

Agenda Item - 7

WEST MIDLANDS REGIONAL ASSEMBLY

Board of Directors – 18 June 2008

Sub National Review – Response to SNR Consultation Document

Report of the Chief Executive

1. Purpose

- 1.1.** On 31 March 2008 the government published a consultation document about the implementation of the Sub National Review – Economic Development and Regeneration. In the West Midlands, the group representing the Assembly, including other stakeholder and business representations, local government and AWM have worked together to draw up a joint response to the consultation document. This is appended to this report as appendix A. The English Regions Network (ERN) is also intending to put in a response to the consultation; the proposed response is attached as appendix B.

2. Recommendation

- 2.1.** That the Assembly endorse the draft Regional response to the SNR consultation document and consider if they wish to also endorse the ERN response.

3. Background

- 3.1.** The cover report to appendix A is a joint report from Richard Carr, Chief Executive of Wolverhampton MBC and Chair of the Chief Executives Taskforce; Rose Poulter, the Strategic Director of the SNR Transition team; and the Chief Executive of the Assembly. This report outlines the process that has been gone through to pull together a Regional response to the SNR consultation. On 18 June, this will be considered by the Regional Forum of Leaders, the WMLGA Executive and the West Midlands Regional Assembly Board, all of whom meet in succession on that day. Following these meetings and the results of discussion, it is intended that should the response be endorsed it will be submitted on behalf of the Region in draft before the

consultation deadline on 20 June; and will be confirmed following consideration by the AWM Board at their meeting on 24 June.

- 3.2.** The cover report sets out the reasons why the Regional response is recommended. This stems most strongly from the belief that the benefits for the Region are best achieved by the key regional partners coming together and speaking with one voice. The principles which have guided the response are also detailed in the cover report.
- 3.3.** The proposed response to the consultation from the ERN (representing all Regional Assemblies), is attached as Appendix B. At present, it is understood that all but one of the Regional Assemblies (the North West) will endorse the response.
- 3.4.** Members are invited to discuss the principles in particular set out in the ERN report and consider whether they wish to endorse this response, in addition to the consideration of the response from the West Midlands. Whilst there are some differences between this and the response set out in Appendix A, members are reminded that there will be many organisations who are likely to have signed up to more than one response to the consultation and it is unlikely that the wording of the responses will be identical; as each response is to be likely to be geared to the particular interest of the group concerned.

Olwen Dutton
Chief Executive
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Appendix A

SNR – Response to SNR Consultation Document - Prosperous Places: Taking Forward the Review of Sub National Economic Development and Regeneration

Report of:-

***Richard Carr, Chair, Chief Executives' Task Force
Olwen Dutton, Chief Executive, WMLGA and WMRA
Rose Poulter, Strategic Director – SNR Transition***

1 Purpose

- 1.1 The Regional Forum of Leaders, WMLGA Executive and West Midlands Regional Assembly Board meet in succession on 18 June. This single report will be considered by each meeting. It sets out a proposal for submitting a regional response to the SNR consultation document - Prosperous Places: Taking Forward the Review of Sub National Economic Development and Regeneration.

2 Recommendation

- 2.1 That the Regional Forum of Leaders, WMLGA Executive and WMRA Board endorse the draft regional response to SNR consultation document - Prosperous Places: Taking Forward the Review of Sub National Economic Development and Regeneration - appendix 1.

3 Background

- 3.1 Although organisations are free to respond to the SNR consultation document - Prosperous Places: Taking Forward the Review of Sub National Economic Development and Regeneration, as they deem appropriate, clearly where there is common ground, there is advantage in capturing this in a single consultation response on behalf of the West Midlands. In essence, the messages we want to convey to Government are likely to carry more weight if more than one partner is making them.
- 3.2 The scope for a common response has been explored through the West Midlands SNR Strategic Transition Group (STG), which comprises representatives from local government, AWM, the Assembly, Government Office, business and other stakeholders.

4 Detail

- 4.1 The response that has emerged through the STG discussions is based on the following set of principles which should help provide a robust framework for the development and delivery of the Single Integrated Regional Strategy (SIRS).
- a) We should take a holistic approach to tackling the underperformance of the regional economy – closing the £10 bn output gap.
 - b) Democratic accountability and oversight of the development and delivery of SIRS should be firmly established.

- c) Cultivation of ownership and understanding across a wide range of partners and delivery agencies regionally, sub-regionally and locally is crucial.
- d) Effective arrangements should be established for engaging with partners, stakeholders and business.
- e) Partnership working should be enhanced by drawing in other major partners to secure alignment of investment to support the development and delivery of the SIRS.
- f) A partnership which adds value is imperative.
- g) The principle of subsidiarity needs to be applied - nationally, regionally, sub-regionally and locally.
- h) A scrutiny process needs to be developed which engages the wider local government family and partners.

4.2 Further detail on each of the above is given in the attached response; which is set out in the following three sections:-

- Responding to the SNR Agenda in the West Midlands :- progress report on setting up new working arrangements to develop and implement SNR and the Single Integrated Regional Strategy (SIRS).
- Principles to Guide the West Midlands SNR Work Programme
- Moving Forward

**Contact:- Richard Carr, Chair, Chief Executives Task Force
Olwen Dutton, Chief Executive, WMLGA/WMRA**

Appendix 1

WEST MIDLANDS SNR STRATEGIC TRANSITION GROUP

Response to:-

Prosperous Places: Taking Forward the Review of Sub National Economic Development and Regeneration - March 2008

INSERT – Headline Summary

Introduction

The West Midlands partners are committed to tackling the £10 bn output gap. We can give unequivocal assurance to Government that we can make real progress. Our response demonstrates our commitment to securing a very wide ownership of the challenges and the solutions. Collectively we are developing partnership arrangements which will ensure we are positioned to develop shared objectives, align public investment and take timely and strategic decisions to secure real impact.

We welcome the recognition that all regions are different, face different challenges and need to develop solutions that meet their own particular needs. The flexibility to allow regions to devise appropriate working arrangements themselves that most effectively meet their needs and circumstances will be a critical component for taking the SNR agenda forward.

The West Midlands underperforms relative to other national and international competitors; in 2005 output per head was 89% of the UK average. 80% of this gap is attributable to the economic structure and productivity of the economy with 20% accounted for by economic exclusion. We are therefore focussed on the need to close the £10bn output gap and embracing the challenges set out in the Regional Economic Strategy in the period to 2012.

- Create 1,900 new businesses
- Boost business expenditure on R&D by £420 million
- Attract an extra 16,000 management and professional jobs
- Reduce carbon emissions by 23m tonnes by 2050
- Get 44,000 extra people into a job
- Put 110,000 more employees through training
- Lift 75,000 more people up to level 2+ qualifications
- Create 70,000 more graduate jobs

Success for the region can only be achieved if we work together in partnership as regional partners and with Government and align our resource base towards a shared agenda. Local ownership of both the challenges and the solutions will be essential if we are to secure real progress towards closing the output gap. The Regional Skills Partnership has demonstrated the effectiveness of partnership working, collaboratively building a Skills Action Plan to deliver the skills elements of the Regional Economic Strategy commitments.

We therefore very much welcome the ambitions for securing economic prosperity set out in the SNR agenda and the opportunity to respond to 'Prosperous Places: Taking Forward the Review

of Sub National Economic Development and Regeneration' - March 2008 consultation document.

Our response is set out in the following three sections:-

- Responding to the SNR Agenda in the West Midlands :- progress report on setting up new working arrangements to develop and implement SNR and the Single Integrated Regional Strategy (SIRS).
- Principles to Guide the West Midlands SNR Work Programme
- Moving Forward

1 *Responding to the SNR Agenda in the West Midlands*

Our Work/Change Management Programme sets out the key tasks we are undertaking to develop and implement the SNR agenda in the West Midlands. This Work Programme has both shaped and been developed from the complementary work programmes of AWM, West Midlands Local Government Association, Regional Forum of Leaders and West Midlands Regional Assembly.

On behalf of regional partners AWM has established an SNR Transition Team. The team includes a senior Director seconded from the Assembly, two full-time members of staff from Advantage WM and officers from local government, the Assembly, business, economic, social and environmental partners

We have been making good progress towards strategy integration particularly between the Economic and Spatial Strategies. Indeed, the Regional Minister, Liam Byrne hosted a joint launch of the Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS) Phase 2 Preferred Spatial Option consultations in December 2007. We are of course continuing to work towards the integration of our existing strategies and delivery mechanisms.

Our approach to SNR, including the establishment of the STG, reflects the long-established and productive approach to partnership working in the region. We now want to strengthen these arrangements to secure genuine joint ownership and commitment to the development and delivery of the SIRS.

We are committed to using SNR as a vehicle for agreeing new ways of working to achieve sustainable economic growth, development and regeneration at every spatial level through better alignment of policy interventions especially economic and spatial planning, within a sustainable development framework

Our Transition Work Programme sets out how we are taking forward the key elements of the SNR agenda, including:-

- Scoping out our vision and strategic objectives for the SIRS.
- Developing the principles we will use to guide delegation from AWM. We will build on this approach with other partners to secure alignment of investment against the SIRS.

- Overhauling our current partnership arrangements so that we have the right expertise and mechanisms to build the ownership needed to develop an effective strategy and ensure committed delivery

2 Principles to Guide the West Midlands SNR Work Programme

To guide our approach we have developed a set of principles which we believe provide a robust framework for the development and delivery of the SIRS.

- a) We should take a holistic approach to tackling the underperformance of the regional economy – closing the £10 bn output gap.

We believe that real economic improvements can be achieved if we take an integrated approach which secures not only economic growth but secures wider benefits such as improved health and housing connected to employment by quality public transport. We urge Government to allow us sufficient flexibility in the process, content and level of detail to develop a comprehensive and holistic SIRS. The SIRS will need to meet the challenges facing the different places in the West Midlands, the Region as a whole, as well as the national challenges faced by all such as housing and the international challenge of climate change. To meet these challenges, we will ensure that the SIRS is supported by a robust evidence base that fully reflects regional circumstances.

- b) Democratic accountability and oversight of the development and delivery of SIRS should be firmly established.

The early formation of our the Regional Forum of Leaders (RFL) and its delegation of six Leaders to represent local government on the STG means we are confident that we are developing effective arrangements that are accountable, inclusive and representative. The progress that has been made in the establishment of a functioning representative RFL, working in a way that is appropriate to our region is supported by AWM and partners and should be recognised and supported by Government.

- c) Ownership and understanding across a wide range of partners and delivery agencies should be cultivated regionally, sub-regionally and locally.

The ambition of the SNR agenda demands a collective effort on the part of regional, sub-regional and local partners. We will build on the already active engagement of key partners in discussions to shape the agenda. This will include briefings and discussions with groups of partners for example business representative organisations and sub-regional road shows later in the year. It will further include effective transitional arrangements for moving smoothly from the existing RES and RSS to the new SIRS.

- d) Effective arrangements should be established for engaging partners, stakeholders and business.

The West Midlands has well developed partnership models, which include local authorities, public agencies, the third sector and business. Partners have brought valued expertise, constructive independent challenge and capacity to regional strategy development – this remains essential for the effective development and delivery of the SIRS. Partners in the West Midlands have high expectations of engagement and ownership of the SIRS. Buy-in is

essential to secure and deliver, the required outcomes and enhanced economic prosperity. Our Partnership Review is part of a process to ensure that partners will have a structured and on-going role in the development and delivery of the SIRS. Discussions have started to ensure the excellent partnership arrangements already in place are reviewed to ensure they are up to the task of developing and delivering the SIRS. Those arrangements should continue to be open and transparent in order to engender wide ownership.

We believe the AWM Board should continue to be business-led and should develop effective arrangements for engaging other partners and stakeholders engaged in the broader SNR agenda.

We urge government to assist the continuity of this capacity by guaranteeing the Assembly's partnership budget and transferring it to AWM.

- e) Partnership working should be enhanced by drawing in other major partners to secure alignment of investment to support the development and delivery of the SIRS.

Key to making our region more successful will be our ability to align the investment of partners, agencies and government departments; for example Highways Agency, Environment Agency and the Homes and Communities Agency. The active engagement in the development and delivery of the SIRS of those responsible for the £120 billion of public sector resource coming into the region over the next 5 years with business, environmental and social partners is essential if investment is to be maximised.

The West Midlands is committed to realising the change it seeks and will work to develop clear implementation and delivery plan(s) engaging partners and involving joint RFL/AWM sign-off as we consider appropriate.

- f) A partnership which adds value is imperative.

We will develop robust arrangements which enable partners to take both collective responsibility for the SIRS and individual responsibility for required outcomes. SNR offers a genuine opportunity which the regional partners will take, to redefine our regional partnership arrangements to ensure we are positioned to develop shared objectives, align public investment and take timely and strategic decisions to secure real impact. We are exploring the concept of a joint board arrangement as a means to secure real impact and urge Government to give us the flexibility to configure arrangements which will work for the West Midlands.

- g) The principle of subsidiarity needs to be applied - nationally, regionally, sub-regionally and locally.

We are committed to the principle of subsidiarity as applied to governance arrangements, public funds, policy making and delivery. We will apply this to decision making, evidence gathering, delegation, investment-planning and performance management. We ask Government across all Departments to adopt this principle.

We are committed to increasing democratic accountability - recognising that effective delegation of decision-making and spending within economic and regeneration programmes will be an important contribution to improved economic performance. AWM and RFL are working with partners to develop a clear protocol of where activities are best undertaken at

regional, sub-regional or local level. We will also act to tackle deficits in local and sub-regional delivery capacity.

- h) A scrutiny process needs to be developed which engages the wider local government family and partners.

In the West Midlands we will develop scrutiny arrangements that are fit for purpose, that allow appropriate oversight and accountability which will assist partners to deliver improved outcomes for the region. We recognise the important roles AWM and RFL will have throughout the SIRS development process and its delivery. Because of this, we will develop arrangements separate and independent of AWM and RFL, with local government and social, business, economic and environmental partners to scrutinise the impact of the interventions made by regional partners and Government Departments and Agencies. We require from Government the flexibility to develop arrangements appropriate for our region and for the region to retain the annual scrutiny budget currently held by the Assembly.

3 Moving Forward

We have confidence that the West Midlands can secure higher levels of economic growth by adopting these principles.

We have recognised that if the SIRS is to deliver more ambition and added value to what has been in place to date we need to explore, imaginatively, the alternative futures that can be created for our region. The regional structures we are putting in place for the SNR transition will secure new models for the development and delivery of SIRS, taking account of the Government's requirements and our regional experience.

Our commitment is to develop bespoke arrangements which will meet the region's specific circumstances, building on our experiences and successes but recognising the opportunity SNR presents for radical change. The partnerships we are building will stand us in excellent stead to take forward round two - Regional Funding Allocations.

Our Work Programme sets out how we intend to progress activity and discussion over the next 2 years. We ask that Government provides the flexibility to develop arrangements appropriate for our region.

The West Midlands partners stand ready to work with Government to develop the detail associated with the next phase of SNR. For example, our work to align the recently published RES and RSS Phase 2 Preferred Option means that we can offer Government insight, experience and a reality check on a process and timescale to develop the SIRS.

Finally the opportunity to take a holistic approach to the regional and national ambitions for economic growth must not be missed. We want to work with Government to ensure that that we have a genuinely integrated approach to meeting the challenges set out in 'Prosperous Places: Taking Forward the Review of Sub National Economic Development and Regeneration' and other supporting policy frameworks such as the 'Raising Expectations' White Paper. These need to be considered collectively at national, regional and local levels. It is particularly important to work outside "silos" if we are to address the skills challenges by delivering coherent pathways of opportunity to individuals and business; and link this ambition to our overall objective – to close the regional £10bn output gap.

Strategic Transition Group

The key group is the **Strategic Transition Group** (STG). The Group is chaired by one of GOWM's non-executive Directors. GOWM is Government in the region with the remit to ensure the SNR is implemented smoothly by the region. It reports to Departments on progress regularly but is relatively unaffected by the proposed changes and as such it is ideally placed to chair (and offer secretariat) to the group.

Composition of the group includes the Chair of AWM, two other AWM Board Members, the Chair of West Midlands Regional Assembly, plus representative local authority Leaders. It also includes both a senior business representative and a senior representative from other stakeholders (e.g. health) to ensure it is not perceived as a 'closed shop' only interested in local and central government.

The purpose (**Terms of Reference**) of the STG are:

- i. To steer implementation of Sub-National Review in the West Midlands.
- ii. To discuss and agree principles to inform and guide the process.
- iii. To oversee the SNR implementation plan (road map) and monitor its progress.
- iv. To take soundings from and report back to constituent organisations.
- v. To contribute to national consultations and identify issues of national significance.
- vi. To raise the level of understanding of the changes within the region.
- vii. To report on progress to the Regional Minister.

Chair

Michael Clark *Non-Executive Director GOWM*
[Deputy - Karamjit Singh]

Membership (29/01/08)

Nick Paul *AWM*
 John Crabtree *AWM*
 Richard Hyde *AWM*
 Cllr Mike Whitby *Birmingham City Council*
 Cllr Ken Taylor *Coventry City Council*
 Cllr Roger Phillips *Herefordshire County Council*
 Cllr Simon Tagg *Newcastle under Lyme Borough Council*
 Cllr John Taylor *Staffordshire County Council*
 Cllr Roger Lawrence *Wolverhampton City Council*
 Trudi Elliott *GOWM*
 Roger McKenzie *Other Stakeholder Group*
[Deputy – Elizabeth Newman]
 Cllr David Smith *WMRA*
{Deputy Dr Sarindar Sahota}
 Jim Rickard *Business*



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English Regions Network

The English Regions Network is the umbrella organisation for England's eight partnership Regional Assemblies as follows:

- East of England Regional Assembly;
- East Midlands Regional Assembly;
- North East Assembly;
- North West Assembly;
- South East England Regional Assembly;
- South West Regional Assembly;
- West Midlands Regional Assembly;
- Yorkshire and Humber Assembly.

Regional Assemblies are the regional planning, transport and housing body and are responsible for developing the Regional Spatial Strategy and for undertaking scrutiny of Regional Development Agencies.

They are partnership bodies consisting of elected councillors from the local authorities in the region and stakeholder representatives of business, voluntary sector and environmental groups.

Regional Assemblies have ten years experience of working in partnership with a range of public, private and voluntary groups including local authorities and regional development agencies in particular. The focus of their work has been in developing regional strategies, representing the interests of the region and determining regional priorities.

The overarching aims of the English Regions Network are:

- 1) To proactively seek and represent the collective views of Regional Assemblies to Government and other key institutions;
- 2) To encourage new thinking and research in areas of concern to regions;
- 3) To add value to Regional Assemblies by providing a forum where best practice can be shared and inter-regional networking amongst Assemblies can be facilitated.

Further information about the English Regions Network and Regional Assemblies can be found at www.ern.gov.uk

Introduction

1. Review of Sub-National Economic Development and Regeneration

- 1.1 The Government published a consultation document on 31st March 2008 entitled '*Prosperous Places: Taking forward the Review of Sub-National Economic Development and Regeneration*'. The document states that:

'This consultation sets out and seeks views on the proposals contained in the SNR for putting in place reforms that would:

- streamline the regional tier, introducing integrated strategies and giving the regional development agencies (RDAs) lead responsibility for regional planning;*
- strengthen the local authority role in economic development, including a new statutory duty to assess local economic conditions; and*
- support collaboration by local authorities across economic areas.'*

- 1.2 The Government sought views on its proposals by 20th June 2008 with a view to introducing legislation later in the year.

2. ERN submission

- 2.1 Regional Assemblies, both within their own region and collectively through ERN, have given significant consideration to the proposals contained in '*Prosperous Places*'. This ERN submission has been developed through the ERN Annual Conference held on 23rd May 2008 and through contributions from ERN working groups e.g. Planning Directors.
- 2.2 The English Regions Network submission consists of a high level ERN Position Statement (p.4) and a detailed response (p.5-18) to the proposals in '*Prosperous Places*'. Section 4 of the ERN response proposes that the Forum of Council Leaders should have an enhanced role in relation to the single regional strategy and Section 5 examines regional accountability and scrutiny. These sections relate to the Government's proposals in *Chapter 3 (Stronger partnerships for regional growth)* of '*Prosperous Places*'. Sections 6-14 of the ERN response propose an alternative system of regional strategy development and relate to the proposals in *Chapter 4 (Integrating regional strategies to promote growth)* of '*Prosperous Places*'.
- 2.3 The ERN submission is supported by all Regional Assemblies apart from the North West Regional Assembly¹.

¹ The ERN position in relation to '*Prosperous Places*' is not supported by the North West Regional Assembly/NW Regional Leaders Forum. Specifically, the North West supports the transfer of regional planning powers to its Regional Development Agency.

3. ERN Position Statement

3.1 The ERN:

- (a) supports a single regional strategy based on the principles of sustainable development;**
- (b) recognises that the single regional strategy needs regional buy-in if it is to be credible and effective;**
- (c) opposes the democratic deficit implied in the proposed transfer of planning, housing and transport powers to an unelected government agency;**
- (d) proposes that the forum of council leaders (or regional equivalent) be responsible for development and submission of the single regional strategy;**
- (e) recognises that each region needs the freedom to develop its own governance arrangements including an appropriate future role for stakeholder representatives.**

ERN response to *Prosperous Places* consultation

4. Forum of Council Leaders

- 4.1 **The English Regions Network (ERN) supports the establishment of a Forum of Council Leaders (or regional equivalent) and proposes that the Forum should be responsible for development and submission of the single regional strategy and other regional leadership functions e.g. Regional Funding Allocations.**
- 4.2 The emphasis of the Government's proposals in '*Prosperous Places*' is on placing greater responsibility on local authorities for sustainable economic development and encouraging them to work together collectively in partnership. The proposals for an enhanced role for local authorities include:
- a duty on local authorities to assess the economic conditions of their local area;
 - a statutory framework to support sub-regional partnerships; and
 - delegated funding from regional development agencies for local and sub-regional delivery.
- 4.3 The ERN believes that the same principles of delegation should be applied in relation to the single regional strategy and that local authorities should be responsible for development and submission of the new single regional strategy.
- 4.4 Delivery of the single regional strategy will be heavily reliant on local authorities and the content and process of development will likely be closer to the former Regional Spatial Strategies than Regional Economic Strategies (see section 11).
- 4.5 It would therefore be more efficient and effective for the Council of Forum Leaders (or regional equivalent) to have the responsibility for development and submission of the single regional strategy. It would also enjoy more democratic legitimacy and greater local and regional traction.
- 4.6 Local authorities have gained significant experience of working collectively to develop regional strategies and on providing regional leadership through their participation in Regional Assemblies over the last ten years. The democratic nature of local authorities ensures that strategy development occurs within a culture of openness and accountability including effective public engagement. Their experience in place-making and promoting well-being ensures that local authorities are able to seek a balance between growth and sustainability and are strongly committed to partnership working.
- 4.7 The ERN believes that Regional Development Agencies (RDAs) are not well suited to the task of developing a single regional strategy. They have relatively little experience of brokering solutions across different political groups, geographical locations and constituencies of interest. It would also appear to be a convoluted and inefficient process by which RDAs are to develop a strategy which local authorities will be largely responsible for delivering and which will also need to be approve.
- 4.8 A Forum of Council Leaders (or regional equivalent) is currently in development in all English regions. It is important that Government continues to provide financial support so they can develop successfully and fulfil their new role following the outcomes of this consultation and forthcoming legislation.
- 4.9 The ERN also recognises that each region needs the freedom to develop its own precise governance arrangements, as the Forum of Council Leaders will be constituted in different ways in each region, including an appropriate future role for stakeholder representatives.

5. Accountability and Scrutiny

5.1 If Government is to consider increasing the responsibilities of RDAs, the need for a strong and effective regional grouping of local authorities becomes even more vital. The new regional accountability and scrutiny arrangements envisaged by *Prosperous Places: Taking forward the Review of Sub National Economic Development and Regeneration* are proportionate and workable and could result in strengthened regional accountability, if the issues outlined below are resolved.

5.2 Accountability and Scrutiny

Scrutiny is crucial in ensuring democratic accountability of any new regional governance arrangements. Accountability to the region, rather than just to central government, needs to be built into all elements of regional governance.

5.3 Accountability – Aspects and Focus

It is critical that the different aspects of regional accountability are complementary, co-ordinated and form a coherent whole. The Parliamentary aspect of regional scrutiny will remain unknown until the recommendations of the current House of Commons Modernisation Committee inquiry are debated. The ERN recognises the importance of performance management and reporting to Government but this does not constitute external scrutiny. Local authority led regional scrutiny must be strategic and its focus should be the development and implementation of the single regional strategy. Government should make it clear that local authority led regional scrutiny is the principal way in which RDAs are subject to external scrutiny and held to account.

5.4 Enabling Powers

Although local authorities do have existing scrutiny powers that can be applied to RDAs and other government agencies, these only require these bodies to provide information. This is not adequate to enable effective scrutiny. Stronger statutory powers should ensure that bodies operating in the region that contribute to the achievement of the single regional strategy participate in and respond to regional scrutiny arrangements. These should form the basis of regionally agreed protocols (building on existing models) that will ensure scrutiny is constructive and focussed on clear outcomes.

5.5 Responsibility for Scrutiny

A fundamental principle of scrutiny is the separation of the executive from the scrutiny body. Government should make it clear that the executive role and functions of the local authority Leaders' Forum (or regional equivalent) should be separate and distinct from local authority led scrutiny in the region.

5.6 Role of Stakeholders

In developing regional scrutiny arrangements, consideration needs to be given to how social, environmental and economic partners could have an active and structured role. These partners will bring expertise and add value to any arrangements.

5.7 Resources

Effective scrutiny needs to be adequately supported and resourced. Government must ensure that adequate funding is made available to deliver effective local authority led regional scrutiny that builds on the knowledge and expertise developed by Regional Assemblies.

6. Developing the Single Regional Strategy

6.1 **The ERN offers Government an alternative set of objectives for the new system of regional strategy development which we believe will provide a more efficient, effective and transparent process than is being proposed in 'Prosperous Places'.**

- 6.2 We strongly endorse the integration of regional economic policy into the wider spatial framework currently provided by Regional Spatial Strategies (RSS).
- 6.3 We strongly support the need for the Single Regional Strategy (SRS) to be part of the statutory development plan and therefore subject to the legislative requirements of the planning system which is firmly based on the principles of economic, environmental and social sustainability.
- 6.4 We agree with the ambition of making the SRS a concise document provided it is meaningful in terms of investment and local decision making.
- 6.5 We support the flexibility proposed on regional priorities and particularly support the need for flexibility with regards to housing provision, given the wide variation in local government structures and arrangements for sub-regions across the country.
- 6.6 We endorse the need for better implementation planning and improved integration between policy development and delivery and urge the Government to look at the excellent examples of this emerging through the RSS process.
- 6.7 We strongly support the proposal for the Regional Planning Body (RPB) to manage the plan-preparation process up to final submission to Secretary of State(s).
- 6.8 We agree with the ambition of having a speedier process but not at the cost of independent testing, community engagement and proper democratic input.
- 6.9 We support the need for earlier involvement of the Planning Inspectorate in the plan-preparation process and the principle of a two-stage Examination in Public, but feel that there is much more work to be done to understand how this will work in practice and what the impact on timing and resources will be.
- 6.10 We remain very concerned about the continuing emphasis on 'economic growth' rather than the wider principles of sustainable development which must underpin every SRS. It is still not clear what the Government is trying to fix as the consultation document is focused on process and content and not on outcome.
- 6.11 We are concerned that there is very little in the document around the wider functions of Regional Planning Bodies (e.g. monitoring, conformity) which we expect will need to continue in relation to the single regional strategy. The document does not clarify whether Regional Housing Boards and Strategies which have a separate and distinct status are to be fully integrated into the SRS.
- 6.12 We remain concerned that, whilst RDAs are beginning to pick up the challenge of change, there is still considerable scepticism that they will change sufficiently to be able to fulfil the wider RPB role.
- 6.13 We remain very concerned that, within the '*Prosperous Places*' consultation document and proposals, BERR does not appear to appreciate the complexities of the planning system or the impact this will have on process, content of the SRS and the proposed role of RDAs as RPBs. If this is not addressed, there will be different expectations of the SRS from the two governing departments (both BERR and CLG) resulting in problems at the end of the plan-making process when both have to agree.
- 6.14 We still do not have any clarity on national policy parameters or targets and how they will operate. These will shape the scope and role of the SRS.
- 6.15 We ask that both CLG and BERR continue to work with the ERN on developing the proposals for both the SRS and the wider functions of RPBs, ensuring that we get both a workable and improved regional planning system. Specifically, we would welcome being part of ongoing discussions on the following key issues:

- Skills and expertise
- Two-stage Examination in Public process
- Developing an approach to delivery
- The definition and functions of RPB
- The role of Statutory agencies (e.g. Highways and Environment Agencies)

6.16 We also ask that the Government helps us manage any transition period to minimise the impact on regional planning capacity which has been built up over many years, particularly through the Assemblies' role as RPB and is essential to support any new arrangements.

7. A Single Regional Strategy (SRS)

7.1 The ERN have agreed an alternative set of objectives for the proposed SRS which we believe will provide a much more efficient, transparent and effective system than is currently being proposed by Government. These are:

- A regional strategy based on the principles of sustainable development;
- A regional policy framework that is flexible and responsive to changing priorities, regional conditions and external influences but that also provides some stability and certainty for those responsible for delivering it or taking it forward to the local planning level;
- Proper recognition for the importance of monitoring and implementation planning as part of policy development and assessing the effectiveness of the SRS;
- A sound, independent testing process;
- A transparent process;
- Effective stakeholder and public engagement throughout the plan-making process;
- Strong regional ownership of the strategy and accountability in the process.

7.2 ERN supports the proposal to bring the spatial and economic policy frameworks closer together and integrating delivery more effectively. In doing so, the need to integrate other key regional strategies such as transport, environment and sustainability should not be overlooked. We would particularly welcome clarity that Regional Housing Strategies (with their distinct histories and status) are also to be integrated into the SRS. We also support the need for the SRS to be part of the statutory development plan and therefore subject to the provisions of the legislative process, particularly the independent technical testing and community engagement. However, this will have implications for both the process and content of the SRS, as will become clear in later paragraphs.

7.3 As part of the statutory development plan, the SRS must be prepared on the same principles as Local Development Documents (LDDs) with sustainable development at the heart of it. We therefore remain very concerned about the continuing emphasis given to economic objectives in the Government's proposals and not the wider objectives of sustainable development. We welcome the increased references to sustainability in the document but remain concerned that there is little understanding of what this actually means and what the implications are for the SRS priorities. Adding the word 'sustainable' before 'economic growth' simply is not sufficient to address this. Final proposals for the new system need to make clear that all SRS need to be firmly grounded on the three pillars of economic, environmental and social sustainability and that this should be a statutory duty for regional planning bodies.

7.4 This, in part, is also probably due to the focus in the document on process and content and not on outcome. It is not clear what the Government is actually trying to achieve or fix or how different they expect the outcome to be compared to what we have now through RSS and RES. If it is just better integration between regional priorities, then we are already addressing this through preparation of joint RSS/RES delivery plans and other mechanisms. If it is to change the underlying objectives of the RSS to ensure regional priorities are about economic growth and not

the wider objectives of sustainable development, then this has implications for planning at the local level. If it is the opposite i.e. bringing RES into the wider remit of sustainable development then this will require a significant shift in the priorities of RDA Boards and by BERR officials and Ministers. These questions need to be addressed urgently by the Government before it finalises the new system or drafts any legislative changes.

8. The role of Regional Planning Bodies (RPB)

8.1 There is no recognition in the document about the wider functions of RPBs. Assemblies currently have several very important roles as RPB, all of which will continue to be required to support a single regional strategy and all of which will have to be included in any legal RPB designation. These are:

- Prepare Regional Spatial Strategies (and all subsequent partial and full reviews);
- Develop and keep the evidence base under review;
- Monitor policy performance;
- Implementation planning, working with RDAs and other regional agencies/bodies on delivery/funding priorities to ensure spatial priorities are reflected;
- Conformity and implementation of regional priorities at the local level (there is a statutory role for RPBs with regards to both LDDs and major applications but there is also an informal role in relation to policy interpretation, particularly when new plans and policies are being implemented at the local level). The 'conformity' role must continue to ensure 'traction' through local delivery;
- Informing national policy development; the ERN working groups have been invaluable over the last few years in helping government officials develop policy and guidance;
- Regional capacity building, supporting local authorities and other stakeholders and developing good practice in the regions.

9. Managing the Transition

9.1 Finally, in terms of general points, ERN would like much more acknowledgement by the Government about the transition period and the impact on RSS reviews and regional planning capacity within the Assemblies. Despite reassurances from CLG about 'work as usual' and 'smooth transition' there remain significant concerns about funding for regional planning beyond March 2009. It is essential that a commitment to funding is made urgently to maintain the current regional planning capacity and secure completion of the current RSS reviews (full and partial). The retention of strategic planning expertise must be addressed, once lost this will be very hard to replace. The success of any future system depends on this.

10. Achieving a 'concise' document

10.1 There has been a lot of reflecting back to the days of slim, focused Regional Planning Guidance (RPG) but this must be seen in context of the pre-2004 planning system. During this period, RPG was a relatively light-touch document; it was non-statutory and was therefore not subject to the statutory process and did not have the detail or traction that RSS has; strategic policy was contained in structure plans; and RPG was a land-use based strategy, not a spatial strategy. In some instances, RPG wording was general and vague, with little strategic or spatial guidance. It was therefore often inconsistently applied and interpreted via planning policy or through planning applications. A very different planning system below regional level would be required if there was any ambition to return to this form of regional planning in future. A concise document is not necessarily a clear one.

10.2 So why, despite successive attempts over the last few decades to secure 'concise' strategic planning strategies do we still have lengthy, detailed RSS? There are lessons to be learned from

our experience, some of which can be addressed but others will be more difficult if we are to provide meaningful strategies. Key issues are:

- These are the first 'spatial plans' and inevitably were going to include more policy direction than previous land-use based strategies to help policy interpretation and integration, particularly at the local level. This was not helped by the fact that there is no provision for supplementary planning guidance to support RSS.
- There has been an inevitable settling down period with RSS and LDFs trying to position themselves at the appropriate spatial level. The sub-regional dimension to RSS was very much new territory and in many cases, there was an attempt to try and recreate structure plans to fill an important gap at the sub-regional level. In some parts of the country, this will be helped by the high proportion of unitary authorities and through a willingness to prepare joint LDDs/Core Strategies. In other parts, with a predominance of two tier structures, this will continue to be an issue.
- The statutory plan-making process usually always ends up with issues addressed that could be dealt with more suitably elsewhere to secure wider community ownership – an important asset of the planning system and objective of the requirements for public consultation and engagement.
- The RSS is a key delivery framework for statutory agencies (e.g. Environment Agency) and other infrastructure providers' investment plans which has resulted in the inclusion of more detail to secure 'traction'. It is important that the SRS continues to provide the necessary clarity and consistency for businesses, developers, private sector investment, public sector and the third sector to guide their development, investment and policy frameworks.
- The first round of RSS has been prepared through a period of changing national planning policy to respond to the change from 'land-use' based to 'spatial' plans (e.g. PPS3 on Housing and PPS1 on Climate Change and PPS4 on economic development) and without the benefit of any national policy framework (e.g. the proposed National Policy Statements). There has therefore been a process of filling gaps and developing policies that some point in the future would be replaced by national policy/guidance. Getting the relationship between the national and regional policy frameworks is essential but will require a change in culture at government level, particularly if the desire for regional flexibility is genuine.
- There is also an issue of 'use-ability'. The SRS must read like a coherent document and the end-users (e.g. development control officers) often find it easier and more useful if they have all necessary policy in one place.
- We have not really had the opportunity to fully benefit from the process envisaged by the 2004 Act where the RSS would be updated on a more regular basis through partial reviews which would almost certainly be faster.

11. Strategy Content

- 11.1 Turning to the actual content of the SRS as set out in paragraph 4.13, although there is clearly more emphasis on the economic components of the SRS, most of this is already addressed in RSS. The SRS could therefore be seen as an evolution of the current RSS, RES and Regional Sustainability Framework, developing the approach to spatial planning and its implementation, and ensuring alignment with other key strategies e.g. economic development, housing, learning and skills and health.
- 11.2 There has been much debate about whether the SRS should include details of housing distribution and what level this should be addressed at. There will continue to be a need to

determine housing distribution at a strategic level given the often contentious nature of this but regional flexibility will be essential in terms of determining the appropriate spatial level. For example, in some regions, there is a willingness and practical reasons why a sub-regional distribution is desirable, using joint LDFs as the mechanism. In other regions, however, the nature of local government structures and the diversity of the issues in each, will mean that a Local Planning Authority distribution will be the only acceptable and practical way forward.

- 11.3 In terms of implementation, our view is that there needs to be a long-term framework for implementation (i.e. to cover the plan period) integral to the SRS itself but that much of the detail should be included in a regional delivery plan (action plan, business plan). The delivery plan would have a shorter term horizon (e.g. 2 to 5 years) and would provide the detail for investment plans and programmes for the region. It is also important to note that the geography for the SRS strategy may be different from the geography for delivery which will require different partnerships and approaches to deliver different policies e.g. MAAs, LAAs, functional economic areas. Our proposed approach, which is already being implemented in some regions, will provide a much more flexible and responsive approach to implementation. It would also ensure a direct link with the statutory plan, giving certainty to investors for long term proposals, but flexibility in terms of funding and mechanisms employed to deliver these. It also enables the RPB to broker agreements with regional and sub-regional delivery agencies.
- 11.4 The Delivery Plan must be a requirement and it needs to be linked to the Annual Monitoring Report. The key alignment challenge for the SRS is to get traction on investment programmes, plans and decisions. The Delivery Plan is the mechanism to achieve this. The RPB's conformity functions also need to be retained (on LDDs and strategic planning applications). This remains important in terms of impacting on what happens on the ground and provides immediate feedback as to the effectiveness of strategy. It is vital that Ministers, as well as the Leaders' Forum (or regional equivalent), sign-off the delivery plan which we expect would be published alongside the SRS.

12. A Faster and Simpler Process

- 12.1 We support the objective of simplifying and speeding up the preparation process but this will be difficult to do if there continues to be an emphasis on 'testing', public engagement and political accountability through the involvement of the local authorities. If this is the case (and we strongly believe it must be), then the proposed timescale set out on page 35 of the document is wholly unrealistic (see Annex 2 for detailed comment). The process will be quicker simply because the RPB will manage the process until submission to Secretary of State(s), and there will be no need for the Government Offices to take on this role following the EiP. In our experience with RSS, this has added unnecessary length to the process (see Annex 1). But the suggested 18 to 24 months simply is not possible and would set the RDAs up to fail. It is, however, difficult to provide an alternative view on timescale given that there are still too many questions, for example about the two-stage EiP process. Timescale would be more appropriately dealt with once the actual process has been agreed and the nature of the national Policy framework is clearer.
- 12.2 We urge the Government to learn from the Assemblies' experience, gained from years of involvement in plan preparation and planning. Some detailed points around the timescale proposed are set out in Annex 2 but below are some general, practical points for the Government to note.
- 12.3 There is a general assumption in all of this that the decision-making process at each stage will be straight forward and quick, i.e. the RDA Board will agree with the local authorities, the local authorities will agree amongst themselves and the two lead government departments (BERR and CLG) will agree at official and Ministerial levels. It is unlikely that this would be so simple in practice.
- 12.4 The process will be even more time consuming and complicated (and probably contentious) where the SRS has to propose housing allocations to Local Planning Authority level, particularly

where there is a predominance of two-tiers. Whilst we support the need for this to happen where there is no statutory sub-regional arrangements in place, experience has told us that this will not be easy or quick.

- 12.5 On a very practical level, there will still be various committee timescales to be adhered to and impacts on timetables of elections (there are local elections usually every year), all of which need to be taken into account.
- 12.6 This has all got to be done within the requirements of Sustainability Appraisal, Strategic Environmental Assessment and Habitats Regulation Assessment (there is no mention of the Habitats Directive in the consultation document) which affect any changes in policies as they develop. This will apply both to the strategy as a whole and in some cases, to specific proposals. Given the legal and technical requirements of these processes, there are some major concerns whether the timescales suggested are realistic and deliverable.
- 12.7 There is an implication that public engagement will take place at only key stages. Whilst formal public consultation will be limited, informal public and stakeholder engagement must be an integral part of the whole process (including strategy preparation and delivery). In particular, the timetable illustrated in the consultation seems to take no account of the wider principle of the development planning system to “frontload” and seek earliest public and stakeholder engagement through consultation on a project plan, policy options and emerging policy.
- 12.8 A clear national planning framework would obviously help speed up the process but in the absence of this, the proposed framework provided by the National Policy Statements and nationally set housing, economic and climate change parameters will help reduce scope for debate at the EiP and throughout the process.

13. A two-stage Examination in Public

- 13.1 On the proposals for a two-stage Examination in Public, this was an ERN suggestion and we are pleased that this has been taken forward as part of the consultation. However, whilst we continue to support this in principle, there obviously needs to be more discussion, particularly with the Planning Inspectorate (PINs), about what this would mean in practice. In our view, there are three potential models:

Model 1: The first stage EiP is used at ‘Issues and Options’ stage to eliminate options that are considered inappropriate or undeliverable. The outcome of this would impact on what is taken forward through the next stage of the plan process.

Model 2: The first stage EiP is similar to the current technical sessions which are used to help the panel and participants have a common understanding of some of the technical evidence e.g. on demographics and economic forecasts. These could be chaired by experts from within the field. The outcome of this would be a shared understanding but would not necessarily result in an agreed position.

Model 3: There would be no formal EiP as such but the independent panel would be appointed at the start of the plan process and could engage with the RPB on a ‘light-touch’ basis throughout.

- 13.2 Regardless of what model is agreed, there should be some general principles/objectives agreed before discussions on the detail. These should include; engagement of the Panel as early on in the process as possible which will help ensure familiarity with the geography and pick up any real problems, particularly related to the ‘test of soundness’; there needs to be transparency in the EiP process; and the current process by which the Panel decide what issues need to be examined at the final stage EiP should be retained. There is a question about whether the EiP recommendations should be binding. Although there would be some benefits from this in terms of speeding up the process at the end, this would result in a much more detailed and longer process

up front as there would need to be much more detailed testing in terms of Sustainability Appraisal, infrastructure requirements etc. to ensure what is being proposed can be delivered. For this reason and others, we do not support the idea of a binding panel report for regional plans.

- 13.3 Whatever is proposed by the Government with regards to the independent testing process, PINs and others must be engaged in early discussions to sort out the detail well before any new system comes into operation to avoid the problems experienced through LDF examinations which lead to several 'early runners' being found unsound.
- 13.4 Finally, Para 4.19 sets out the principles that will govern the process. We suggest that the Government should learn 'best practice' from the Assemblies in this given the extensive experience we have on stakeholder engagement, evidence gathering, working with local authorities etc.
- 13.5 There are significant implications for political and regional accountability in the Government's proposals. However, it would clearly be an improvement to the system if the plan-preparation process is faster but not at the cost of proper community engagement and testing, and respect for the democratic process.
- 13.6 It is in everyone's interests to have a more streamlined regional policy framework with less 'regional clutter'. This will provide a clearer basis and more certainty for investment in the region.
- 13.7 The SRS must be able to be implemented at the local level and provide meaningful guidance on priorities for local authorities in their 'place-shaping' role. There is a real risk to this if the SRS is too high-level.

14. Other Issues

- 14.1 The SRS should also be developed within a European as well as a national and regional context. The strategy should include within its vision and objectives how it will help to deliver sustainable economic growth within the European Union's Lisbon and Gothenburg Agendas. The SRS will need to be alert to new initiatives as they are agreed within the EU. English regions, through their MEPs and Committee of the Regions representatives, should take an active part in influencing future EU decisions upstream in line with SRS objectives.
- 14.2 Issues that in our view have either not been addressed or adequately addressed in the consultation document and are not dealt with specifically in our response include:
- Links with the Home and Communities Agency
 - Geographical basis for the SRS (which is different in some regions to GO boundaries where National Parks cross regional boundaries e.g. Yorkshire Dales, Peak District)
 - The role of regional advisory structures in respect of aggregates, minerals and waste e.g. Regional Aggregates Working Party (RAWP's) and Regional Technical Advisory Boards (RTABs).

Annex 1 – Detailed comments of the SRS Proposed Timetable

Proposed Process	Timescale	Comment
Stage 1: RDA and LA Leaders forum (LALF) with stakeholders scope the issues and appraise options: involving EiP	12 months	This stage will also includes gathering evidence particularly as the strategy is supposed to be 'evidence-based' (para 4.19). 12 months is simply not enough to do this, agree what the options are and to have a first stage EiP (time must be allowed for reporting and digesting the outcome of stage 1 EiP assuming it will dictate the next part of the process). It also does not provide much room for 'effective stakeholder engagement' as advocated in para 4.19, the assumption perhaps being that this only happens during the formal consultation stages when this must be ongoing throughout the process.
Stage 2: RDA drafts strategy and agrees with LALF	3 months	This is not long enough for preparation of investment framework and to ensure 'traction' with key delivery bodies, all of which takes time (see paragraph 4.3 of the document).
Stage 3: Formal consultation and EiP of preferred strategy	6 months	In practice this means fitting an 8 to12 week consultation, preparation for the EiP and the actual EiP within 6 months. This will also have to cover preparation of the Panel report, digestion of the recommendations, preparing policy changes as a result and undergoing any required testing (e.g.SA) as a result of these changes.
Stage 4: RDA and LALF refine and sign-off draft final regional strategy	2 months	The last two stages are clearly based on the assumption that there will be agreement between the RDA and LALF, and that they both agree the recommendations of the EiP Panel.
Stage 5: BERR and CLG SoS approve regional strategy (reserve right to make further changes)	2 months	Currently there are very obvious differences between BERR and CLG in what the SRS will look like and what the priorities will be. This assumes that they will be starting from the same position in future, which in practice may not be the case.

ANNEX 2

Regional Assembly RSS Preparation Timeline - Based on End of May 2008

