



Response to Consultation: Regional Strategies and Guidance on the Establishment of Leaders' Boards

1. DRAFT POLICY STATEMENT ON REGIONAL STRATEGIES

- 1.1. Do you consider that the scope of the Policy Statement enables regional flexibility while providing sufficient certainty and consistency about how new Regional Strategies should be prepared? Do you wish to suggest any improvements?

The policy statement provides sufficient flexibility for the regions to develop and monitor the Regional Strategy. Whilst it is appropriate that each region collectively decides which priorities and actions are included in the Regional Strategy, the policy statement could be more explicit and firm on the arrangements for stakeholder engagement and the Examination in Public. These areas are explored in more detail in the following responses.

- 1.2. Do you agree with the scope of Regional Strategies set out at Paragraph 3.4? Do you have any suggestions as to how this can be improved further?

The consultation document specifies that the Regional Strategy should “outline policies for sustainable economic growth, the development and use of land and mitigation and the adaptation and mitigation of climate change.” We are concerned that the only reference to businesses in paragraph 3.4 is under the term ‘bringing together other policies’. The Regional Development Agencies have always been business-led and a key role has been to create the right economic conditions to enable businesses to survive and thrive. Likewise, the Regional Economic Strategy has been heavily focussed on generating economic wealth and growth through investment in businesses. The scope outlined in paragraph 3.4 seems to be considerably focussed on environmental issues, to the detriment of businesses.

We appreciate that the Regional Strategy has to combine elements of the Regional Economic Strategy with the Regional Spatial Strategy, but the scope outlined is severely limited on the economy, and does not reflect the role of the Regional Development Agencies and Leaders' Board on economic development. Businesses are the drivers of wealth generation and it is a grave concern that the scope places minimal emphasis on their importance to regional economies. Policies that are focussed on the needs of businesses must be a primary concern for the Regional Strategy, not an afterthought. We therefore recommend that paragraph 3.4 reads “Set out the policies needed to deliver the vision, in particular bringing together policies for sustainable economic growth which are focussed on the needs of business, policies on the development and use of land, and policies designed to contribute to the mitigation of, and adaptation to, climate change.”

- 1.3. Do you agree with the sub-regional approach at Paragraph 3.6? If not, what do you think needs to be improved?

We welcome the opportunity to consult with responsible authorities on the localities and sub-regions that should be included in the Regional Strategy. This will help to ensure that local issues and needs are reflected in the Regional Strategy as well as region-wide strategic issues.

We also agree with the statement at paragraph 3.6 that responsible authorities should work across regional boundaries and identify shared priorities. Businesses do not restrict themselves to operating within the confines of local authority and regional boundaries, and it has always been frustrating that support services and funding have varied between the districts, counties and regions. Shared priorities and shared investment should also prove more cost effective as

duplication of activity can be avoided whilst resources are pooled. We would welcome some clarification however, on how the individual locations and sub-regions will be selected for inclusion in the Regional Strategy. Who will decide which areas are included in the Regional Strategy and how?

1.4. Is the policy framework at Paragraphs 4.8 and 4.9 on the content of Regional Strategies appropriate to ensure Regional Strategies focus on the key priorities for the region?

Again, we are concerned by the emphasis of the Regional Strategy on environmental issues. We are however more concerned that paragraph 4.8 fails to identify business development and business support as a key priority. Responsible authorities must take account of business needs as it will be the region's businesses that drive economic growth and wealth. Paragraph 4.9 references employment, innovation, skills, enterprise and investment under the term 'sustainable economic growth', yet the scope outlined is not carried through the remainder of the document. In summary, the references and role of businesses in creating sustainable economic growth are severely limited in the document, and the policy statement must identify business development as a key priority.

1.5. Is there a need for more detail in the policy on how responsible regional authorities should decide on the priorities for their Regional Strategy? If yes, what should this detail comprise?

The Policy Statement needs to provide further clarification on the decision-making process for how priorities and specific geographical areas should be selected for inclusion in the Regional Strategy. Consultation with stakeholders will result in a number of priorities being identified and pragmatism dictates that not all of these priorities and localities will be included. The fundamental question is, how will the shortlisting process work, and who decides which priorities and localities on the shortlist are ultimately included in the Regional Strategy?

1.6. Is the policy on the project planning and the preparation of a Project Plan appropriate? If not, how can it be improved?

The policy on the Project Plan is succinct, yet suitably clear.

1.7. Is the policy on Statements of Policies on Community Involvement at Paragraph 5.17 appropriate? If not, how can it be improved?

Paragraph 5.17 states that Community Involvement should include both formal public consultation activity and informal engagement, and that "the level of stakeholder involvement should be proportionate to the scale of issues addressed in the Regional Strategy". We are concerned that if the Regional Strategy remains heavily focussed on environmental and spatial elements the voice and needs of businesses will be lost. The policy outlined in paragraph 5.17 is sound as long as the Policy Statement is changed to place more emphasis on economic development and the role of businesses in driving sustainable economic growth.

1.8. Is the policy framework on the role of Sustainability Appraisals and the appraisal of issues and options in relation to the Regional Strategy process appropriate?

The role and purpose of the Sustainability Appraisal is clear.

1.9. Is the policy framework to guide the Examination in Public process appropriate?

The consultation document confirms that the responsible authorities (the Regional Development Agencies and Leaders' Boards), will be able to choose whether they undertake an Examination in Public or not. If the revisions to the strategy are minor and uncontroversial, there does not need to be an Examination in Public. The question here is who decides whether the revision is controversial or not?

The Regional Strategy will determine what economic regeneration and infrastructure development takes place, and where. Whilst the responsible authorities may not see a particular location or

activity as being controversial, stakeholders and communities may disagree. The Examination in Public of the Regional Spatial Strategy has allowed these types of issues to be debated, with an independent panel giving their concluding view from the evidence presented to them. Whilst the Examination in Public process used on the Regional Spatial Strategy has been too lengthy and bureaucratic, it is a democratic process and should be retained for that purpose. The Regional Economic and Spatial Strategies were strategies for the region that were developed, owned and delivered by the region. In order to ensure buy-in from stakeholders to support the delivery of the Regional Strategy, responsible authorities should not be given the choice over whether to hold an Examination in Public – it should be a mandatory process.

The Examination in Public process must be streamlined so that it does not delay delivery of the strategy. There are a variety of ways in which the Regional Strategy can be examined in the public domain without the need for lengthy and formal meetings, particularly through the use of technology. The policy framework should therefore guide responsible authorities on the alternative methods that can be used to sufficiently examine the Regional Strategy in public. The policy framework should also give a guide as to the minimum and maximum amount of time that is needed to begin and conclude the Examination in Public process. Responsible authorities will then be able to decide how long the process will take in their region.

1.10. [Appendix A describes the broad stages of the Regional Strategy revision process. Does this provide the appropriate level of detail to guide responsible regional authorities in preparing their Strategies? If not, how can it be improved?](#)

The consultation document expects that revisions to the Regional Strategy will take place approximately every five years. Whilst it is sensible that the entire strategy is not revised more often than this because of the resource required to undertake it, the monitoring of the strategy needs to be robust enough to spot changing circumstances in the economy.

The Regional Strategy also needs to be flexible enough to allow the regions to deal with any economic shocks swiftly. The economic recession highlighted the issue with having Regional Economic Strategies that were based on sustained periods of economic growth. It is absolutely vital that the Regional Strategy can be sufficiently flexed to deal with periods of economic growth and periods of stagnation and economic decline. The East Midlands economy in particular may see cycles of growth in future rather than the constant rate of growth seen in previous years. The Regional Strategy will therefore need to strike a balance between being visionary, as well as grounded in reality.

1.11. [Paragraph 5.49 sets out the key expectations of Implementation Plans. Are these appropriate and do they provide sufficient clarity?](#)

The consultation document specifies that the Regional Strategy should be a 15 to 20 year vision. Paragraph 5.49 specifies that the focus of the Implementation Plan should be on the priorities and actions for the first 3 to 5 years of the strategy.

Whilst it is understandable that the Implementation Plan concentrates on the delivery of short-term activities, there is a concern that this will encourage funding to be granted on an equally short-term basis. Many economic development projects have had a two or three year life span because this matches the period of Government funding. It is essential that activities are not driven or restricted by short-term funding as they have sometimes been in the past. The Implementation Plan should therefore identify all of those actions and priorities that will be commenced within the first three years of the strategy, whether or not they are short or longer-term activities, and regardless of funding timescale constraints.

Paragraph 5.49 also states that the Implementation Plans should be reviewed through the annual monitoring report process and revised where necessary. We do not want responsible authorities

to be burdened with compiling regular lengthy reports for Government departments and agencies, and we therefore welcome the compilation of the annual monitoring report outlined in the consultation document. However, we do believe that the responsible authorities should regularly monitor economic conditions in their region so that trends can be spotted early and acted on.

Regular monitoring of actual market conditions against those forecast, will ensure that economic shocks and opportunities for growth can be predicted as far as possible, and will enable swift action to be taken. Whilst the East Midlands needs to respond quickly to those trends which indicate where economic decline is beginning to take place, the East Midlands also needs to react quickly to those trends which show where economic growth can be realised and maximised. Annual monitoring alone will not enable the responsible authorities to respond swiftly. The Implementation Plan should be monitored by the responsible authorities every three months, with any corrective action being identified and agreed within the region. However, the responsible authorities should only need to compile one Annual Monitoring Report for Government.

1.12. Paragraph 5.60 sets out the broad policy for the preparation of annual monitoring reports. Is this appropriate and does it provide sufficient clarity?

Paragraph 5.60 suggests that the Annual Monitoring Report will provide a narrative and historic account of how the Regional Strategy has been delivered through the Implementation Plan, as well as statistics on outputs achieved against target. The Annual Monitoring Report must look at the achievement of outcomes as well as outputs, so that the value added by the focussed investment can be identified. As responsible authorities will need to identify remedial action in the report on where priorities and actions are slipping, it is imperative that regular monitoring is undertaken to understand why the slippage is occurring, and to agree how best to resolve it.

1.13. Paragraph 6.1 set out the approach to the preparation of documents to support the Regional Strategy. Does this make it clear how documents should relate to the Regional Strategy?

Paragraph 6.1 merely states that the responsible authorities can publish supporting material and evidence to assist in the implementation of the Strategy, as long as the material is not policy based. We feel that paragraph 6.1 needs to provide further clarification as the statement is too vague.

3. ESTABLISHMENT OF LEADERS' BOARDS: DRAFT GUIDANCE ON THE PREPARATION OF SCHEMES

3.1. Do you agree with the range of considerations under each of the three broad criteria that the Secretary of State will take into account when considering schemes for the establishment and operation of a Leaders' Board, as set out in the guidance at Annex 3? If not, how should they be changed?

A Shadow Leaders' Board is currently operating in the East Midlands region. The Shadow Leaders' Board consists of the Leaders of the nine upper tier local authorities, and five Leaders of District Councils across the East Midlands (one for each principal county). The consultation document specifies that the Leaders' Board should be:

- 1. Streamlined and manageable**
- 2. Representative of Local Government in the region**
- 3. Comprised of local authority Leaders with sufficient authority to act on behalf of Local Government in the region**

The members of the Shadow Leaders' Board reflect the main political groupings and they are linked into Local Strategic Partnerships and other sub-regional thematic groups. The membership of the Shadow Leaders' Board in the East Midlands therefore already meets these criteria, and is in a good position to move forward. The three criteria are therefore sensible and appropriate. However, we recommend the addition of a fourth criterion.

Annex 3 refers to the responsibility of the ‘participating authorities’ for engaging stakeholders in the planning and development of the Regional Strategy (paragraph A3.4). Although the East Midlands region quickly pressed ahead with the arrangements for the establishment, membership and purpose of the Leaders’ Board, the arrangements for future stakeholder engagement are not as advanced. With the imminent demise of the Regional Assemblies, stakeholder engagement is at risk of reducing. The local authorities and Regional Development Agencies, need to urgently consider and specify how they will engage with stakeholders in preparation for the Bill’s enactment.

We agree that the regions should have the flexibility to determine the most appropriate arrangements for their stakeholder engagement. However, we recommend the inclusion of a fourth criterion which confirms the responsibility of the Leaders’ Board to engage stakeholders, and which instructs the Leaders’ Board to develop and deliver a formal process for engaging businesses and other stakeholder organisations.

Precisely how the Leaders’ Board engages with stakeholders should be a matter of choice for each region, but the actual engagement of stakeholders must be compulsory. We therefore propose that a fourth criterion is worded as follows:

4. Engage effectively with stakeholders

- a) The process by which the Leaders’ Board will engage with businesses and stakeholder organisations with social, economic and environmental interests
- b) How the interests of businesses and stakeholder organisations will be conveyed to the Leaders’ Board, and how decisions of the Leaders’ Board will be relayed back
- c) How businesses and stakeholder organisations will be involved in the preparation or revision of the Regional Strategy

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