communities), but stakeholders will not be part of the sign off process

In future, no regional scrutiny role for local government, Government considers that the Regional Select Committees will be capable of carrying out necessary scrutiny

Regions will have to produce a regional strategy that delivers sustainable economic growth and contributes to sustainable development; an implementation plan and annual monitoring

There will be a new statutory duty for local authorities to prepare a local economic assessment

Government will legislate for the creation of MAAS with statutory duties; and to allow for the creation of statutory sub regional authorities for economic development (Economic Improvement Boards)

Legislation will not be introduced which requires RDAs to delegate funding to Local Authorities as it is considered that joint investment planning by RDAs and Local Authorities Leaders Board will secure appropriate delivery mechanisms.

SNR, published in July 2007 set out a number of recommendations aimed at achieving four objectives:

- supporting local authorities to work together, where they wish, across the sub-regional level to promote economic development and providing them with the tools to do this;
- streamlining the regional tier outside London through simplified structures, streamlined decision-making and improved accountability; and
- reforming central Government's relations with regions and localities.
- empowering all local authorities to promote economic development and neighbourhood renewal, giving them added flexibilities and incentives to promote sustainable economic growth;

To achieve the above Government intends to take the following action:-

Local Authority Economic Assessment Duty

In relation to implementing the proposed duty on local authorities to carry out an economic assessment of their area, Government has opted for

- option 1 in the consultation – primary legislation would be introduced to place a duty on lead authorities to carry out an assessment of the economic conditions of their area. The lead authority would be required to have regard to any guidance issued by the Government as to how they should prepare the assessment;

The Government intends to legislate for the above whereby the new duty is created and underpinned by statutory guidance. The Government believes that it is better to set this out in guidance rather than on the face of a bill. The Government will consult on this guidance.

It is, however, the Government's intention to place a duty on those upper tier authorities to work closely with the district councils in their area in completing their assessment. There will be a corresponding duty on district councils to co-operate with the upper tier.

Forthcoming legislation will list those public sector bodies that local authorities will be under a duty to consult in preparing their assessments. **The Government does not intend to place a specific duty on these named partners to co-operate with local authorities in preparing the assessments. Government guidance will set out more detail on how it expects local authorities and named partners to work together in due course.** The new duty to involve, which comes into force in April 2009.

The new duty to involve, set out in section 138 of the Local Government and Public Involvement in Health Act and coming into force in April 2009, requires local authorities to take those steps they consider appropriate to involve representatives of local individuals, groups businesses or other organisations likely to be affected by the exercise of their functions.

Supporting Sub-Regions To Collaborate On Economic Development

The Government will legislate to allow for the creation of statutory sub-regional authorities for economic development.

The purpose of these bodies will be to improve economic development in the area covered and the overall economic conditions covered by the sub-region.

The Government also believes that the creation of statutory sub-regional authorities should be voluntary in nature, with local authorities being able to 'opt-in' to the creation of a statutory sub-region if they so wish. Any changes including opt outs by local authorities will be subject to Ministerial agreement.

The Government therefore does not believe that it would be appropriate to introduce a performance framework at the sub-regional level, but rather that every effort should be made to ensure the alignment of statutory sub-regions with existing local targets. **The Government feels that it is also not appropriate to introduce a duty to co-operate with statutory sub-regional authorities.**

The Government has decided to legislate to allow for the creation of MAAs with statutory duties. As with existing MAAs, local authorities wishing to pursue such an agreement will nominate one LA – a lead authority – to be responsible for preparing and submitting the MAA.

Producing The Regional Strategy & Reforming Governance Arrangements

Producing The Strategy

In light of the consultation responses and the progress being made by regions, the Government has refined its plans for producing the regional strategy and ensuring appropriate regional governance arrangements.

The Government's revised proposals are as follows:-

- **The Government will give the RDA and the Local Authority Leaders' Board (previously referred to as the Leaders' Forum) joint responsibility for the regional strategy, including its drafting, implementation plan and monitoring of its delivery;**
- As a result, the key regional planning functions of the regional assembly will pass to the RDA and Local Authority Leaders' Board.
- The need for regional assemblies will end.
- Government will repeal any relevant legislation and transfer any funding to successor bodies;
- **Where they are unable to reach agreement, or where one side acts unreasonably, the Government will take a power to allow Ministers to direct the process for producing the draft strategy, with the expectation being that the task of leading the development would then fall to the RDA. The Government will also be able to intervene where the Leaders' Board established for a region fails to operate effectively; and**
- The Government will require that **the RDA and Local Authority Leaders' Board jointly submit an agreed draft strategy to Ministers**, but where the RDA and the Local Authority Leaders' Board are unable to agree on a draft strategy to submit, **Ministers will be able to direct them to submit statements detailing their disagreements and any papers that have been prepared.**

Governance

Local authorities will need to formalise their proposals for the Leaders' Board in each region and set these out for the Government. They will also need to work with the RDAs to agree the structures that will enable them to jointly fulfil their responsibilities for the regional strategy and carrying out those functions of the regional assemblies that continue. These arrangements will need to be developed in discussion with the Government Offices.

Form & Content of Regional Strategy

The Government believes that the form and format of the regional strategy should be for each region to decide, but the aim should be to produce a concise and succinct document, - as set out in the consultation document.

The Government believes that the regional strategy should set the framework in regions outside London for the activities, plans and investment decisions of the RDA, the Homes and Communities Agency and other public bodies (e.g. Government agencies, Health Authorities etc.) in the region, local authorities and other regional partners, to ensure sustainable economic development.

Government will provide:-

- **legislate to require each region in England, except London, to produce a regional strategy that delivers sustainable economic growth¹ and contributes to sustainable development;**
- **issue guidance on what the regional strategy would be expected to cover and on the strategy-making process;**
- **provide greater clarity on national policy expectations; and**
- **legislate to require regions to produce a delivery plan to accompany the regional strategy, as well as undertake annual monitoring.**

Producing The Regional Strategy

The Government wants to ensure that the process is as streamlined as possible, by:

- reducing the numbers of strategies required,
- setting clearer objectives and outcomes for regional strategies up front,
- embedding Examination in Public (EiP) into the regional strategy making process,
- giving guidance on timing of the process - In addition to this last point, the Government is considering whether to set statutory timetables.

The Government will set out the principles in legislation and guidance, as well as encouraging the exchange of best practice.

Engaging Stakeholders

Government is committed to stakeholder engagement as a fundamental feature of the processes for developing and delivering the regional strategy. There will be a duty to consult and engage

¹ Sustainable economic growth' refers to economic growth that can be sustained and is within environmental limits, but also enhances the environment and social welfare, and avoids greater extremes in future economic cycles.

stakeholders. The Government will issue guidance to the RDA and Local Authority Leaders' Board who will be required to prepare, and comply with, a published statement setting out how they will consult and engage with stakeholders and communities.

Examination In Public

The Government proposes to clarify in guidance the role of the EiP panel at different stages of the process, including proposals for an open session to give members of the public access to the panel.

The Government will legislate for the EiP panel to report to the Leaders' Board and the RDA (as well as to Ministers), and would expect the Leaders' Board and RDA to consider the panel's recommendations and explain how they have done so before they submit the draft strategy to Ministers.

Implementation Plan

The Government has decided that it will legislate to require the RDA and Local Authority Leaders' Board to jointly produce an implementation plan setting out how the regional strategy will be delivered. This would cover detailed matters concerning delivery. For example specifying the details of agreed public investment, which would not be included in the regional strategy itself.

The implementation plan will not be signed off by Ministers but the RDA and Leaders' Board will need to ensure that it has the buy-in of other regional stakeholders, but will not go through the same formal processes as the regional strategy itself.

Scrutiny & Accountability

Government is giving joint responsibility to the Leaders' Board for developing and implementing the regional strategy. In view of this, it is no longer appropriate for the Leaders' Board to have a separate scrutiny function.

Government have set up the following:-

- regional select committees for each of the English regions (except London) should be established, but they should ensure their scrutiny does not interfere with existing lines of accountability and departmental select committee scrutiny at a national level;
- regional bodies and regional strategies will be the chief focus for the committees; and

- regional grand committees, comprising all MPs in the region, should meet once or twice a year, and these should include an oral questions slot for the Regional Minister.

RDAs will continue to be held to account by Parliament, through the Secretary of State for Business, Enterprise and Regulatory Reform

Delegation

Government has worked with RDAs and representatives of local government to develop further its own thinking on delegation and the appropriate accountability and financial framework, **the Government has concluded that, with a joint approach to investment planning for the delivery of the regional strategy, legislation is not needed to deliver the spirit of the SNR reforms.**

Government has concluded that such an investment planning approach, supported by aligned and streamlined appraisal processes, would achieve most of the advantages of delegation within the current legal framework.

Government will work with the RDAs, local authorities and other partners to develop an investment planning approach to deliver the priorities in the regional strategy, which will leave greater decision-making on detailed delivery at the local level with local authorities and other partners. This guidance will also streamline existing RDA appraisal processes so that they support RDAs' more strategic, programme management role and encourage greater freedom for local authorities and other partners in developing their proposals for delivery.

Next Steps

Government will produce guidance on:-

- the approach local authorities should take in producing their economic assessments;
- the process for preparing, delivering and monitoring the regional strategy, as well as what the strategy needs to cover; and
- how RDAs, local authorities and other partners can jointly develop an investment planning approach to delivery of the priorities in the regional strategy. This guidance will also streamline existing RDA appraisal processes so that they support RDAs' more strategic, programme

management role and encourage greater freedom for local authorities and other partners in developing their proposals for detailed delivery.

RDAs, regional assemblies and local authorities will be expected to demonstrate at an early stage that they have a change management programme in place, which sets out how they will implement the changes needed to institutions, relationships and processes.

Government expects regional partners to continue focusing on the commitment in the 2007 Housing Green Paper to reviewing regional strategies where necessary to secure the target of providing 240,000 new homes a year from 2016.

IMPLEMENTATION OF SUB-NATIONAL REVIEW ARRANGEMENTS

TRANSITION

FREQUENTLY ASKED QUESTIONS

Transfer of Functions

1. What Regional Assembly functions will continue to be funded by Government?

Regional Assemblies are voluntary bodies, funded by government, to carry out a series of functions including scrutinising Regional Development Agencies' (RDAs) economic strategies; as Regional Planning Bodies (RPB); advising Ministers in their capacity as Regional Housing Boards and undertaking a range of other funded activities that fall under the heading of 'regional strategic partnership work'.

During 2009/10, in line with issued Business Planning Guidance, the Government will continue to fund Regional Assemblies to perform these functions until they are transferred to successor bodies, such as Local Authority Leaders Boards.

During 2009/10 scrutiny of regional bodies and regional strategies will, for the first time, be undertaken by Regional Select Committees, and this will need to be recognised in the level and type of scrutiny activity that Regional Assemblies undertake. (See Q22). Local Authorities also have powers to scrutinise, if they wish to do so, in future.

The function of preparing and reviewing Regional Spatial Strategies (including the further reviews set out in the Housing Green paper) will continue until they are replaced by the single Regional Strategies. Strategy-making and the associated skills needed to prepare and implement them will therefore continue. Regional Housing Boards are being discussed in the context of work with the Homes and Communities Agency. (See Q7)

2. Where will Regional Assembly functions transfer to? When will Government set out timings for transfer of functions, staffing and resources?

For those functions of the Assembly that will continue, it will be for the new Local Authority Leaders Board and RDA jointly to decide the new arrangements. The

detail has been kept flexible to ensure that the best solution for each region is agreed within the region by partners who have the most detailed knowledge of what would work best.

The Government, through Government Offices and the joint CLG/BERR transition team will work with Regional Assemblies, the Regional Development Agencies, LGA and other partners over the coming months to agree the timescale for the transfer of functions, staffing and resources to new bodies. This will be set out in a Change Management Programme for each region. The Government would stress the importance of partnership working to achieve satisfactory future working arrangements.

Beyond April 2010 the Government will no longer sponsor and fund Regional Assemblies. We would expect that staff currently working for Regional Assemblies would, in the first instance and because of the skills, experience and knowledge that they have, form the pool of staff to be drawn upon by Local Authority Leaders Boards and RDAs to establish the new working arrangements.

3. What will Regional Assemblies do in 2009-10 while new arrangements are being finalised?

Business Planning Guidance for Regional Assemblies, issued by CLG, sets out in detail the work that Regional Assemblies should do in 2009-10. The Government will expect Regional Assemblies to continue to work on Regional Spatial Strategies, including, where appropriate, further reviews; to work with partners on preparing the evidence base for the Regional Strategy in line with draft guidance to be published by CLG/BERR in parallel with the Bill; and to undertake positive scrutiny of Regional Development Agency work (also see Q7).

4. Do CLG and BERR expect Regional Assemblies to continue with scrutiny of RDAs in 2009-10?

Yes. As set out in their business planning guidance for 2009-10, Assemblies' scrutiny activities should continue until new arrangements for regional strategies come into effect. However, this work must complement, and not duplicate, any activity being undertaken by the Parliamentary regional select committees, which it is anticipated will begin work on a pilot basis in the New Year, or any arrangements developed by Local Authorities in a region.

5. Where will the current sustainable development activity in Regional Assemblies transfer to? RDAs or Local Authority Leaders' Board?

Sustainable development will underpin the regional strategy. It is a matter for regional partners to determine when and how such activity is undertaken in the future.

6. Who will lead on taking forward the transition process in the regions?

Local Authorities, RDAs and Regional Assemblies should lead on drawing up a change management programme for their region. They will be advised and supported by Government Offices, along with the BERR/CLG Transition team in drawing up, agreeing, and implementing a change management programme that is practical and achievable for their region. The flexibility given to regions means there can be no single blueprint for what a change management programme should look like. However, Government expects each change management programme to clearly set out a timetable for how regional partners will implement the changes needed to institutions, relationships and processes. Business Planning Guidance issued to Regional Assemblies by CLG states that such plans should be worked up during 2009-10. To ensure that momentum is maintained in driving the transition process we expect regional partners to bring such plans forward and to have agreed their basic structures in the change management programme by March 2009. Government will establish an SNR Transition Steering Group with representatives from the LGA, RDAs and RAs to help in sharing best practice between regions on transition to new arrangements and helping to resolve issues.

7. How will the Homes and Communities Agency (HCA) and Regional Housing Boards be integrated in the new arrangements?

The Homes and Communities Agency (HCA) is working with Communities and Local Government to ensure that the most appropriate regional arrangements are designed to fit with the outcome of the Sub-National Review. The HCA Regional Director will be closely involved with the regional partners.

8. Who will become the Regional Planning Body in future?

There will be no statutory Regional Planning Body after the forthcoming Bill is enacted. The Bill will give a joint duty to the RDA and Local Authority Leaders

Board to draft the regional strategy. It is therefore no longer necessary to designate a body as the RPB.

Transfer of staff

9. When do TUPE²/ COSOP³ come into effect?

TUPE/COSOP comes into effect when the Regional Assembly is replaced by the new regional body. The transfer should be seamless for the employee. On the day before the transfer, staff are employed by the Regional Assembly. On the day of the transfer, staff are employed by the new regional body on exactly the same terms.

10. Can TUPE/COSOP be applied informally now, ahead of the final transfer?

As the answer to Q9 indicates, TUPE/COSOP comes into effect legally at one point in time. However, it is good practice to start thinking about the TUPE process as soon as it is certain the transfer will take place. It is normal practice for bodies faced with a TUPE transfer to start drawing up lists of staff who are 'in scope' for transfer some time beforehand. This is because (a) a person cannot be forced to transfer. However, if they refuse, their contract of employment is automatically terminated on the transfer date, although this will not count as a dismissal by the transferor and therefore does not give rise to a claim for unfair dismissal; and b) sometimes only part of a workforce is transferred, either because the function is ceasing or there is duplication of roles. In such cases it would be normal to undertake a preference exercise to establish which staff want to transfer and those who do not. It would then be possible to move/swap people to reduce the effect of the automatic termination of contract referred to above. The timetable for any TUPE/COSOP transfer will depend upon the arrangements reached within each region.

11. How will Government ensure money isn't wasted by each region getting separate legal advice on TUPE/COSOP?

² TUPE: Transfer of Undertakings (Protection of Employment) Regulations (TUPE). See Annex A

³ COSOP: Cabinet Office Statement of Practice on Staff Transfers in the Public Sector. See Annex A

Regions can seek their own legal advice on TUPE/COSOP. However, to minimise costs, and ensure a common approach, it would be advisable for regions to seek advice from their Government Office on any questions they may have to ascertain if these have been raised and answered in other regions. The CLG/BERR transition team will work closely with Government Offices to ensure consistent advice is provided across the regions on TUPE matters.

12. Does TUPE/COSOP apply across the piece or on a region by region basis?

TUPE and COSOP are predicated on a workforce unit basis. Each Regional Assembly is a separate employer. TUPE/COSOP will therefore be dealt with on a region by region basis. For example consider Staff in Region A doing work of type X and if that work, for that Region, transfers to another body, then those staff are in scope for TUPE/COSOP - and the other staff in Region B don't get taken into account.

Funding and Assets

13. My region wants to move to new governance arrangements in April 2009. What functions will CLG fund in the financial year 2009-10?

Business Planning Guidance issued by CLG sets out what functions it expects each region to undertake in 2009-10. The roles the guidance identifies are: Regional Planning Body; Regional Housing Board; Scrutiny of Regional Development Agencies Regional Economic Strategies; and regional strategic partnership work (including Regional Funding Advice). Any region wanting to move to new governance arrangements in April 2009 should discuss the implications of this move with their respective Government Office to ensure that the resultant regional structures and functions performed will be appropriate and acceptable. The current designation criteria for RPB's will apply to new governance arrangements until new legislation is in place.

14. When will we know what funding will be available from 2010 onwards and when and to whom will guidance be issued?

When government announces funding for 2009-10 we will seek to give broad undertakings for 2010-11 although this will be dependent on the change management programmes which we have asked to be produced (see Q6) by March 2009.

15. When will Regional Assemblies' wind-up costs, including any redundancy payments, be identified, and how will they be funded? Will there be a central fund to cover them?

Most of the work undertaken by Regional Assemblies will still be undertaken in the future and therefore Government does not anticipate that there will be significant wind-up costs or redundancies. The identification of any such costs should be undertaken as part of the Change Management programme that regions will be undertaking in the coming months to prepare for the transition. Some initial work on this has already been carried out. Once there is a clearer understanding of any likely actual costs arising decisions will be taken on funding them. The expectation is that any costs will be funded from within existing budgets.

16. Current funding arrangements for Regional Assemblies do not allow for redundancy payment to be made from the public purse beyond the statutory minimum. Will this remain the case?

The funding agreement for Regional Assemblies has always contained a clause which states that "Grant must not be claimed for any of the following ... (e) payments for redundancy of staff in excess of the statutory minimum amount." The Government is not currently proposing to change this approach.

17. How will CLG ensure funds are in place to cover all pension liabilities and that they transfer with the staff? Will government cover the pension liabilities for local authorities?

Pension provisions in contracts normally mean that the employer and employee are both paying contributions into a pension's scheme. These payments will have been made and thus pension liabilities will be covered. We will work with each of the Regional Assemblies to ensure that this is the case; particularly where there are members of staff for whom an additional pension liability may need to be paid . However, we do not anticipate there being very many cases like this.

18. Can Government design new arrangements in a way that will enable those Regional Assemblies that are employing organisations to continue?

Government will cease funding Regional Assemblies after March 2010. Decisions on the new arrangements are a matter for the region and an issue that will be considered in the production of the regional Change Management programme. It is feasible that the Regional Assembly could change into the Local Authority Leaders Board as has happened in the North West which would provide some continuity – but this is a matter for the region.

19. Will CLG give Assemblies the ability to carry forward funding from 2008-09 to 2009-10 to cover work on transition?

The presumption is that funding for 2008-09 would be used to meet the milestones set out in the business plan for each region during that year. Exceptional circumstances would have to be demonstrated as to why funding for 2008-09 has not been used in year and agreement to carry-over any funding obtained in advance from the GO and CLG.

20. Is there a process (and location) for the transfer of records, information, filing, and will this be centrally funded?

This question should be addressed by regional partners in their Change Management programme for the region. There is no additional central funding available.

21. Where will the policy support for the Leaders Boards come from? How will it be funded?

Development of regional strategies will require close working between local authorities and the RDA in each region, at all levels, so local authorities will need to discuss and agree how policy support for Leaders Boards can be best structured to achieve this. Each region will wish to establish structures which best suit their overall arrangements. For example: in the North West, Assembly officials have already transferred to the new organisation 4NW and are working closely with NWDA; in the North East, Assembly policy officials involved in strategy development have moved to work with those from the ONE. The overall aim should be to ensure effective integration of policies for the new regional strategy.

Local Authority Leaders Boards will receive funding to cover their work on the Regional Strategy (and also to cover continuing functions of the Assemblies). RDAs are also currently funded to produce the economic elements of the strategy. In future, it will be for the RDA and the Local Authority Leaders Board to decide between them how the work under the jointly agreed regional arrangements is resourced.

Scrutiny and Accountability

22. How will the new scrutiny and accountability arrangements be addressed?

Future arrangements

RDAs will continue to be accountable to Parliament through the Secretary of State for Business, Enterprise and Regulatory Reform, working within a robust performance framework, and this will remain the principal way in

which the RDA is subject to external scrutiny and held to account. RDAs will set out in their Corporate Plans what they intend to do in delivering the agreed strategy and will be accountable against that.

In addition, as part of the *Governance of Britain* programme, Government proposed the introduction of regional select committees, to scrutinise regional policies in England. The Modernisation Committee of the House of Commons (ModCom) was asked to conduct an inquiry into how this should happen. A report was published in July this year, in which the committee made a series of recommendations for establishing both Parliamentary regional select committees and regional grand committees. Government responded to the ModCom report, agreeing with the Committee's central proposals. (Detailed information here: http://www.parliament.uk/parliamentary_committees/select_committee_on_modernisation_of_the_house_of_commons.cfm)

The House of Commons debated regional accountability on 12th November and resolved the following:

- Parliamentary regional select committees for each of the English regions (except London) should be established, but they should ensure their scrutiny does not interfere with existing lines of accountability and departmental select committee scrutiny at a national level;
- Select Committees shall be appointed to examine Regional Strategies and the work of regional bodies;
- Regional grand committees comprising all MPs in the region should meet once or twice a year, and these should include an Oral Questions slot for Regional Ministers;

In view of these arrangements, and the increased democratic accountability through the joint duty placed on RDAs and local authorities to develop and implement a Regional Strategy, Government does not intend to legislate for local authority scrutiny arrangements. Local Authorities already have powers to scrutinise, if they wish to do so, in future.

Strategy and Policy

23. What will the new Regional Strategy contain and what will the process to prepare it be?

Guidance on the content and process for the preparation of the Regional Strategy will be prepared alongside the early stages of any bill that is considered by Parliament and Government intends to make available a draft version in early 2009.

24. Will you be changing Statutory Instruments on the make up of Regional Planning Bodies to allow regions more flexibility to set up regional partnerships as they determine? When will these changes come into effect?

The current designation criteria for RPB's will apply to new governance arrangements until new legislation is in place. There are no current proposals to change Statutory instruments in advance of the forthcoming Bill being enacted but we are prepared to discuss this if necessary.

25. How will Government ensure that the new arrangements will enable cross-boundary working between regions and devolved nations?

There is already experience of this across the country and we will expect regional partners to build on this experience in devising future joint arrangements. Regional bodies should work closely together in addressing issues of common interest, both to inform the strategies they adopt and to ensure delivery plans are complementary. In some cases regions may wish to work together to develop a cross-boundary strategy or delivery plan to address a particular issue. The government encourages adjacent regions to co-operate in this way where it reflects economic geography or existing policy initiatives.

26. How will social, economic and environmental stakeholders in the region engage in regional policy development now they have been taken out of governance arrangements?

The Government is committed to stakeholder engagement as a fundamental feature of the processes for developing and delivering the regional strategy. There will be a wider legal duty to consult and engage stakeholders. Government will issue guidance to the RDA and Local Authority Leaders Board who will be required to prepare, and comply with, a published statement setting out how they will consult and engage with stakeholders and communities. We are aware of innovative and effective approaches in many regions for engaging with a wider range of stakeholders and want to build on these examples and share best practice.

It will be up to each region to decide how to engage with social economic and environmental stakeholders. The Local Authority Leaders Board and RDA may wish to explore alternative arrangements for ensuring an effective input from social and economic partners. There are a range of options that could be considered. These include establishing a consultative committee; seconding expertise from stakeholders or possibly appointing a

stakeholder representative(s) to a Local Authority Leaders board or on a joint regional Strategy Committee. In developing change management programmes regional partners should explore the development of new arrangements for stakeholders.

27. How will Government ensure that agencies of central departments integrate their work with regional strategies?

Departments and agencies whose programmes will impact on the achievement of regional strategy objectives will be expected to be closely involved in both the development of the strategy and the delivery plan, in order to ensure alignment of priorities and investment. Additionally the development of Multi Area Agreements and the work undertaken in regions and with central departments on Regional Funding Advice provide models of how this can be made to work.

28. What will be the future role of Regional Skills Partnerships and Employment and Skills Boards, and how will DIUS skills funding (and proposed new bodies) be factored into new arrangements?

Joint departmental work is underway to produce good practice principles for Employment and Skills Boards (ESBs) which already exist and especially for those emerging from Multi Area Agreements. It is hoped that these 'light touch' principles will help steer and support ESBs on issues such as how the board is set up and the strategic relationships they should have at all levels. DIUS and BERR also recognise that Regional Skills Partnerships (RSPs) are in many cases evolving to meet the challenges of changing skills needs. The two departments are committed to supporting RSPs and have begun work to look at how they can support RSPs in this process and to ensure they continue to play an on-going partnership working role between the regional, sub-regional and local level. Both of these joint departmental projects will look at relationships with the Skills Funding Agency.

29. What will be the role of sustainable development champion bodies under the new arrangements?

The role of sustainable development champion bodies will not be prescribed centrally. This is something for each region to determine. The Defra Transformation and Transition Fund is currently supporting regions to investigate future arrangements.

30. How does Government envisage LA economic assessments working with the regional strategy?

The local economic assessments will form part of the evidence base for the development of regional strategies. Further guidance on this will be contained in the Regional Strategy guidance. (See Q.23)

31. How will the process for appraising regional strategies against the proposed single sustainable development framework work?

Defra will be working with stakeholders over the next few months to develop the single sustainable development framework and the appraisal process. This will ultimately form part of the guidance on preparing regional strategies.

Communications

32. How does Government intend to ensure clear and unambiguous messages are communicated to partners throughout the transition period to avoid different interpretations?

During the course of visits to the regions by the BERR/CLG transition team, regional partners made it clear they did not want formal advice/guidance on transition as they believe this will take too much time to draft and agree. Instead, partners asked for as much early advice as possible, to enable them to get underway with planning for the transition to the new arrangements, and for further advice to be provided in tranches, as we move through the transition period. These tranches will result in a 'compendium' of advice, which regional partners felt was a more practical and useful solution than formal advice. This FAQ forms the first tranche of this advice and will be updated as and when necessary.

Where there are regionally specific questions and issues, Government expects regional partners to work with their Government Offices to develop solutions. It believes Government Offices are best placed to advise and broker solutions for their regions, calling on CLG and BERR for advice and guidance when necessary. This advice can then be shared and drawn on by other regions as required.

Other Issues

33. Will Regional Assemblies be formally abolished under the proposals just announced?

Regional Assemblies are voluntary organisations and therefore it is not within the power of government to abolish them. However, Government will give the RDA and the Local Authority Leaders Board joint responsibility for the regional strategy, including its drafting, implementation plan and monitoring of its delivery. As a result, the key regional planning functions of the Regional Assembly will pass to the RDA and Local Authority Leaders' Board. Other residual functions will also pass to successor bodies as required and the need for Regional Assemblies will end. We will repeal any relevant legislation and transfer any funding to successor bodies.

34. Will National Park Authorities and Town and Parish Councils have a place on the new Leaders Boards?

Participating authorities in Local Authority Leaders boards will include District Councils (including Metropolitan Districts Councils), County Councils, National Parks Authorities and the Broads Authority. Town and Parish councils will be key stakeholders in developing the regional strategy and Government will require the RDA and Local Authority Leaders' Board in each region to prepare, and comply with a statement setting out how stakeholder engagement will be managed, and it will expect the interests of Town and Parish Councils to be included.

ANNEX A

TUPE and COSOP Definitions

Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

TUPE preserves employees' terms and conditions when a business or undertaking, or part of one, is transferred to a new employer. Full details can be found on the BERR website at: <http://www.berr.gov.uk/employment/trade-union-rights/tupe/page16289.html>

Cabinet Office Statement of Practice on Staff Transfers in the Public Sector 2000 (COSOP)

COSOP applies to staff who are transferred to the private sector and those who move to different roles within the Civil Service. This document was revised in November 2007 mainly to make reference to the July 2006 TUPE Regulations.

COSOP sets out policy in relation to transfers, which the Government expects public sector organisations to follow. It protects the rights of public sector staff involved in transfers, ensuring continuity of employment and of terms and conditions. A copy of the document can be found here:

<http://www.civilservice.gov.uk/documents/pdf/employment/stafftransfers2.pdf>

Extracted from *Local Democracy, Economic Development and Construction Bill Policy Document on Regional Strategies*:

Other stakeholders

- 3.17 The Government is committed to stakeholder engagement as a fundamental feature of the processes for developing and delivering the regional strategy. There will be a wider legal duty to consult and engage stakeholders. This is covered in chapter 4.
- 3.18 It will be up to each region to decide how to engage with economic, environmental and social stakeholders. The Leaders' Board and RDA may wish to explore alternative arrangements for ensuring an effective input from partners, many of whom have extensive knowledge, skills and experience which could benefit regional strategy production. There are a range of options that could be considered. These include establishing a consultative committee; seconding expertise from stakeholders or possibly appointing a stakeholder representative to a Leaders' Board or on a joint regional strategy committee
- 3.19 The responsible regional authorities will need to involve Government agencies such as the Homes and Communities Agency, Highways Agency, Environment Agency, Natural England and English Heritage. These agencies are the Government's statutory advisors and regional authorities should work closely with them to benefit from their expertise, advice and knowledge at an early stage in preparing regional strategy.

Engaging stakeholders including communities

- 4.18 Stakeholder engagement is critical to ensure that the regional strategy effectively integrates competing demands and commands support across the region.
- 4.19 International and national legislation already requires bodies who are responsible for plan or programme making, to consult widely. The new legislation requires an approach to stakeholder engagement and community involvement which is transparent and accountable. It does so by requiring the responsible regional authorities to prepare, publish, keep up-to-date and comply with a statement of their policies on involving all those persons who seem to them to have an interest in the regional strategy (clause 69).
- 4.20 We will clarify in regulations which specific bodies and also types of bodies must be consulted. Annex B indicates the range of bodies that could be covered in these regulations. We will also clarify in policy documentation that the statement of policies on community involvement should set out how all these other bodies will be involved

as well as the approaches both to informal engagement and formal public consultation activity. The expectation is that during the drafting stage, in particular, the RDA and Leaders' Board would use working arrangements and a variety of means to involve different organisations and individuals.

4.21 The responsible regional authorities will be required to consult with the statutory environmental agencies (Natural England, Environment Agency and English Heritage and Welsh equivalents where relevant) in scoping the issues to be appraised. They may choose to consult more widely. The legislation then assumes full public consultation at key stages (clauses 71-72) when people will be invited to make written representations and will be able and encouraged to submit evidence both on the strategy and sustainability appraisal report. Namely:

- once the RDA and Leaders' Board have agreed an initial draft strategy and
- after the draft strategy has been modified in the light of the Examination in Public Panel's recommendations and representations received on the initial draft.

4.22 In addition, we will expect Examination in Public panels to hold exploratory sessions to hear different points of view, as well as the more forensic testing of outstanding issues through debate involving selected participants.

4.23 Engagement will be expected to be wide-ranging, meaningful and contribute to building consensus around the regional strategy. It should also be proportionate, timely and add value to the process. These arrangements place a premium on effective social, economic and environmental stakeholder engagement, while enabling regions to devise working arrangements which best suit the circumstances of their region so that they are most effective in drawing upon the expertise of stakeholders for sound decision-making and outcomes and effectively link the contribution of different spatial levels. The intention is to build upon existing requirements in relation to consultation and testing of evidence as well as good practice developed over recent years through the exchange of experience. The expectation is also that the new arrangements build on the range of stakeholders currently involved whether through representation on regional assemblies or regional partnerships or working groups. For example, business, Higher Education Institutes, Trade Union Congress, town and parish councils, the voluntary sector, environmental and faith groups and regional culture and health bodies. The new arrangements will need to be capable of informing regional priorities in respect of issues around housing, transport, environment, skills, business support, rural needs and other matters to create the conditions for business and communities to flourish.

4.24 In devising the regional approach to stakeholder engagement, the Government expects the RDAs, Leaders' Boards and key stakeholders to take note of the Government's Code of Practice on Consultation as appropriate.