

Report for Resolution

Report to Executive
25 June 2008
Report of Interim Director of Regeneration and Development
Subject Sub National Review Consultation

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Purpose

The purpose of this report is to seek the Executive's response to the recent Government consultation on the Sub National Review – the delivery of economic development and regeneration within the regions.

Recommendations

1. Members support the overall reform package proposed by Government in the Sub National Review for economic planning and funding in the sub-region in the future
2. To request the Government to ensure local democratic safeguards are provided in the approval of regional strategies in the future by joint agreement and sign-off between the Regional Development Agency (EEDA) and local authority representatives before submission to the Secretary of State
3. To support a closer working relationship with EEDA and other government agencies as required and in particular, in the development of a Local Area Agreement Framework for the new unitary area

Financial Consequences

The financial consequences of this report are none but the Sub National Review proposals will have wide ranging effects on the delivery and funding networks for much of local government funding and economic development in the future.

Strategic Objective/Service Priorities

The report helps to achieve the corporate objective to build a successful economic future for Norwich and secure sustainable growth.

Member: **Growth and Development: Councillor Steve Morphew**

Ward: City Wide

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Background Documents

None

Background

1. In July 2007, the Government published its "Review of Sub National Economic Development and Regeneration". It proposed the abolition of the Regional Assemblies and that Regional Development Agencies take responsibility in the future for regional planning and the development of a Single Regional Strategy (SRS). A consultation on the proposals was published earlier this year and the Council now has the opportunity to respond to the Government.
2. Whilst the driving force behind the review focuses on economic development, regeneration and neighbourhood renewal, the implication of the reforms it proposes, particularly the development of a single regional strategy and changes to regional governance and funding, mean that the Sub National Review has much wider implications for local government and for the wider social, economic and environmental agendas.
3. Its impact will be felt for example on regional cultural strategy, transportation and housing policy as the proposed single regional strategy will steer the investment plans of the Regional Development Agency (EEDA), local authorities and other regional bodies as well as influencing the policies of central government departments and public agencies.

The Proposals

4. A key principle of SNR is to ensure decisions are made at the right spatial level by devolving powers and responsibilities. The business-led RDAs will become increasingly strategic through their lead role on the regional strategy and will, as now, want to commission partners to deliver outcomes agreed in the strategy.
5. RDAs will delegate their single pot funding where appropriate, for spending on economic growth and regeneration on a programme, rather than project, basis, to those best placed to deliver economic growth. Local authorities will play an increasing role in this delivery, with a proposed legal duty to assess their economies and the ability to act with neighbouring authorities to tackle local problems. Local authorities will be closely involved in preparing the strategy, which a regional forum of local authority leaders will sign off on behalf of all local authorities in the region.
6. The RDAs will need to agree with local authorities and key regional partners the balance of relevant investment from their single pot between different policy and programme areas. They should identify investment activities and policy interventions best delivered sub-regionally or locally. RDAs will then commission delivery from partners and delegate, where appropriate, associated decision-making and funding to local authorities and sub-regions for investment in line with regional strategy.
7. The RDA will need to ensure that capacity exists at local authority or sub-regional level to undertake the delegated activities. It will consider whether it can provide support to build capacity as necessary. As capacity increases, an

increasing amount of funding will be delegated to local authorities in those areas of intervention where they are best placed to deal.

8. In order to ensure the flexibility that local authorities will require in managing delegated programmes, legislation is required to amend the RDA act. In the interim, the Government has made it clear that RDAs should explore, within current legislative constraints, how greater flexibility can be given to local authorities.

Responses to the Proposals

9. The Local Government Association (LGA) has been consulting other councils and agencies on the proposals. The response is a positive one in so far as an integrated regional strategy with delegated funding from RDAs to local authorities is a logical way forward and will provide a sound basis for economic planning in the future.
10. Notwithstanding the above, a key concern is the issue of democratic accountability in the proposals both in the planning process and “sign off” of new strategies. It is not a requirement of RDAs to secure councils’ agreement to their plans. In the event of disagreement, RDAs would be able to submit their own proposals to the Secretary of State unamended with a separate statement of the issues that were not agreed. The accountability of the Secretary of State to Parliament and its scrutiny is not considered a sufficient safeguard.
11. The LGA has proposed the following safeguards:
 - There should be a joint agreement of the draft strategy by the RDA and Councils before it is submitted to the Government
 - Strategies should only be submitted when they are agreed
 - Local authorities and RDAs should endeavour to agree regional strategies in their regions, seeking ministerial intervention only as a last resort
12. Whilst agreement by every single authority would be cumbersome and unrealistic, there should be a joint representative body both politically and regionally, bringing together nominated representatives of local government in the region and members of the RDA’s board

Implications for Norwich

13. Whilst there are potentially significant benefits in a new single regional strategy with more locally devolved programmes, the issue of democratic accountability is an important one. In supporting a joint LA/RDA approach, the Council needs to ensure it has a strong voice in the region in articulating and influencing both the planning and delivery process. In particular, it needs to ensure that priority is given to urban regeneration initiatives to tackle economic deprivation and the delivery of the growth strategy in the region.
14. There are a number opportunities to influence the agenda including, for example, through the Regional Cities East network. The most important one however is the stronger voice and influence unitary status would provide for Greater Norwich, both as a rational basis for economic planning in the future

and the ability to develop a Local Area Agreement framework (LAA) in close consultation with EEDA. Given that EEDA's corporate plan recognises the importance of urban regeneration and growth initiatives to the future prosperity and well-being of the sub-region, a new unitary authority would be a major step forward in both shaping and delivering local economic priorities.

Conclusion

15. The Sub National Review consultation provides an important opportunity to endorse a new and focussed approach to economic development and regeneration in the regions. If adopted by Government, it could have far reaching effects in the way resources are delivered in the future.
16. Whilst recognising the need for democratic accountability in the process, the Council, and in particular, a new unitary authority would have a major opportunity to both shape and deliver the regional strategy than has so far been possible.