



Agenda Item 9

**ADVANTAGE WEST MIDLANDS
WEST MIDLANDS REGIONAL ASSEMBLY**

Board of Directors – 26 September 2007

**SUB NATIONAL REVIEW AND ITS IMPLICATIONS FOR THE WEST
MIDLANDS**

**Joint Paper to the Boards of the West Midlands Regional Assembly and
Advantage West Midlands**

Non Confidential

1. Objective(s)

- 1.1 To outline the key recommendations of the Sub National Review of Economic Development and Regeneration (SNR).
- 1.2 To provide initial thoughts on the implication of the SNR for the West Midlands and how we can prepare for implementation.

2. Recommendation(s)

- 2.1 That the Boards of Advantage West Midlands, the West Midlands Regional Assembly and the Executive of the West Midlands Local Government Association with the Government Office West Midlands work together to:
 - **develop new working agreements for the SNR in the West Midlands that can be implemented in time for the proposed changes 2010;**
 - **develop the roadmap for change to be launched by the Regional Minister in December 2007.**

3. Background

3.1 The SNR was published by HM Treasury, BERR and CLG in July 2007. The SNR will inform the Comprehensive Spending Review (CSR) and proposes considerable reform to the working of Regional Bodies specifically Regional Assemblies and Regional Development Agencies. It also signal changes to the work of the LSC.

3.2 The SNR signals the following as clear intentions or “red lines”:

- Bring together the Regional Spatial Strategy (RSS) Regional Economic Strategy (RES) into an Integrated Regional Strategy (IRS) which gives the economic, environmental and social objectives for the region, coupled with the transfer of Strategic planning, transport and housing functions from Regional Assemblies (WMRA) to the RDA(AWM)
- Local Authorities to promote economic development with AWM to delegate regeneration funding where there is capacity.
- Local Authorities to have a strengthened role in the development, prioritisation and sign off of the IRS and in the scrutiny of the work of RDAs; and Parliament, through mechanisms yet to be determined, to scrutinise regional working.
- A significant leadership role for the Regional Minister.

4. Preparing to Implement the SNR in the West Midlands

4.1 There will be the need for primary legislation to implement some of the clear intentions mapped out in the SNR. The extent of this is, as yet, unclear and we can expect consultation from central Government on key aspects of the SNR in period to end March 2008. However we need to minimise uncertainties for regional partners and particularly for staff in WMRA. We also have the opportunity to shape national thinking so it is sufficiently flexible to allow the development of solutions that meet the needs of the West Midlands.

4.2 To minimise uncertainty and set out a framework for action the WMRA/WMLGA and Advantage West Midlands need to develop a road map for change. The road map will set out how we develop the new working arrangements for implementation in advance of the 2010 deadline. The principles behind the road map will need to be agreed and ready for launch by the Regional Minister at the conference planned for early December 2007.

4.3 The road map will set out our plan in the following key areas:

- Proposals for the development of an IRS which sets out the economic, environmental and social objectives for the regions and brings together the WMES and RSS
- Agreeing the scope of the Local Government leadership role and the new scrutiny arrangements;
- Setting out the timescales for the transfer of the key strategic responsibilities and staff from the WMRA to Advantage West Midlands;
- Clarify arrangements for the delegation around delivery to Local Authorities through the mechanism of LAAs and MAAs and how, where capacity exists, this will take place;
- Maintaining the effective engagement of the Business Sector and other stakeholders through the transition process and beyond;
- Ensure we deliver business “as usual” during the transition.

5. Summary

5.1 The SNR presents significant challenges and real opportunities for the West Midlands in the way it develops strategies and delivers solutions to promote sustainable economic development and regeneration. The role and function of the Regional Development Agency and Local Authorities are both enhanced and strengthened. The key to successful implementation will be an Integrated Regional Strategy, developed and agreed by the region, delivered through a network of strong Local Area Agreements and where appropriate Multi Area Agreements, and accompanied by effective arrangements around scrutiny and accountability.

5.2 The attached Appendix to this report provides the Board with an outline of ongoing discussions from various senior groups regarding the Sub-National Review.

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