

Cheshire & Warrington Leaders Meeting, 13 June 2008
**Response to Government Consultation - "Prosperous Places: Taking Forward
the Review of Sub-National Economic Development and Regeneration"**

Introduction

At previous meetings, Leaders have received reports on this subject and agreed that a sub-regional response should be made. The deadline for responses is 20th June and a draft is attached at Appendix 1. If approved, this would be forwarded to the e-address set out in the consultation paper.

The draft response has been forwarded to officers on behalf of the current and shadow Cheshire and Warrington Authorities as well as Cheshire and Warrington Economic Alliance and reflects the comments received.

In addition to the draft response, individual authorities in the sub-region will be responding separately. The Cheshire and Warrington representatives on the NWRA Executive Board have also had the opportunity to comment on the joint response by NWDA and NWRA.

Response summary

The consultation paper incorporates 15 questions and responses have been provided to all except one which relates to London. The key comments are summarised as follows:

- (i) Welcoming the proposals in general;
- (ii) Indicating a wish to be involved with delivering the Strategy on the ground through a delivery plan and for there to be a statutory requirement for RDAs to delegate to local authorities or sub-regional partnerships wherever possible;
- (iii) Commending the development of the NW Regional Leaders Forum as being in line with Government expectations;
- (iv) Expressing concern about the lack of clarity surrounding the proposed scrutiny arrangements;
- (v) Supporting the proposed contents of the regional strategy but seeking clarification about both its relationship with other strategies and the operation of the examination in public;
- (vi) Supporting the idea of an expedited process for strategy production in the NW but seeking assurances that local authority and sub-regional views on priorities will be included;
- (vii) Supporting the option for economic assessments which is more prescriptive but requires the RDA to take account of them (Option 1);
- (viii) Stressing the importance of linking the regional strategy to sustainable community strategies and LAAs;

Cheshire & Warrington Leaders Meeting, 13 June 2008
**Response to Government Consultation - "Prosperous Places: Taking Forward
the Review of Sub-National Economic Development and Regeneration"**

- (ix) Broadly welcoming the proposals for an expanded Regional Funding Allocation advice opportunity and suggesting that advice on skills development should also be incorporated;
- (x) Supporting increased sub-regional working but stressing that the reality of economic geography does not always fit this neatly.

Recommendation

The Leaders are recommended to approve the draft response at Appendix 1.

Appendix 1

Prosperous Places Consultation: Response of Cheshire and Warrington Sub-region

Q1. How should RDAs satisfy themselves that sufficient capacity exists for programme management and delivery at local or sub-regional level?

It is important that RDAs have confidence in the capacity at local and sub-regional level. An assessment of that capacity should be carried out in a clear and transparent way on the basis of objective criteria. Those criteria should be agreed between the RDA and local authorities or sub-regions and could be jointly developed. There may be a role for the new Regional Forum. It is clear that RDAs are more comfortable delegating to economic development companies and sub-regional partnerships, but it is important that they are equally happy delegating to individual local authorities where that is appropriate.

It is likely that RDAs would wish to ensure that there is capacity at all appropriate levels; the issue is therefore not simply an assessment against criteria, but also the need for a mechanism to ensure that capacity can be created and sustained wherever it is needed.

Developing local authority and sub regional capacity in undertaking statutory economic assessments and delivering major economic development and regeneration programmes to increase economic growth will be in both implementing the SNR and in ensuring participation in the development of the single regional strategy. The RDAs should therefore ensure adequate resources are made available to support the development of that capacity.

Whichever method of assessment is instituted, clear contractual arrangements will be needed with thorough risk assessments conducted. The SNR refers to Memorandums of Understanding, although proper contracts need to be in place with full 100 per cent funding allocated by RDAs.

Q2. 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 if it failed to operate effectively? If not, what would you propose instead?

Yes they should. Experience in the North West is that the local authorities, the Development Agency and the social economic and environmental partners working in association with the Government Office have already been able to develop a leader's forum and agree the broad principles of its operation and funding. We feel this model would meet the required criteria.

Q3. Are the proposed regional accountability and scrutiny proposals proportionate and workable?

No, they are too vague about who is doing what. There needs to be clarity about the roles of DBERR, DCLG, the Regional Committee and the local authorities. There should also be a facility for their respective work programmes to be synchronised and, with regard to the regional arrangements, some shared members. In the North West, the local authorities have so far decided to discharge their new responsibilities collectively, on the grounds that this is more cost-effective than each of the 46 doing it separately. We would support the proposal that, to avoid possible conflicts of interest, the scrutiny function should involve different Members from those on the Leaders Forum. There will be a cost attached to this work, however, which is not recognised in the consultation paper.

Chapter 4 – Integrating regional strategies to promote growth

Q4. 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?

Yes, it should cover these elements but more clarity will be needed both about how this will be done and how the regional strategy will relate to other strategies. If the RS is truly to encompass the topics which are related to economic growth, then aspects of health, education, skills and tourism should also be included. Paragraph 4.2 refers to integrating cultural strategies but culture does not appear on the list at paragraph 4.13. The Government may wish to consider the possibility of an overarching regional strategy with a number of more detailed or topic-based documents relating to it. Apart from its links to recent Government policy announcements, it is not clear why housing provision is specified separately but transport, waste and a number of other areas of provision are grouped together. We believe it to be important that the whole regional strategy should carry statutory weight.

Q5. 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?

The Cheshire and Warrington sub-region generally welcomes the approach set out. There are concerns about the proposals for resolving conflict, particularly towards the end of the process: we would like to see some encouragement for more local mechanisms, perhaps involving the Minister for the NW. In addition, the phrase "sign-off" is not favoured as it suggests something that happens at the end of the development process whereas paragraph 4.18 makes it clear that local authorities should work with the RDA "in the full life cycle of the strategy" and we welcome this. The flexibility over the timing of formal reviews of the Strategy is welcome; however, timing should be left to regional discretion, based on a local assessment.

Cheshire & Warrington Leaders Meeting, 13 June 2008
**Response to Government Consultation - "Prosperous Places: Taking Forward
the Review of Sub-National Economic Development and Regeneration"**

The preparation and submission of the regional strategy is only part of the task. Serious reference to delivery is missing. The delivery plan being considered by the Government is viewed in Cheshire and Warrington as an integral part of the process. It should be drawn up on a sub-regional basis and identify both named partners for implementation and the resources to be delegated. The costs and time needed to develop these plans should be considered in any proposals.

We think there should be statutory requirement for RDAs to delegate responsibilities and resources, wherever possible, to local authorities either individually or working in a private / public partnership. Although local discussion would be necessary, it would be useful to see guidance as to exactly which responsibilities and resources should be delegated by RDAs. The engagement of Local Strategic Partnerships, the integration of Sustainable Community Strategies with regional strategies and the use of LAA mechanisms will also be important for delivery.

Although the proposal for continuous examination in public is welcome, it is not clear how this would work. For example, if there were to be continuous testing, why would there need to be formal consultation and an EiP at the end of the process? Paragraph 4.23 is clearer in this respect than the diagram on page 35. If one purpose is to allow full scrutiny by stakeholders how does this fit in with other scrutiny roles?

The proposals for an expanded RFA advice round are welcomed. There does not seem to be much point in including ERDF, however, as plans for the current period are already well advanced. It would also be desirable for skills funding to be included. While recognising that the scale of costs and other implications means the Government will always want to make the final decision on RFA (Transport) proposals, it would be advantageous if, in future, this could be linked to the development of the regional strategy.

The suggestion that the Government will consider the case for devolving consenting powers for sub-national transport schemes is welcomed in this context.

Q6. Do you think that the streamlined process would lead to any significant changes in the costs and benefits to the community and other impacts?

The greater the scope of the strategy, the more difficult it will be to synchronise all parts of it. This is not a reason for objecting to it but there will need to be far more co-operation in both planning and delivery between Government departments, the RDAs, the local authorities and private / public partnerships to avoid delays and ensure robustness. The resources will have to be in the system to allow this.

No timing is shown for the production of the first strategies. If they are to take account of the proposed economic assessments, Cheshire and Warrington believe that this would push back the timetable too far. The sub-region supports the

Cheshire & Warrington Leaders Meeting, 13 June 2008
**Response to Government Consultation - "Prosperous Places: Taking Forward
the Review of Sub-National Economic Development and Regeneration"**

suggestion of the NWDA that the region should pilot a more expedited process for the production of the first strategy. However, this does raise the question of what an expedited process should be and how the decision is taken. If it does not provide for economic assessments to be completed first, then we would want to ensure that local views about priorities and activities were taken into account.

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

Q7. Which of the options for the local authority economic assessment duty (or any other proposals) is most appropriate?

Cheshire and Warrington support option 1. We would prefer the more local discretion implied by option 2 but recognise the importance of moving forward with a clear set of guidelines. We support the proposal for a duty to be placed on named partners to respond within a specified time and would like to see a statutory requirement for RDAs to take account of locally-produced economic assessments.

Q8. What additional information or support do local authorities consider valuable for the purpose of preparing assessments?

Notwithstanding the response to Q5 and the comments in the last paragraph about timing, we strongly support the proposal that locally-produced economic assessments should be the basis of the new strategies.

It is not clear, however, how this will happen. At present RDAs carry out their own assessments to inform the RES. Will this resource be made available to local authorities? Do we risk having a local authority resource to carry out the assessments and an RDA resource to validate them? Clearly, the assessments must be of a sufficient quality to be taken into account by the RDAs, so the issue of capacity and resource is important. In some circumstances, it will be appropriate to commission specialised research.

We would also like to see guidelines making reference to the use of reliable data and for the relevant information held at national and regional level to be broken down to the local level.

Q9. How should lead local authorities engage partners, including district councils, in the preparation of the assessment?

It is important that District Councils and other partners are fully involved in carrying out economic assessments and that they have sufficient capacity to engage. The actual mechanism should be decided locally depending on the particular circumstances. It will be important to integrate them with the assessments carried out to inform the Sustainable Community Strategy and develop LAAs. Existing Local Strategic Partnerships and Sub-Regional Partnerships would offer a useable conduit.

Cheshire & Warrington Leaders Meeting, 13 June 2008
**Response to Government Consultation - "Prosperous Places: Taking Forward
the Review of Sub-National Economic Development and Regeneration"**

However, for the reasons set out in response to Q10 below, it will also be necessary to build on or develop cross-border links.

Q10. Which partner bodies should be consulted in the preparation of the assessment?

In addition to those identified in para. 5.20, LSPs as well as many sub-regional partnerships will include most of the relevant consultees. However, Cheshire and Warrington's links to neighbouring sub-regions, regions and Wales suggest that engagement should take account of the reality of economic geography.

Q11. Should any duty apply in London and, if so, which of the proposed models is most appropriate?

No comment

Q12. 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?

Cheshire and Warrington welcome the emphasis on sub-regions but see a greater value in looser arrangements. The risk with statutory arrangements is that administrative convenience will neither reflect the realities of economic geography nor encourage flexible working.

Q13. What activities would you like a sub-regional partnership to be able to carry out and what are the constraints on them doing this under the current legislation?

Cheshire and Warrington already has functioning sub-regional partnerships and would want to build on these. They are under review pending local government reorganisation and the need for a broader based body in response to the Government's proposals for economic development and regeneration. It is the intention that the three new unitary authorities will combine with partners to develop a new vision for the sub-region reflecting the priorities, aims and objectives of each Authority. Proposals are at an early stage of development and have received approval in principle from the local authorities. There will need to be inclusive discussions within the sub-region and with NWDA before they can be firmed up.

Sub-regional partnerships as envisaged in SNR will clearly be created for a purpose. The model for packages of activities may be provided by emerging MAAs, but activities to be carried out at a sub-regional level could be far wider. They could include oversight of shared service provision and the agenda for improvement and efficiency as well as the co-ordination of sub-regional views in respect of RDA scrutiny, the regional strategy and delivery plans. They could include commissioning plans for 16-18 learning and other skills development provision, exercising consent

Cheshire & Warrington Leaders Meeting, 13 June 2008
**Response to Government Consultation - "Prosperous Places: Taking Forward
the Review of Sub-National Economic Development and Regeneration"**

powers for certain major transport schemes, if delegated and, subject to legislation providing appropriate powers, the construction of affordable housing.

What would assist at this time is the availability of resources and capacity to help set up these desirable sub-regional arrangements. We would be happy to work with the RDA to achieve these and believe that they should have a leading role in supporting the necessary development work.

Q14. How would a sub-regional economic development authority fit into the local authority performance framework?

On the face of it, it wouldn't, as by definition the forthcoming Comprehensive Area Assessments will introduce an accountability framework which is not sub-regional. In the loose partnership currently envisaged by Cheshire and Warrington (see Qs 12 and 13 above), we are unlikely to seek such an authority. There would be scope, however, for certain targets, performance indicators and activity to be synchronised and for links to be made with partners such as Police, Fire and Health where their operational boundaries coincided with or aggregated to the sub-region.

Q15. Should there be a duty to co-operate at sub-regional level where a statutory partnership exists? To whom should this apply?

Yes - all relevant local authorities, the RDA, new Homes and Communities Agency, new Skills Funding Agency, DWP, Jobcentre +, Environment Agency and others should have a duty to co-operate. This should be consistent with the Local Government and Public Involvement in Health Act 2007 which sets out a comprehensive list of those that have a duty to co-operate with a Local Area Agreement.