

AGENDA MANAGEMENT SHEET

Name of Decision-maker Portfolio Holder (Leisure, Culture and Housing) Decision Making Session

Date of Decision 16 October 2009

Report Title Government Consultation - Regional Strategies and Leadership Boards

Summary Government has published its consultation document which sets out draft policy for the process of preparing the new 'Single Integrated Regional Strategies' (SIRS) and guidance on the preparation of schemes to establish Regional Leaders Boards. The deadline for comments is 30 October 2009. The Director's report recommends an appropriate response to the consultation.

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Would the recommended decision be contrary to the Budget and Policy Framework? No

Background Papers None (i.e. The 61 page consultation document can be found at
<http://www.communities.gov.uk/publications/planningandbuilding/regionalstrategiesconsultation>

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

Other Committees

Local Member(s)
(With brief comments, if appropriate)

Other Elected Members

- Councillor D Bryden
- Councillor M Doody
- Councillor A Farnell
- Councillor R Sweet
- Councillor J Whitehouse

} for information

Cabinet Member

(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)

- Councillor C Saint – comments included.

Chief Executive

- J Graham – Comments included.

Legal

- I Marriott – agreed.

Finance

-

Other Chief Officers

-

District Councils

-

Health Authority

-

Police

-

Other Bodies/Individuals

-

FINAL DECISION

YES

(If 'No' complete Suggested Next Steps)

SUGGESTED NEXT STEPS :

Details to be specified

Further consideration by Portfolio Holder

-

To Council

-

To Cabinet

-

To an O & S Committee

-

To an Area Committee

-

Further Consultation

-

**Portfolio Holder (Leisure, Culture and Housing)
Decision Making Session - 16 October 2009**

**Government Consultation - Regional Strategies and
Leadership Boards**

**Report of the Strategic Director for
Environment and Economy**

Recommendation

That the assessment and conclusions set out in sections 3 and 4 of the Director's report be agreed as the Council's response to the Government's Consultation on the 'Draft Policy Statement on Regional Strategies and Guidance on the Establishment of Leaders' Boards' published on 6 August 2009.

1. Introduction

- 1.1 Government has just published its consultation document which sets out draft policy for the process of preparing the new 'Single Integrated Regional Strategies' (SIRS) and guidance on the preparation of schemes to establish Regional Leaders Boards. After the abolition of regional assemblies, Regional Strategies will be developed jointly by the Leaders' Boards and the Regional Development Agencies (RDAs). The deadline for comments is 30 October 2009.
- 1.2 This consultation document seeks comments on a number of documents, the most important of which are the Draft Planning Policy Statement on Regional Strategies which sets out key expectations for the form and content, monitoring, and implementation of regional strategies, and the Draft Guidance on the "Preparation of Schemes for the Establishment and Operation of Leaders' Boards" which sets out the broad range of considerations that the Secretary of State will take into account when considering schemes for the establishment and operation of a Leaders' Board.
- 1.3 The new integrated regional strategies (SIRS) are intended to be single long term strategic visions for each region to guide local authority leaders and regional development agencies in making public investment decisions that secure regional prosperity. The idea of combining current regional economic and spatial strategies was first announced by Government in the Sub National Review (SNR) of economy and regeneration in July 2007. It was subsequently carried forward into the Local Democracy, Economic Development and Construction Bill which is in the final stages of going through Parliament.

- 1.4 Government is using the system of national 'Planning Policy Statements' (PPSs) to progress the implementation of this aspect of the SNR. In particular, these proposals are aimed at producing a replacement of PPS 11 which dealt with Government policy on regional spatial strategies (RSSs). A final replacement PPS 11 is expected to be published in early 2010. The 61 page consultation document can be found at :-
<http://www.communities.gov.uk/publications/planningandbuilding/regionalstrategi/esconsultation>.

2. Summary of Key Features

- 2.1 The broad aim of this consultation is to elicit views on the principles to be applied in relation to the preparation of Regional Strategies. More specifically, its purpose is to obtain views on: the scope and approach taken in the policy statement (separating out policy from advice), and the principles which responsible regional authorities and other bodies will need to adhere to in reviewing, revising, implementing and monitoring regional strategy. In addition, responses are invited on:-
- (i) Draft regulations to support the implementation of Part 5 of the Local Democracy, Economic Development and Construction Bill
 - (ii) Draft guidance on the preparation of Schemes for the establishment of Leaders' Boards, and
 - (iii) Draft supplementary guidance on undertaking sustainability appraisal of Regional Strategies. (NB. It is not proposed to respond to this highly technical and legally prescribed document but a summary is attached as **Appendix C**).
- 2.2 The three appendices to this report set out useful summaries of the three consultation documents (produced by the Local Government Information Unit): **Appendix A** - Draft Policy Statement on Regional Strategies (PPS 11); **Appendix B** - Establishment of Leaders' Boards: Draft Guidance on the Preparation of Schemes; **Appendix C** - Sustainability Appraisal of Regional Strategies. The key features of the first two of these consultation documents of particular relevance to the County Council and its partners in the Coventry Solihull Warwickshire Sub-region, are outlined below.
- 2.3 **Regional Strategy Preparation:** Regional Strategies will be developed jointly by the Leaders' Boards and the RDAs acting as the 'Responsible Regional Authorities'. Updated planning policy guidance on preparing regional strategies is proposed to replace the guidance limited to regional spatial strategies in the current PPS11. The consultation also sets out draft guidance and regulations that will establish the process that responsible regional authorities will have to follow when they revise their regional strategies; which organisations will have to be consulted when regional strategies are prepared, what project plans should contain, when monitoring must be carried out, sustainability appraisal of regional strategies and access to information requirements. The process outlined no longer affords the upper-tier authorities the opportunity of putting forward early draft proposals for sub-regions (which they currently have under S. 4.4(4) of the 2004 Planning and Compensation Act).

- 2.4 **Other Documents:** The new Regional Strategies will be integrated plans for spatial and economic development. They will inform development planning at local levels, and will form part of the relevant documentation in Local Development Frameworks (LDFs). In turn, the evidence base for the strategies will be informed by local economic assessments (LEAs), the production of which, by next year, will be a statutory requirement for upper-tier local authorities (i.e. inc. the County Council). Implementation of the Regional Strategy will in large part depend on it being translated into Local Development Documents (LDDs), Local Transport Plans, and other plans and programmes prepared by local authorities.
- 2.5 **Conformity:** The Regional Authorities should therefore actively engage with local authorities to promote the implementation of the Strategy at local levels. LDDs must be in 'general conformity' with a Regional Strategy, which means that inconsistencies are not allowed if they could cause significant harm to the implementation of a Regional Strategy. The general conformity test will be applied by inspectors appointed by the Secretary of State – not, as at present, by the regional assemblies. In the West Midlands, such 'conformity decisions' are advised by 'upper-tier 'regional conformity advisers' (i.e. inc. County Council officers).
- 2.6 **Sub-regions:** The consultation document proposes that, in consultation with stakeholders, sub-regions need to be identified and regional strategies should have regard to sub-regional partnerships, city regions, growth areas, Multi-area Agreements (MAAs), and Economic Prosperity Boards. It argues that this process should take into account journey-to-work patterns, housing markets, supply chains, or other features that cross over administrative boundaries. Where sub-regional functional economies cross regional boundaries appropriate cross-regional collaboration will be necessary.
- 2.7 **Regional Leaders Boards:** In this document, the Government sets out what it expects to see in proposals to establish Leaders' Boards. Details are put forward on how to establish and run the local authority leaders' boards that will decide the regional strategy in partnership with the regional development agency. The Draft Guidance proposes that schemes should provide for leaders boards comprising local authority leaders who act on behalf of all local government in the region. It goes on to argue that these boards should be streamlined and manageable, able to make strategic, long term decisions; able to engage effectively with their region's RDA; and include representatives from key sub-regions, upper and lower tier authorities, and the main political groupings.

3. Assessment

- 3.1 The assessment below focuses on the key areas of particular relevance to the County Council and its partners in the Coventry Solihull Warwickshire Sub-region, as identified above.
- 3.2 **A Leaders Board** has already been established in the West Midlands Region, albeit in advance of the Regulations, by the local authorities and the WM Local Government Association. It comprises all 33 local authority leaders in the Region. It has identified a core group of 6 leaders who will represent the Board

in a Joint Board with AWM representatives to oversee the SIRS process. The Regional Assembly continues in existence until 31 March 2010 at the latest. The current working premise in the West Midlands is that the Leaders Board should be actively promoted and developed. On 28 October at its next meeting, work is being done on how it will operate. We are seeking a leaner, more business like approach than previously prevailed in regional bodies. There is a particular challenge for the West Midlands in that it is the region faring least well in the current economic climate and we need a step change. The Leaders Board is seen as a positive vehicle to achieve that step change. There are many unanswered questions not least the potential impact of an impending general election but the views currently debated at region clearly suggest that the Leaders Board is an opportunity and we have put considerable energy into getting it off the ground.

- 3.3 **The Guidance** proposed for schemes to establish Leaders' Boards (Annex 3 – A3.12) emphasises the importance of the members of the Board having sufficient authority to act on behalf of all local government. This would seem to be the overriding priority in the Board exercising its functions in relation to the Regional Strategy. However, it should be acknowledged that a possible outcome of the other criteria proposed to achieve desired efficiency, representation and leadership, may well be to set up tensions between the collective corps of leaders on the one hand and the aggregate political balance within the Region. Any inconsistencies in this respect, between the proposed regulations and other legislation relating to local authorities, should be ironed out before they are finalised. In addition, the list of consultees should include the authorities responsible for Areas of Outstanding Natural Beauty.
- 3.4 **Sub-regions:** The general local authority role in the preparation of the new Regional Strategy is proposed to be identified as that of information providers, consultees and implementers, either through local development documents or infrastructure provision. There was a welcome expectation in the earlier SNR process that it would lead to a greater emphasis on sub-regional structures. However, the current proposals indicate that the extent to which local authorities in general and county councils in particular will be able to influence the emerging regional policy framework for their sub-regions is going to depend on the final regulations and the Regional Leaders Board schemes. Nonetheless, there are opportunities for local government in these changes, providing they are able to negotiate effective sub-regional partnerships across administrative boundaries and can build sufficient capacity to deliver development programmes.
- 3.5 **CSW:** Joint partnership working in the Coventry Solihull Warwickshire Sub-region has already demonstrated capacity to produce sub-regional spatial planning policy; work has started on housing strategy and is now moving towards economic strategy and infrastructure delivery. Such progress reflects a greater synergy amongst partners for such matters at Sub-regional level and should encourage Government towards delegating more responsibilities to sub-regions in the first instance and confining the Regional Strategy to major issues of genuinely regional significance. In our experience, sub-regional strategies are far more likely to demonstrate the demographic, geographic and economic differences that inform distinctiveness for policy purposes and are less likely to lead to duplication of national policy than regional strategies. It is

intended that new Sub-regional structures will emerge reflecting regional changes consequent upon the Sub National Review.

3.6 **Scope:** In this context, the purpose and scope of Regional Strategies needs to take account of the following considerations:

- (i) Whilst the general approach set out in paragraph 3.4 of the consultation document is reasonable, locational specificity should be tempered with flexibility in the nature and timing of sub-regional actions - in a manner consistent with the principles of subsidiarity reflected in paragraph 3.5. In short, the Secretary of State should not seek to be over-prescriptive about issues best solved locally.
- (ii) The proposed broad scope of Regional Strategies is acknowledged as is the importance of evidence to support strategy (paragraph 3.3 on). However, there should also be an obligation for Regional Strategies to identify new employment types in areas where staple industries are in decline.
- (iii) Processes for review of the Project Plan (paragraph 5.10) should not be so rigid as to preclude unforeseeable changes in circumstances due to demographic or economic factors.
- (iv) Stakeholder engagement (paragraph 5.15 on) should not diminish or circumvent the special role of elected members of local authorities role in representing their communities. This role has been emphasised by the Secretary of State in responding to the recent 'National Place Survey' results which he interprets as reinforcing." the need for councillors - as democratically elected representatives - to act on behalf of local people and make sure services are delivered to the standards residents expect" (CLG, 24 Sept 09).

3.7 **Economic Assessments:** The role of the Local Economic Assessments, prepared by the upper-tier authorities, should be elevated to the status of advice – not merely 'information' – and the Relevant Regional authorities should be required to take it into account in the preparation of Regional Strategies. This requirement should be reflected in the final Regulations either in relation to direct advice from individual authorities or collectively from sub-regional authorities. In either case the purpose should be to lay firm economic foundations for the generation of policy options – a foundation that is not otherwise provided for in the proposals for the Regional Strategy.

3.8 **Early Inputs:** The Local Government Association, nationally and regionally (amongst others) have argued for provision to be made for early inputs to shape regional and sub-regional policy. A prime example of such an early input is the Coventry Solihull Warwickshire Sub-regional Development Strategy which was taken on board in the recent RSS Phase 2 Revision process, and subsequently carried through the process to Public Examination, gaining weight through being subject to testing through regional Sustainability Appraisal, Environmental Impact Assessment and Habitat Diversity Impact Assessments. However, in Government's consultation proposals the policy influencing role of local

authorities is postponed to later stages in the Regional Strategy preparation process and has the same status as any other consultee. This is likely to expose such late inputs to successful legal challenge on the grounds that they have not been subject to mandatory testing within the regional strategy process. (e.g. Late Government introductions of higher housing numbers to the South East Regional Plan have met this fate).

- 3.9 **Last Chance:** Despite such arguments for retaining a statutory opportunity for upper-tier local authorities to make an early input to regional policy formation, Government has declined to concede a specific enabling clause on the face of the Local Democracy, Economic Development and Construction Bill, preferring to delegate the issue to the Regulations and Regional Leaders Board schemes. Consequently, this would appear to be the last opportunity nationally to secure the appropriate level and timing of input in the Regional Strategy preparation process. As it stands, the Government's consultation proposals in theory leave a wide scope for local authority policy influence – from incidental to decisive. This scope needs to be narrowed down in the interests of a degree of certainty on which local authorities can plan their engagement in the Regional Strategy process. In particular, the Regulations should specify that early draft proposals from sub-regions should be based on a brief provided by the Responsible Regional Authorities and the Regulations should require that they be taken into consideration in the preparation of Regional Strategy options for consultation.

4. Conclusions

- 4.1 The assessment set out in paragraphs 3.2-3.9 above highlights the main concerns about the potential effectiveness of the Consultation proposals for engagement of the County Council and its CSW Sub-regional partners in the process of preparing the Regional Strategy - in brief: the need for Leaders Boards to be put on a more business-like footing and for sub-regional engagement and representation in the process of preparing the Regional strategy; the weight attached to Local Economic Assessments in that process and need for an early opportunity for sub-regions to shape the emerging Regional Strategy.
- 4.2 The final Regulations to be published by Government should address these concerns in the manner indicated in the assessment.

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30 September 2009

**Portfolio Holder (Leisure, Culture and Housing)
Decision Making Session**

16 October 2009

**Government Consultation - Regional Strategies and
Leadership Boards**

LGA's Summary of Draft Policy Statement on Regional Strategies

The Policy Statement sets out the Government's framework for the preparation of Regional Strategies prepared under the Local Democracy, Economic Development and Construction Bill. It provides guidance on the preparation and revision of strategies and sets out the main expectations on their form, content, implementation, and monitoring. It applies throughout England apart from London and will replace *PPS11: Regional Spatial Strategies* (and technical amendments) and *Guidance to RDAs on Regional Strategies* (2005).

The main principles of the proposed new arrangements are to:

- Put in place an integrated strategic framework for each English region, aimed at delivering sustainable economic growth and tackling climate change.
- Secure an integrated approach to strategy-making based on partnership and stakeholder involvement.
- Align public and private investment in enterprise, skills, infrastructure, regeneration, and communities around the delivery of a common set of agreed objectives.
- Drive the development of low carbon and sustainable regional, sub-regional and local economies.
- To set out regionally and sub-regionally specific policies and translate national policies to the local level.
- Streamline previous approaches to regional strategy.

The *UK Sustainable Development Strategy* and *Planning Policy Statement 1: Delivering Sustainable Development* will be key considerations when preparing the strategy.

Each Regional Strategy should:

- Set out a clear vision for all parts of the region for the next 15-20 years.
- Be based on a sound evidence base, supported by a sustainability appraisal and a Habitats Regulation Assessment.

- Set out the policies needed to deliver the vision, in particular bringing together: policies for sustainable economic growth, the development and use of land and policies for the mitigation of, and adaptation to, climate change and policies for business, the environment, and the social, health, and well-being of the region.
- Set out the long, medium, and short-term actions required to implement the policies and vision in a separate Implementation Plan.
- Set out expected outcomes and indicators used to monitor progress, where possible in the form of quantified targets.
- Be concise and easily accessible.

Sub-regions, in consultation with stakeholders, need to be identified and strategies should have regard to sub-regional partnerships, city regions, growth areas, MAAs, and Economic Prosperity Boards. Consideration needs to be given to journey-to-work patterns, housing markets, supply chains, or other features that cross over administrative boundaries. Where sub-regional functional economies cross regional boundaries appropriate cross-regional collaboration will be necessary.

Regional Strategies must have regard to national policies and guidance issued by the Secretary of State. They should be consistent with national policy but they may include policies that depart from, or provide a regional interpretation of, national policy, subject to the approval of the Secretary of State.

Regional strategies should broadly cover:

- The key regional and sub-regional opportunities and challenges over the period of the strategy, both urban and rural.
- How sustainable economic growth can be delivered, taking into account employment and the key drivers of productivity (innovation, skills, enterprise, investment, and competition).
- How the region will meet its housing needs.
- Proactive and innovative actions on climate change and energy, including climate change mitigation and adaptation.
- Areas or communities prioritized for regeneration and growth, identified on the basis of relative deprivation, worklessness, economic or environmental inequalities, health and social inequalities, social exclusion, skills levels, housing stock, and adequacy of infrastructure provision.
- The infrastructure required to support development, including transport, water, waste, minerals, and provisions for flooding, coastal erosion, and green infrastructure and habitats which help deliver ecosystem services.
- Priorities for the protection, enhancement, and access to the built and natural environment.
- Priorities for widening access to culture, media, and sport.

There is a lengthy section on the process to follow in revising regional strategies. Regional authorities are required to keep the strategies under review. The general expectation is that revision will take place every five years, although it is likely that revisions, in whole or in part, will be required more frequently in response to the

monitoring process or to changes in national policy. Regional Authorities should agree a project plan with Government Offices to guide the timing and sequencing of revisions.

The evidence base for the Regional Strategies must be informed by, among other things, local area economic assessments produced by local authorities.

Legislation will require regional authorities to prepare a Statement of Policies on Community Involvement to ensure the engagement of stakeholders in the region when preparing regional strategies. These statements should cover both formal consultation with the general public and informal engagement with stakeholders. They should ensure that consultation is cross-sectoral, ensuring the representation of social, health, economic, and environmental interests, and should set out the processes and methods that will be applied in involving stakeholders during different stages of the consultation process.

The Draft Regulations set out the bodies that regional authorities must involve in preparing the Regional Strategy, but this should be regarded as the statutory minimum.

Regional Authorities can arrange for an Examination in Public (EIP) into a draft revision of the Strategy to be held by a panel appointed by the Secretary of State. However, an EIP is likely to be required in all but the most exceptional of circumstances. The Secretary of State can overturn a decision not to have an EIP made by the Regional Authority.

Once a final draft of the Regional Strategy has been submitted to the Government, the Secretary of State will consider whether any further changes are required before publishing the final version of the draft strategy for public consultation.

Legislation will require regional authorities to set out an Implementation Plan for the Regional Strategy. Amongst other things, the Implementation Plan will allocate specific actions to key organisations. It will be prepared in close co-operation with regional, sub-regional and local partners, government and government agencies.

Implementation of the Regional Strategy will in large part depend on it being translated into Local Development Documents (LDDs), Local Transport Plans, and other plans and programmes prepared by local authorities. Responsible Regional Authorities should therefore actively engage with local authorities to promote the implementation of the Strategy at local levels.

LDDs must be in 'general conformity' with a Regional Strategy, which means that inconsistencies are not allowed if they could cause significant harm to the implementation of a Regional Strategy. The general conformity test will be applied by inspectors appointed by the Secretary of State.

Regional Authorities will be required by legislation to publish an Annual Monitoring Report.

**Portfolio Holder Decisions – 16 October 2009
Councillor C Saint – Portfolio Holder for Leisure,
Culture and Housing**

**Government Consultation - Regional Strategies and
Leadership Boards**

**LGA's Summary - Establishment of Leaders' Boards:
Draft Guidance on the Preparation of Schemes**

Under Clause 68 of the Local Democracy, Economic Development, and Construction Bill, participating authorities in each regional are required to prepare a scheme (or proposal) for the establishment and operation of a Leaders' Board from the region (except London).

This guidance sets out the broad range of considerations that the Secretary of State will take into account when considering schemes for the establishment and operation of a Leaders' Board.

Participating authorities (which will include district, unitary, and county councils and National Parks Authorities and the Broads Authority) will be responsible for drawing up the scheme and agreeing it among themselves. This will include how seats will be allocated on the Board. The Scheme must be subject to consultation among the participating authorities before it is submitted to the Secretary of State. Where a Leaders' Board has been operating, and can show that it has attracted sufficient support, a reduced consultation process shall apply.

The earlier consultation produced endorsement for three broad criteria for the establishment of a Leaders' Board:-

- It should be streamlined and manageable, and able to engage effectively with the RDA.
- It should be representative of local government across the region, in terms of geography, type of council and political grouping.
- It should be made up of local authority leaders.

Among the items that should be included in the proposals are:

- The voting rights of Board members.
- How joint decisions will be made with the RDA.
- How disagreements between the Board and the RDA will be dealt with.

- How each type of authority, political parties, and sub-regions will be represented on the board (at least one of the different types of authorities, where they are present, must be offered a seat on the Board).
- How the Leaders' board will be held to account by participating authorities.

Schemes cannot be finalized until the Bill receives Royal Assent and Clause 68 comes into force, although it is intended that the clause will commence early. Schemes should be discussed with the Government Office during their preparation.

**Portfolio Holder Decisions – 16 October 2009
Councillor C Saint – Portfolio Holder for Leisure,
Culture and Housing**

**Government Consultation - Regional Strategies and
Leadership Boards**

**LGA's Summary - Sustainability Appraisal of Regional Strategies:
Draft Supplement to a Practical Guide to the Strategic
Environmental Assessment Directive**

In 2005 the former ODPM and the devolved administrations published a *Practical Guide to the Strategic Environmental Assessment Directive (the SEA Practical Guide)* applicable to all plans and programmes which are subject to the European Directive on SEA. Also published was separate guidance for regional planning bodies and local authorities on the sustainability appraisal (SA) of Regional Spatial Strategies and Local Development Documents, known as the SA Guidance. The SEA Practical Guide and this Supplement replace the Regional Spatial Strategy section of the SA Guidance.

The Sustainability Appraisal required by Clause 74(2) of the Local Democracy, Economic Development and Construction Bill is meant to establish a process for reporting on the social, environmental effects of the Regional Strategy. It will assist in the consideration of environmental limits when formulating the Strategy.

The Sustainability appraisal of Regional Strategies incorporates the requirements of the European Strategic Environmental Assessment Directive and Regulations, but adds social and economic effects to the predominantly environmental concerns of the European Directive. The intention is to integrate all social, economic, and environmental concerns in order to promote sustainable development.

Sustainability Appraisal (SA) can also complement or incorporate other required assessments, including a Habitats Regulations Assessment and Equalities Impacts Assessment.

This Supplement provides an elaborate template for integrating the SA into the the Regional Strategy-making process. Responsible regional authorities should include key SA stages and milestones in their project plan. The various stages include identifying other relevant plans, programmes, and sustainability objectives, collecting baseline information, developing objectives and options, and consultation. The SA can help predicts predict adverse effects but can also help identify mitigation actions or enhancements.