



DERBY CITY COUNCIL

**COUNCIL CABINET**  
19 February 2008

**ITEM 22**

Report of the Leader of the Council

## **Review of Sub National Economic Development and Regeneration (SNR)**

### **SUMMARY**

- 1.1 The Government's review of the way in which economic development and regeneration services are delivered across the country was published in July 2007 and has wide ranging implications for Local Authorities, Regional Development Agencies and their partners.
- 1.2 The review will lead to changes in regional governance arrangements and prompts renewed consideration for how we deliver these services at a more local level i.e. the Derby area.
- 1.3 EMDA has set a target for agreeing future regional arrangements by April 2008 with these becoming operational by April 2009, although these may be interim pending legislation which is necessary to implement the full SNR proposal.
- 1.4 In the meantime governance arrangements are being established to manage the 6C's/ 3 Cities New Growth Point programme for which funding has recently been announced for 2008/9 – 2011/12.
- 1.5 Within the SNR timescales EMDA and GOEM have announced a review of Derby Cityscape Urban Regeneration Company which is likely to be completed in September 2008.
- 1.6 The SNR also highlights the prospects for the establishment of 'City Development Companies' (CDC). In partnership with EMDA the City Council will commission an options appraisal into CDC prospects for Derby.
- 1.7 In early discussions with EMDA the Leader and Chief Executive have advocated the review of the current strategic Sub - Regional Partnership arrangements (i.e. Derby and Derbyshire Economic Partnership) which would match more appropriately the City Council's area. It is logical in this context to review the functions of all our major economic development/regeneration partners in Derby with a view to developing a more coherent and efficient structure – possibly using a CDC approach- which helps the City and EMDA to deliver key objectives of economic growth.

### **RECOMMENDATION**

- 2.1 To agree the proposed timescale for implementation of the SNR in the East Midlands.



- 2.1 To authorise Officers to contribute to the review of Derby Cityscape.
- 2.3 To work in partnership with Emda on an appraisal of the options for a City Development Company in Derby.
- 2.4 To consult with partners on the most appropriate structures for the deployment of functions and resources to deliver economic development services in Derby.
- 2.5 To agree associated arrangements for the management of New Growth Point, funding and activity.
- 2.6 To ensure full consultation with all key economic regeneration players in all these issues.

<b>REASON FOR RECOMMENDATION</b>
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- 3.1 To develop appropriate regional, sub-regional, and city based arrangements which will enable Derby, in partnership with EMDA, GOEM and other key partners, to deliver the objective of economic growth.





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Report of the Chief Executive and Corporate Director for Regeneration  
& Community

# **Review of Sub National Economic Development and Regeneration (SNR)**

## **SUPPORTING INFORMATION**

### **The Sub National Review**

1. In July 2007, the government published a review of sub-national economic development and regeneration. The report declares that trends in globalisation and technological change, tough targets for economic growth and the need for flexible, adaptable responses to change mean that regions and localities need greater flexibilities, processes and incentives to ensure that all areas, including the most deprived, are able to contribute and benefit from economic growth.
2. The review has a clear aim of stimulating economic growth and improving housing supply. It proposes a number of structural reforms which will:
  - Strengthen the local authority role in economic development
  - Support effective collaboration by local authorities across functioning economic areas.
  - Strengthen the regional tier and introduce single regional strategies produced by the RDA.
  - Give regions a greater say in the distribution of funding in each region.
  - Sharpen the focus of government on sub-national devolution
3. Consultation on elements of the proposals, particularly the process for developing the single regional strategy, will be undertaken in early 2008.
4. A number of the most significant reforms will require primary legislation which will not be in place until 2009 at the earliest, with some responsibilities not able to be under- taken until 2010.
5. The regional assemblies will not continue in their present form once the SNR is implemented but will continue to have a role in the transitional period. RDA's, local authorities and their Regional Assemblies will need to work closely together during this period.
6. The proposals will involve significant change to the roles of EMDA, and its sub-regional partnerships (SSPs), local authorities, LSP's and other partner agencies in economic development.



## **Implications for regional governance – the initial East Midlands response to the SNR**

7. EMDA has initiated discussions with local authorities in the region on the working arrangements which will be required in order to implement the proposals. A prompt response has been made by the 9C's – the 9 principal local authorities in the region – in terms of proposals which include
  - A Principal Authorities Group operating at Leader and Chief Executive level
  - A local Government Forum representing all local authorities.
  - A Regional Scrutiny Board to take on the scrutiny of the RDA – a role currently undertaken by the Regional Assembly.
  - A new approach to local authority improvement
  - A review of the current sub-regional partnership structure.
8. In turn GOEM has published a paper building on the 9C's proposals seeking views and comments on a number of issues regarding
  - What the 9c's want to undertake.
  - How they want to work with EMDA on the single regional strategy and the scrutiny role.
  - How they want to work with other regional partners to set out a regional agenda and set funding priorities.
9. GOEM's paper sets out a draft 'Regional Architecture' of groups and bodies and seeks comments on these proposals.

### **Other regional governance issues: New Growth Point**

10. New Growth Point is a Government initiative under which Derby City Council has been awarded funding to deliver a wide range of projects, all which are intended to support the delivery of additional new housing.
11. The Council bid for New Growth Point status in a 3 Cities initiative with Nottingham and Leicester. This bid was accepted.
12. The New Growth Point programme has been managed within the existing structure of the 6C's (3 Cities and Counties) Partnership and this has been asked to approve more detailed governance arrangements now that funding has been allocated from 2008/9 to 2011/12
13. In brief the 6C's Board will continue to manage the overall programme, making recommendations to it constituent councils on strategic issues including allocating of funding to each sub – regional Housing Market Area (HMA). Each HMA will establish a small board of members who will in turn make recommendations to each constituent Council (Derby HMA comprises Derby, S. Derbyshire and Amber Valley) on detailed project funding issues. Leicester City Council will act as the accountable body for the whole 6C's programme, Derby City Council will act as the accountable body for the Derby HMA.



## **Implication of the SNR for Economic Development and Regeneration in Derby City Council**

14. The Leader and Chief Executive are actively involved in the 9C's discussions which are taking place with EMDA and GOEM. So far this has concentrated on the structure of relationships between local authorities and other agencies at the regional level – the 'regional architecture'
15. In contributing further to the SNR Derby will have to agree with EMDA appropriate local arrangements for delivering economic development and regeneration functions within the Derby area.
16. As part of this process EMDA will review their current strategic sub – regional partnership (SSP) arrangements, including the Derby and Derbyshire Economic Development Partnership. In earlier discussions with EMDA the Leader and the Chief Executive have expressed a preference for sub – regional arrangements at the Derby City level.
17. This review of SSP's, including DDEP, is an opportunity to review the organisation of other economic development functions operating in Derby. These are currently delivered by a range of agencies including:
  - Derby and Derbyshire Economic Partnership
  - Derby City Council (Economic strategy, inward investment, public realm, tourism, planning, highways & transport, housing)
  - Derby Cityscape URC (City Centre Master plan delivery)
  - Marketing Derby (City Wide marketing)
  - City Centre Management (Co ordination of city centre development, improvement and space management and business liaison)
  - Derby City Partnership City Growth Executive (Economic strategy and Co-ordination)
  - Regional partners including Learning and Skills, Business.
18. The SNR referred to proposals in an earlier government consultation suggesting that City Development Companies (CDC's) might be appropriate vehicles for the delivery of economic development and regeneration. Derby Cityscape is a type of CDC but recently established CDC's such as Sheffield integrates a wider range of functions, including physical development, inward investment and marketing.

### **Derby Cityscape Review**

19. Derby's urban Regeneration Company (URC) has been operational for 3 years. It has an established master plan and is working towards the delivery of a number of key projects with its principal partners, Derby City Council and English Partnerships.
20. Government is undertaking a review of all URCs. Having recently completely a review of Leicester URC, emda has commissioned reviews of Nottingham's Regeneration Ltd and Derby Cityscape. The initial findings will be available in Summer 2008 with the final report expected in September 2008.



## **A Derby City Development Company**

21. Emda has also recently commissioned options appraisals for CDCs in Nottingham and Leicester and has agreed to partner Derby City Council in a similar appraisal for a CDC in Derby. It is expected that the first stage of this exercise will be completed by Spring 2008.
22. Consultation with all agencies with an interest in economic development in Derby will be crucial and the appointed consultants will be contacting key players for information, and to engage in discussion during this process.

## **Derby City Centre Partnership**

23. City Centre Management has been operating in Derby for around 12 years. The opening of Westfield and the establishment of the Cathedral Quarter Business Improvement District (BID) has prompted a review of both the strategic management and the operational arrangements for City Centre Management.
24. This has resulted in the establishment of a more broadly based City Centre Partnership chaired by the Leader of the Council and comprising public, private and third sector representatives meeting with relevant City Council and partner agencies officers to update and implement a City Centre Strategy.
25. City Centre Management (CCM) operational duties have been delivered through a Service Level Agreement between Derby City Council and Derby Chamber of Trade. These arrangements were due for review in Spring 2008. Given the more pro-active role of the City Centre Partnership, and the impending review of all economic regeneration functions, from around April 2008 the CCM role will be supervised from within the City Council or Derby City Partnership, rather than through this SLA arrangement with the Chamber of Trade during at least this transitional period.

<b>OTHER OPTIONS CONSIDERED</b>
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2. The SNR is a national government review to which all Local Authorities are obliged to respond. Options for future arrangements for the delivery of economic development services will be considered in the process outlined in the report.



<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Jonathan Guest 255036 e-mail jonathan.guest@derby.gov.uk None Appendix 1 – Implications
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## Appendix 1

### IMPLICATIONS

#### Financial

1. None at this stage but the budgetary implications of future arrangements will be considered in due course.

#### Legal

2. We will examine the legal and constitutional implications of any proposals brought forward. Some of the SNR proposals will require new legislation.

#### Personnel

3. Personnel implications will be considered within the review process.

#### Equalities impact

4. We will seek to ensure that outcomes have benefits to all sections of the community.

#### Corporate Priorities

5. The proposal predominantly comes under the Council's Objective of **job opportunities** and also **strong and positive neighbourhoods, a healthy environment** and **shops, commercial and leisure activities**.



