

Appendix I

**PROSPEROUS PLACES: TAKING FORWARD THE REVIEW OF SUB
NATIONAL ECONOMIC DEVELOPMENT AND REGENERATION**

PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH) RESPONSE

General

PUSH welcomes the three fundamental principles proposed in the consultation paper: integration of economic and spatial planning at the regional level; increased devolution; and clarification of roles in promoting economic development.

Chapter 3 – Stronger Partnerships for Regional Growth

1. How should RDAs satisfy themselves that sufficient capacity exists for programme management and delivery at local or sub-regional level?

1.1 PUSH welcomes the principles for RDAs to become more strategic with new responsibilities to delegate funding and delivery to local authorities and those best placed to deliver. In particular PUSH welcomes the recognition by Government that much economic delivery cannot be done effectively at regional level but is better delivered and delegated to the sub-regional level.

1.2 PUSH has an established framework and structure in place through the recent endorsement of a Business Plan and current work on a Multi Area Agreement that is nearing completion and proposed to be signed off with Government in June. New Growth Point funding has also been delegated to the partnership illustrating that PUSH has already developed a strong partnership and is sufficiently mature with the proven capacity for delegated arrangements to take on a delivery role at the sub-regional level.

1.3 However PUSH does not accept that it is for the RDA to assess local capacity as this would be addressed through the new Comprehensive Area Assessment and development of a new performance framework for local authorities. It is unclear whether that process would address sub-regional capacity. There could be merit in the RDA being involved in assessment of sub-regional capacity in terms of a remit proactively to ensure that where there is potential for sub-regional working the RDA uses its good offices and own resources to ensure that capacity is put in place.

1.4 The proposal for the transition process to be agreed between local authorities and RDAs is welcomed and PUSH looks forward to

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consulting with SEEDA in managing the transition to the new roles outlined in the SNR.

2. Do you agree that local authorities should determine how they set up a local authority leaders' forum for their region, and that the Government should only intervene if the required criteria are not met or it failed to operate effectively? If no, what would you propose instead?

2.1 Yes, this approach is supported. It will enable each Forum to reflect the circumstances of the region and the preferences of its constituent local authorities.

2.2 Whilst welcoming that flexibility, PUSH believes that the Forum should include adequate representation from the sub-regions, where the collective voice on sub-regional issues, and in respect of particular geographies, should be heard alongside individual authorities. PUSH is also concerned at the inference that it may not include the leaders of all local authorities (a worry which is particularly relevant to large regions such as the South East) as this would prevent the direct involvement of every local authority in the strategy preparation process. This concern is heightened by the tight time frame envisaged for strategy review preparation, which will constrain the ability for those leaders who are members of the Forum to in turn consult meaningfully with those who are not. This would be disadvantageous for the process because it might alienate authorities who would otherwise be content if they had a reasonable opportunity to express their concerns. The Forum should involve all leaders with a representative number forming an executive group.

2.3 It is preferred that government intervention in the Forum's establishment and operation is kept to a minimum and avoided where possible. Should the Forum fail to operate, it should be the responsibility of the local authorities in that region to rectify the situation, with the Government only stepping in as a last resort.

3. Are the proposed regional accountability and scrutiny proposals proportionate and workable?

3.1 RDAs need to substantially change if they are to be 'fit for purpose' in respect of their proposed new roles. Those changes must include the governance arrangements and the composition of the RDA boards. In that regard PUSH supports the call from other South East councils for at least half of the members of the new RDA Boards to be representatives of the local authorities in the region.

3.2 In that scenario, the scrutiny arrangements for the new RDAs could reflect the situation in local authorities where scrutiny is a separate function from that of the executive functions of the leader and cabinet, and a dedicated scrutiny committee exists. At the sub-regional level,

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the structure of PUSH includes a scrutiny committee that functions separately from the PUSH Leaders committee.

Chapter 4 – Integrating regional strategies to promote growth

4. Do you agree that the regional strategy needs to cover the elements listed at paragraph 4.13? Are there other matters that should be included in the regional strategy to help in the delivery of key outcomes?

4.1 The elements listed in paragraph 4.13 do need to be covered by the Integrated Regional Strategy (IRS). The environment and quality of life should be added to the list because this is an important component of sustainability/sustainable development and also because a high quality environment is an important part of the attractiveness of an area for business investment. The South Hampshire Sub-regional Strategy devised by PUSH and now incorporated into the draft South East Plan shows how this can be achieved. It aims to raise the rate of economic growth to 3.5% per annum by 2026 but also seeks to protect and enhance the sub-region's world class natural and built environment.

4.2 The outcomes set out in the consultation document (in paragraphs 4.6 – 4.11) are too narrow in comprising solely of improved economic performance and increased housing supply and affordability. PUSH accepts that economic growth and prosperity are important, but should not be pursued to the exclusion of other considerations like the natural/built environment and quality of life. Paragraphs 4.6 – 4.11 and other sections of the consultation document give the impression that economic performance and increased housing supply are pre-eminent and should override other factors. PUSH seeks confirmation that this is not the case.

4.3 There is further issue regarding the level at which the IRS will operate. It is unclear whether the 'broader brush' approach to policy will provide sufficient guidance for planning authorities to develop further through their Local Development Frameworks. A void in policy coverage between the regional and local should be avoided at all costs.

5. Do you agree with the way in which we propose to simplify the preparation of the regional strategy, as illustrated in the figure (on page 35), in particular allowing flexibility for regions to determine detailed processes? If not what other steps might we take?

5.1 The proposed involvement of an independent panel throughout the process could provide a helpful independent validation of policy proposals as they emerge.

5.2 Flexibility for each individual region to tailor the detailed process to the circumstances of their region is supported.

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- 5.3 However, the timescale is unrealistically tight, based on the experience of the current round of regional strategy preparation and their statutory status. The diagram in the annex to this response, shows the time taken to prepare the current strategies of which most was while each document was in the Government's hands. Curtailing the time for preparing the draft Plan could mean insufficient time to enable consideration, and thus 'buy-in', by local authorities and other stakeholders of the draft strategy. Two months for the Government to approve the strategy seems highly implausible given that the Government has still not published its proposed changes to the South East Plan nine months on from the EiP Panel submitting their recommendations and over two years since the Regional Assembly submitted the Draft Plan to Government.
- 5.4 The process appears not to include any consultation by Government on its proposed changes to the submitted regional strategy. That consultation is a vital part of the current system: it enables a reality check to be made on any changes by the Government and helps build ownership of them. The absence of such consultation would be likely to lead to greater recourse to legal challenge as the only option available to disgruntled parties.
- 5.5 The proposal that the draft strategy will still be submitted to the Government by the RDA even if it is not 'signed-off' by the Leaders Forum is strongly opposed by PUSH. This would relegate local authorities to the status of mere consultees in the process, and would amount to the imposition on local authorities of strategy/policies drawn up by a business-led body. Negotiation and consensus building with local authorities should be the approach, rather than a process of imposition. Implementation of the strategy will largely be through local authority plans and actions, notably Local Development Frameworks, so securing their buy-in is essential. Extra time spent securing that buy-in at the strategy sign-off stage, would save time later
- 6. Do you think that the streamlined process would lead to any significant changes in the costs and benefits to the community and other impacts?**
- 6.1 Social and environmental partners have seats on the regional assemblies and their regional planning committees, giving them a direct involvement in RSS preparation. The consultation document proposes to leave individual RDAs to decide how to involve these bodies in the emerging new-style regional strategies; however good RDA proposals are, it will not give them seats on the RDA Board which would be the equivalent of their current status as full assembly members. Such reduced involvement of community representatives in the process is a dis-benefit to them and also reduces the extent of ownership of the resulting strategy

Chapter 5 – Strengthening sub-regional economies - the role of local economies

7. Which of the options for the local authority economic assessment duty (or any other proposals) is most appropriate?

7.1 PUSH would support option 2 i.e. to have a new economic assessment duty with no requirement to have regard to the guidance issued by the Secretary of State. This option is preferred given that it offers flexibility to local authorities to recognise their own issues and priorities. Some guidance from Government is welcomed but it is important that it is not mandatory to allow assessments to be adapted to the local setting. There should also be a statutory requirement for government agencies to demonstrate how they propose to respond to the assessment. The duty to be discharged jointly by both county and district councils in two-tier areas.

7.2 It is important for the economic assessments to be relevant and lead to action and PUSH therefore welcomes the proposal for RDAs to take the assessments into account when preparing the regional strategies.

8. What additional information or support do local authorities consider valuable for the purpose of preparing assessments?

8.1 Economic assessments should cover all the critical components of economic success, including those referred to in the SNR, but also covering issues relating to enterprise and innovation, skills, investment trends, etc. The assessment should also draw on information from government Departments (e.g. transport) to develop, in effect, a public sector investment framework.

8.2 The Department for Communities and Local Government (CLG) consultation paper on “A New Planning Policy Statement 4: Planning for Sustainable Economic Development” does propose some areas for evidence base, however further information is required. It is presumed that information may become clearer once guidance, whether statutory or not, is developed and issued.

9. How should lead local authorities engage partners, including district councils, in the preparation of the assessment?

9.1 Partner involvement is already established through the PUSH governance model and partners can easily be engaged through its existing processes. There are eleven local authorities that make up the PUSH partnership and this includes both upper and lower tier authorities. PUSH would ensure that all eleven partners will be involved in the carrying out the sub-regional economic assessment.

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10. Which partner bodies should be consulted in the preparation of the assessment?

- 10.1 A cross section of private and public sector partners, particularly those viewed as having an important role or contribution to the sub-regional economy. As PUSH has already conducted evidence based research of its sub-region, it would review the list of partners consulted.
- 10.2 The PUSH partnership views the private sector as extremely important to delivering its ambitious growth targets. The importance of links with the private sector is therefore rightfully emphasised in the consultation document. PUSH is currently working with SEEDA to establish a Hampshire and Isle of Wight Place Based Innovation Team. By developing a single entity focused on the knowledge economy and aligned to the long term PUSH agenda, there is real opportunity to achieve the optimised outcomes described by BERR. Such an entity would be the vehicle for delivery support to innovation based businesses in the PUSH sub-region. It is important to emphasise however that the new organisation would have to achieve a balance between its alignment with the PUSH agenda and the needs of its vital business and HEI partners.

11. Should any duty apply in London and, if so, which of the proposed models is most appropriate?

- 11.1 No comments – not applicable.

12. Do you agree that there is value in creating statutory arrangements for sub-regional collaboration on economic development issues beyond MAAs? What form might any new arrangements take?

- 12.1 PUSH supports the principle of strengthening sub-regional collaboration but reserves its position on the benefits of putting these on a statutory basis pending clarification of what this would mean. There is a risk that creating statutory sub-regional arrangements could lead to a level of central prescription that is at odds with the devolutionary principles elsewhere in the document. In any event, moving onto a statutory footing should be optional for each sub-region, and without prejudice to any delegation of funding and functions already agreed, so that this option can be used if appropriate to the local circumstances. In the South East for example, the sub-regions are diverse in their size and nature, and consequently, some have more developed sub-regional collaboration arrangements. It seems probable that only a few will be ready or desirous to move to a statutory footing.

13. What activities would you like sub-regional partnership to be able to carry out and what are the constraints on them doing this under the current legislation?

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- 13.1 PUSH would view its current activities of commissioning research development and implementation of its business plan and MAA, and supporting local partners in delivery as the role for a sub-regional partnership. This would also include collaboration on cross-boundary issues such as, employment and skills, innovation, employment land, business support, transport, environment and strategic housing and planning. Pooling and procuring expertise and capacity at sub-regional level offers potential economies of scale and synergies that could add significant value to what can be achieved within purely individual local authority level, particular amongst smaller districts.
- 13.2 It is felt that the provision and management of transport infrastructure, along with linked measures to promote sustainable transport choices, is critical to facilitating sustainable economic growth and to deliver the housing growth outlined in the current South East Plan. Mindful of the housing and economic growth agendas being pursued – particularly in South Hampshire, it seems a sensible way forward for sub-regional partnerships to have the ability and opportunity to assume the responsibilities of an integrated transport authority for planning and delivering sub-regional transport. In practice through it will only be effective in so far as power and resources are also devolved.
- 13.3 It is important to note that PUSH has existing frameworks in place in terms of governance and processes, which is an advantage to coordinating a PUSH economic assessment. The partnership or lead authorities will require people with sufficient knowledge to commission any external research – in the case of PUSH and the lead authorities, this should not be an issue given previous experience in commissioning consultants.
- 13.4 On the basis of its own experience, PUSH would advise that there can be constraints with regard to funding and people resource to help in taking projects forward and carrying out monitoring. The resource implications need to be fully reflected in the appraisal of policy options and the eventual shape of the Government's proposals.
- 14. How would a sub-regional economic development authority fit into the local authority performance framework?**
- 14.1 PUSH opposes this proposal unless the new authority is embedded within existing local authority structures. If it was, such an arrangement could fit to some extent within the existing mechanics of how the PUSH partnership currently works with the local authority performance framework. Perhaps more significantly, it is important the economic development functions are not developed and delivered in isolation from other functional domains: a holistic approach is needed to achieve sustainable development. This links to earlier remarks (paragraph 4.2) about the narrowness of outcomes currently proposed.

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15. Should there be a duty to co-operate at sub-regional level where a statutory partnership exists? To whom should this apply?

15.1 PUSH supports the proposal for cross-boundary working to take account of functional economic areas. Neighbouring local authorities within the Urban South Hampshire Sub-region have already recognised the importance of this and hence the establishment of a sub-regional partnership. PUSH supports the proposed duty of cooperation at sub-regional level and this should apply both where a statutory partnership exists and also where an MAA is being pursued (PUSH has identified this as an enabling measure as part of current work on an MAA for South Hampshire) to ensure the commitment of government departments and their agencies to co-operate with PUSH and its key stakeholders.

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Annex I

