

**Response of the Nine East Midlands Unitary and County Councils (9Cs)
to the Consultation on the Review of Subnational Economic
Development and Regeneration (SNR).**

June 2008

- We welcome the opportunities that the SNR presents to local authorities to play a leadership role in shaping the economies of their areas. As a partnership of upper-tier authorities we welcome in particular the statutory responsibility this brings to develop economic assessments.
- Our ambition is to create a strong regional partnership to provide leadership for the East Midlands, able to:
 - Work effectively with emda to develop the Integrated Regional Strategy (IRS);
 - Ensure regional scrutiny is effective and appropriately focused;
 - Lead a strengthened regional architecture where all of local government is engaged;
 - Ensure that the key parties and stakeholders can inform, shape and agree regional issues;
 - Take decisions in the best interests of the whole region.
- We build upon a strong track record of sub regional working that has seen the development of effective partnerships to address the needs and deliver the priorities of:
 - The 3 Cities & 3 Counties sub-area;
 - The Northamptonshire growth zone – as part of MKSM;
 - The developing growth points in Lincolnshire and Nottinghamshire; along the A1 corridor;Strategic cross-border working with Sheffield City Region and the East, North West, South East, West Midlands and Yorkshire and Humber regions.
- We have already taken some significant steps to aid the transition process and begin to establish a new regional architecture:
 - The establishment of a new Regional Improvement and Efficiency Partnerships (RIEP) for the region;
 - The creation of a new Local Government Forum to represent the interests of the region's 46 local authorities;
 - Agreement regarding the form and function of regional scrutiny arrangements;
 - Joint work with emda to devolve RDA funding to the 9Cs as accountable bodies from April 2009.

**Derby City Council
Derbyshire County Council
Leicester City Council
Leicestershire County Council
Lincolnshire County Council
Northamptonshire County Council
Nottingham City Council
Nottinghamshire County Council
Rutland County Council**

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

Emda proposed to transfer all funding currently directed through its Sub-regional Strategic Partnerships to the upper-tier authorities from 2009/10 and has established a process for doing this. We are confident that this approach reflects the intentions of the SNR and are committed to working with emda to establish fit-for-purpose arrangements within our areas that meet the needs of the functional economic geographies within them.

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?

We agree that local authorities should determine how they set up a local authority leaders' forum in their region. We are committed to working together to establish a forum which will appropriately engage all tiers of local government and provide effective regional leadership.

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

We are confident that an effective scrutiny model can be established within the new regional architecture we are developing for the region. We remain concerned, however, that the relationships between local government scrutiny at regional level, the role of BERR, the role of the regional transfer and the role of parliament in this regard remain unclear. Consequently we recommend that the Government undertakes further work to address this issue.

There is serious concern about the proposal that "the principal way" that RDAs will be held to account is to the Secretary of State for Business, Enterprise and Regulatory Reform. It is considered that accountability to the elected councils in the region should be equally as important, given that the RDAs will take on responsibility for regional spatial planning. This is a fundamental omission in the consultation proposals and requires further work.

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 including in the regional strategy to help in the delivery of key outcomes?

We welcome the proposal to create a new Integrated Regional Strategy (IRS) to ensure that regional priorities for economic growth and spatial planning are aligned. We believe this creates the opportunity to ensure that growth is well planned, deliverable and fully sustainable. We broadly agree with the inclusion of the elements covered in paragraph 6.13 but would encourage guidance to be light touch and not over prescriptive. This will allow regions to develop approaches which meet local need and are fit-for-purpose. A focus on delivering the Regional Economic Performance PSA target should be the primary driver of the IRS.

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?

We agree with the proposals to simplify the preparation of the regional strategy and welcome the opportunity to develop the detailed process. We would welcome greater clarity for stage one regarding examinations in public and any government expectations for how they should be managed.

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?

We believe the streamlined process should lead to:

- better alignment of economic and spatial priorities – subsequent synergies for investment planning;
- a more “sustainable” and “deliverable” strategy as a result;
- far better alignment with the LAA and SCS priorities at a local level given the renewed strategic role of upper-tier authorities in the process.

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

We favour option 2 as that is most appropriate to fulfilling the objectives of the SNR and supporting local government to play an increasing role in shaping the places they are responsible for.

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

As the 9 authorities responsible for Economic Assessments in the region we propose to work together in developing assessments to allow us to:

- realise efficiencies in defining and commissioning research and information;
- share best practice in developing assessments;
- work jointly to create a clear picture of economic geographies which cross more than one administrative boundary;
- achieve alignment of assessments to deliver a clear picture of the region’s economic needs.

Building a clear economic picture of an area often requires a much broader data set than available through standard and statutory data sets. Local Authorities should not limit themselves to these data sets alone and should be encouraged to develop more precise methodologies where required.

We would welcome the opportunity to work in partnership with emda and central government to identify opportunities to create data sets and resources where there would be mutual benefit in joint development.

We would welcome the opportunity to draw on additional resources to develop effective assessments where we can demonstrate a significant need and where the Local Authorities are unable to commit additional resources to achieve the required outcome.

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

We are committed to ensuring that district councils and external stakeholders and partners can play a full and appropriate role within the new regional architecture. While each individual top-tier authority will use the most appropriate mechanism to consult and draw partners in to develop the assessment, the interests of these partners will also be safeguarded at the regional level within the development process for the IRS.

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

All local authorities that border or are within the area, private sector and voluntary sector umbrella bodies as well as other Government agencies operating in the region. We would suggest that the organisations consulted on the Regional Economic Strategy and the Spatial Strategy would provide a broad and representative audience.

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

Issues around the economy of London and Greater London, as well as the commuting patterns / travel to work areas, have long been recognised as having trends and attributes that are relevant to that particular area. These issues, linked with the unique governance arrangements do contribute to a special set of circumstances.

As with other proposals in the SNR, such as the regional leaders' forum, we would suggest that it should be up to the London Boroughs and the GLA to work a way through so that a process exists that allows the London Boroughs the same chances of promoting their economic conditions as exists elsewhere in the country.

Q12. Do you agree that there is a value in creating statutory arrangements for sub-regional collaboration on economic development issues beyond MAAs? What form might any new arrangements take?

The SNR has offered MAAs as an opportunity to enhance further collaboration around economic development across boundaries. Where an MAA has developed to a point that all partners involved advocate a proposal to move beyond the MAA to an even greater collaborative approach, based on the needs of the area concerned, then we believe that the government should be prepared to consider that proposal.

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?

The true added value of a sub-regional partnership is the ability to pool resources from all sides to focus on the development needs of a particular geography.

The ability to form partnerships that can achieve a synergy of local government, central government, other public sector, private sector and other funding provides a significant opportunity to enhance the delivery of the IRS where the structures, performance frameworks and legislation governing the organisations involved may not currently allow this.

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

Where it was desirable to create one a sub-regional economic development authority ought to be able to be effectively performance managed as follows:

- reporting into local government structures as accountable bodies;
- through effective local authority and regional scrutiny
- through the Comprehensive Area Assessment (CAA) taking the effectiveness of the said organisation into account in its judgement of the local authorities' ability to convene successful partnerships.

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

Where the region/top-tier authorities have identified a need for a statutory partnership to exist to deliver local priorities that meet the needs of the economic assessment or the IRS then a duty to cooperate should fall upon all partners who report directly or indirectly to local or central government.