

POLICY STATEMENT ON REGIONAL STRATEGIES AND GUIDANCE ON THE ESTABLISHMENT OF LEADERS' BOARDS - CONSULTATION

To: **Cabinet**

Date: **20 October**

From: **Executive Director, Environment Services**

Electoral division(s): **All**

Forward Plan ref: **N/a**

Key decision: **No**

Purpose: **To consider the consultation on 'Policy Statement on Regional Strategies and Guidance on the establishment of Leaders' Boards' being conducted by the Department of Communities and Local Government (CLG) and the Department for Business, Innovation and Skills (BIS)**

Recommendation:

- (i) That Cabinet approves Appendix 1 of this report as the basis of the County Council's response to CLG / BIS.**
- (ii) That the final joint response be delegated to the Cabinet Member for Growth, Infrastructure and Strategic Planning and the Executive Director Environmental Services, taking into account comments from District Councils in formulating a joint response from all the Cambridgeshire authorities.**

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1.0 INTRODUCTION

- 1.1 In July 2007 the Government produced its review of Sub-National Economic Development and Regeneration (SNR). The publication confirmed that with the abolition of Regional Assemblies, their planning, transport and housing responsibilities were to be transferred to the Regional Development Agencies (RDAs). Regional Development Agencies will be responsible for producing new Regional Strategies, replacing in one document the current Regional Spatial Strategy (RSS) and Regional Economic Strategy (RES) as well as range of other non-statutory documents covering culture, sport, housing and biodiversity
- 1.2 The consultation also promoted the principle of greater delegation from the RDA and that upper tier local authorities would have greater responsibility for local economic development delivery through the production of economic assessments for their areas.
- 1.3 The Government produced the consultation on the SNR in March 2008, entitled "Prosperous Places: Taking Forward the Review of Sub-National Economic Development and Regeneration". This consultation raised the idea of a Leaders' Board to jointly oversee the development of the Regional Strategy with the Regional Development Agency. The consultation was reported to Planning and Regional Matters Policy Development Group on 7 May 2008 and Cabinet on 10 June 2008. A number of the comments that the County Council made at that stage have been incorporated into the new guidance currently being consulted on, and these points are highlighted in the responses below.
- 1.4 In November 2008 the Government produced the final version of the SNR, to be passed into statute through the Local Democracy, Economic Development and Construction Bill, which is currently going through Parliament. (The latest version of the Bill can be found at: <http://services.parliament.uk/bills/>). The Bill confirms the Government's intention that a Leaders' Board will be formed in each region to work alongside the Development Agency.
- 1.5 Earlier this year the East of England Regional Assembly (EERA) consulted on the document "The End of an EERA" which asked for views on options for new regional governance arrangements in the East of England as a result of the emerging Bill. This looked at a range of issues including the composition of the Leaders' Board, joint working arrangements between the Board and Regional Assembly, support and staffing arrangements and other regional functions and services. This consultation was reported to Cabinet on 5 May 2009.
- 1.6 In July 2009, there was also consultation from the Regional Assembly and Regional Development Agency on the document "Moving to the New Regional Strategy" which set out more detailed proposals for governance in the East of England Region. This consultation was circulated among the Leaders of Cambridgeshire authorities and a joint response was agreed on behalf of the County Council, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire District Councils. The response stressed the authorities'

concerns about representation and accountability and the loss of the strategic authorities' role in advising the Regional Assembly on regional and sub-regional planning matters.

2.0 BACKGROUND

- 2.1 The current consultation seeks to add more detail to the Local Democracy, Economic Development and Construction Bill, particularly regarding the preparation and review of the new Regional Strategies and schemes for the establishment of Leaders' Boards. Additional questions are also asked about guidance on the sustainability appraisal of Regional Strategies.
- 2.2 The consultation is being undertaken by the Department of Communities and Local Government (CLG) and the Department for Business Innovation and Skills (BIS). Comments are invited by 30 October 2009. A number of questions are set out in Annex 5 of the consultation: key questions are set out below (underlined) with proposed County Council responses (*in italics*).
- 2.3 A copy of the consultation document can be viewed at:

<http://www.communities.gov.uk/publications/planningandbuilding/regionalstrategiesconsultation>
- 2.4 The consultation was reported to Growth and Environment Policy Development Group on 16 September 2009. While noting that the proposed Leaders' Board for the East of England would include all 52 local authority Leaders, there was a general consensus that the approach set out in the consultation lacked democratic accountability. The Policy Development Group therefore recommended that the points on local democracy and accountability in the consultation should be strengthened. These comments have been reflected in the proposed response set out in *italics* in Section 3 below.
- 2.5 Cambridgeshire District Councils have been contacted with the intention of drawing up a joint response to the consultation from all the Cambridgeshire authorities. Recommendation (ii) of this report therefore seeks delegated authority for the Portfolio Holder of Growth, Infrastructure and Strategic Planning and the Executive Director, Environment Services to agree, if possible, a joint response based on this response, but taking into account comments from the Cambridgeshire District Councils.

3.0 CONSULTATION AND SUGGESTED RESPONSES

Draft policy statement on Regional Strategies

- 3.1 As outlined, it is proposed that there will be a single Regional Strategy prepared and monitored by "responsible regional authorities" – Regional Development Agencies and local authority Leaders' Boards acting jointly.
- 3.2 At present guidance for the preparation of Regional Spatial Strategies is set out in *Planning Policy Statement 11: Regional Spatial Strategies* (2004). This consultation sets out a draft Planning Policy Statement on the new Regional Strategies which, once finalised, will replace PPS 11.

Question 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?

Cambridgeshire County Council considers that the Policy Statement is insufficiently clear in setting out how local authorities and other organisations are to contribute to the process of preparing the new Regional Strategies. Under the current system local authorities – particularly County and Unitary authorities (the strategic planning authorities) – have a significant role in the process, from preparing evidence and drafting policies to implementation and monitoring, and have built up considerable knowledge and expertise in regional and sub-regional planning. The Local Democracy, Economic Development and Construction Bill would remove the statutory requirement for much of this contribution (Sections 4(4) and 5(5) of the Planning and Compulsory Purchase Act) and there is no recognition in the draft PPS of how this void would be filled. It is our view that there is no capability outside the strategic planning authorities available to fulfil this role and the emerging Local Democracy, Economic Development and Construction Bill needs to establish this in legislation.

Question 1.2: Do you agree with the scope of Regional Strategies? Do you have any suggestions as to how this can be improved further?

The County Council is broadly supportive of the scope of the new Regional Strategies set out in the draft PPS. However current policy requires the production of a key diagram illustrating the plan's vision for the future of the region and there is no mention of this in the draft. It is considered that the spatial dimension is a vital element of any strategic vision and essential in communicating to the public and stakeholders and that it must therefore be included as a requirement in the PPS.

Question 1.3: Do you agree with the sub-regional approach? If not, what do you think needs to be improved?

The inclusion of a broad sub-regional approach suggested by the consultation (covering housing, economic sub-areas, commuting and environmental and social issues) is supported, and takes into account the County Council's earlier comments on "Prosperous Places".

Question 1.4: Is the policy framework on the content of Regional Strategies appropriate to ensure Regional Strategies focus on the key priorities for the region?

See response to Question 1.5

Question 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?

As currently expressed, this appears a 'top-down' process with issues being identified mainly at the regional level. It needs to be recognised that the strategic planning authorities and other organisations are involved in a wide range of regional and sub-regional planning and evidence gathering work that

help to make up the overall picture. This role is likely to increase in importance as a result of the new duties for upper tier authorities for economic assessment and the proposals arising from the Pitt Review. It is essential that the process has the active involvement of these organisations in determining the priorities and coverage of the Regional Strategies and recognises the resources and expertise they can bring to the regional planning process.

Question 1.6: Is the policy on the project planning and the preparation of a Project Plan appropriate?

This policy is broadly supported. It is essential that key stakeholders know what the timetable is so that their inputs can be properly planned. Under the current system, other organisations – particularly strategic planning authorities – have considerable input into the regional planning process, through preparing their own evidence, contributing to the Regional Assemblies' evidence base and the preparation and monitoring of RSS policy, as well as assisting with public consultation. This needs to be recognised in the guidance and must form part of project planning through formal consultation on the project plan and proposed working structures.

It is noted that, whereas the "Prosperous Places" consultation gave a timescale of two years for drawing up a Regional Strategy, the Regional Strategy revision process set out in Appendix A of the current consultation does not give any suggested timescales. On the information available it is assumed that timescales will be agreed between the responsible regional authority and the Secretary of State through the preparation of the project plan. Adequate time must be allowed to ensure meaningful consultation with the public and other stakeholders and that economic, environmental and social considerations are fully addressed.

Question 1.7: Is the policy on Statements of Policies on Community Involvement appropriate?

The principle of requiring the responsible regional authority to produce a statement setting out how it will involve the community is supported. However, it is not clear from the consultation what the process is for preparing this document – who will be involved in drawing it up or how it is to be approved or amended. It is important that there is the widest possible involvement from stakeholders in preparing this document if the Regional Strategy process is to be truly accountable.

In addition, a key part of successful public consultation is informing people how their comments have been taken into account and, where changes have been made, showing how they have made a difference. It is suggested that this principle be added to paragraph 5.17, bullet point 4: "Explain the process and methods that will be applied for involving stakeholders during different stages of the review of a Regional Strategy and responding to those who have been involved, setting out how the Strategy has changed as a result of their involvement."

Question 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?

No comments

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

See response to Question 1.10

Question 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?

The proposed process for preparing the Regional Strategy set out in Appendix A of the consultation misses out an important stage of the current process – consultation on options. This will reduce the opportunities for key stakeholders and the public to shape the document at the start and will make the new process less accountable. Formal consultation will only be undertaken on the draft Strategy, following considerable work by the responsible regional authority – by this stage there will be little opportunity to revisit the fundamental assumptions underlying the Strategy. It is considered that this process must be amended to allow stakeholders to have an early say and determine the broad direction the Strategy is to take.

Question 1.11: Are the key expectations of Implementation Plans appropriate and do they provide sufficient clarity?

The County Council supports the requirement for the responsible regional authority to produce an Implementation Plan; this reflects the Council's previous comments on the "Prosperous Places" consultation.

However, the draft section on preparing Implementation Plans reads in places as a 'top down' process: for example, paragraph 5.49, point 4, states that the Plan should: "Set out specific actions allocated to those key organisations responsible for delivering the policies in the Strategy." The PPS needs to stress the importance of paragraph 5.49, point 7, that the Implementation Plan should "be prepared in close co-operation with regional, sub-regional and local partners, Government and Government Agencies". At present strategic and local authorities, local delivery partners and others contribute significantly to the regional and sub-regional planning process through advice, policy preparation and evidence gathering. Local authorities and delivery bodies are also currently working on a wide range of project planning and implementation work to decide priorities within their sub-regions and as evidence to support their Local Development Frameworks. The guidance must recognise the resources and expertise these organisations bring to the process and allow them to shape their Regional Strategy, rather than having the Strategy imposed on them.

Question 1.12: Is the broad policy for the preparation of annual monitoring reports appropriate and does it provide sufficient clarity?

The County Council supports the requirement for the responsible regional authority to produce an annual monitoring report; this reflects the Council's previous comments on the "Prosperous Places" consultation. Currently local

authorities provide much of the information for these reports; it is essential that they are fully involved in the process and so can plan their work accordingly.

Question 1.13: Is it clear how the preparation of documents to support the Regional Strategy relate to the Regional Strategy?

No comments

Question 2.1: Do you have any comments on the proposed scope and detail of the proposed regulations?

See comments to questions 1.1 to 1.12 above

Establishment of Leaders' Boards – Draft Guidance on the preparation of Schemes

- 3.3 This part of the consultation deals with the establishment of Leaders' Boards and sets out draft guidance that participating authorities would need to follow in drawing up a Scheme for establishing a Board. The consultation does not set out the detail of how Boards should be constituted; it sets out broad principles that local authorities would have to meet in establishing their Boards.
- 3.4 It is intended that authorities will draw up a Scheme and agree amongst themselves what mechanisms they will use to allocate seats on the Board. The Scheme must be subject to consultation with stakeholders, including Government Office, before being submitted to the Secretary of State for approval. The Secretary of State will retain powers for intervening in the operation of a Leaders' Board and in the preparation of the Regional Strategy, in exceptional circumstances if necessary.
- 3.5 The consultation states that, in establishing Leaders' Boards, local authorities should follow three broad criteria. Leaders' Boards should be:
- Streamlined and manageable, able to make strategic, long term decisions, and able to engage effectively with their region's Development Agency.
 - Representative of Local Government across the whole of their region – including representatives from key sub-regions, upper and lower tier authorities and the main political groupings.
 - Comprised of local authority leaders, who are members with sufficient authority to act on behalf of all Local Government in the region (but need not necessarily be Leaders of participating authorities).

The consultation sets out more detailed considerations under each of these criteria.

Question 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?

The County Council supports the principle that local authorities should

determine how their Leaders' Boards are set up and constituted – this flexibility is important to reflect individual regions' needs.

However, the three general themes of efficiency, proper representation and authority in making decisions - and the more detailed considerations underlying them - largely overlook the issue of scrutiny. There needs to be an element setting out how the Scheme will address scrutiny of the functions and processes of the Leaders' Board and also its engagement with the Regional Development Agency. It is essential that the scrutiny process is clearly distinguished from the local authority role in agreeing and implementing the Regional Strategy if Leaders' Boards are to be truly accountable.

There needs to be clear recognition in the Scheme of the key role that strategic planning authorities will need to play in advising the Board on sub-regional issues and co-ordinating with Districts and Local Delivery Bodies. This is particularly important as a result of the repeal of Sections 4(4) and 5(5) of the Planning and Compulsory Purchase Act, the new duties for economic assessment and the proposals arising from the Pitt Review. This role will be essential to ensure that a strategic overview of policies and proposals is given to the Board to ensure that economies of scale are maximised in the current climate of increasing pressure on national and regional budgets.

In the East of England, the Regional Leaders' Board will comprise all the Leaders of the local authorities in the region. A subset of this group will then be selected to form the Regional Strategy Board with the East of England Development Agency (EEDA).

4.0 CONCLUSIONS

- 4.1 As described above, proposals for producing Regional Strategies have advanced since last year's "Prosperous Places" consultation and many of the comments that the County Council made at that stage have now been addressed. However, despite this, it is considered that there is still a lack of understanding and appreciation of the expertise and resources that organisations at the sub-regional and local level – particularly the strategic authorities – bring to the regional planning process including implementation and monitoring. It is important that this is addressed, both to ensure that the new process works efficiently and also that it is properly accountable to the local authorities and other organisations that will have to implement the strategy.

5.0 NEXT STEPS

- 5.1 Comments made by Cabinet will be reflected in the final response. As outlined above, the Cambridgeshire District Councils have been contacted with the intention of producing a joint response to the consultation from all the Cambridgeshire authorities based on Section 3 of this report. It is therefore recommended that delegated authority be given to the Portfolio Holder for Growth, Infrastructure and Strategic Planning in consultation with the Executive Director, Environment Services to agree this joint response for submission to CLG / BIS by 30 October.

6.0 SIGNIFICANT IMPLICATIONS

Resources and Performance

No significant implications from this consultation. In responding to the previous consultation, 'Prosperous Places', it was highlighted that the strengthening of strategic authorities' roles in economic development that would be brought into place by the Bill would be likely to generate demand for additional staff resources and greater collaboration across economic areas.

Climate Change

No significant implications from this consultation. In responding to 'Prosperous Places' the County Council highlighted a lack of any clear consideration for environmental and social issues. The current consultation puts more emphasis on these issues and states that one of the main principles of the new arrangements is to establish a "strategic framework for the long-term sustainable development of each of the English regions, aimed at delivering sustainable economic growth and tackling climate change." Another principle is to "drive the development of low carbon and sustainable regional, sub-regional and local economies".

Access and Inclusion

No significant implications from this consultation. In responding to 'Prosperous Places' the County Council highlighted a lack of any clear consideration for environmental and social issues. The current consultation puts more emphasis on these issues and states that one of the main principles of the new arrangements is to "align public and private sector investment in enterprise, skills, infrastructure, regeneration and communities".

Statutory duties/Requirements and Partnership Working

No significant implications from this consultation. As outlined above it was noted in response to 'Prosperous Places' that strengthening the role of strategic authorities in economic development will create the need for greater collaboration between organisations across economic areas. Within the local context, there is already well-established good practice of collaborative working between local authorities, academic institutions and local employers through the Greater Cambridge Partnership.

Engagement and Consultation

No significant implications from this consultation. The County Council is being consulted by CLG and BIS. The need for the responsible regional authorities to engage fully with strategic authorities and other organisations has been highlighted in the suggested responses set out above.

Source Documents	Location
<ul style="list-style-type: none"> • Policy Statement on Regional Strategies and Guidance on establishment of Leader's Boards (August 2009) • Cambridgeshire Authorities Joint Response to EEDA / EERA consultation 'Moving to the New Regional Strategy' (July 2009) • County Council's response to 'Prosperous Places: Taking forward the Sub National Review of Economic Development and Regeneration' (2008) • Planning Policy Statement 11: Regional Planning (September 2004) 	A Wing 2 nd Floor, Castle Court, Cambridge