

ENTERPRISE, EMPLOYMENT & MAJOR PROJECTS CABINET MEMBER MEETING

Agenda Item 16

Brighton & Hove City Council

Subject:	<i>Sub-national review of economic development and regeneration</i>		
Date of Meeting:	<i>10 June 2008</i>		
Report of:	<i>Acting Director, Cultural Services</i>		
Contact Officer:	Name:	Sean Hambrook	Tel: 290362
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Key Decision:	No		
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report proposes a response to the consultation on the Sub-National Review of Economic Development and Regeneration, and seeks authority to negotiate a joint response with East and West Sussex County Councils.

2. RECOMMENDATIONS:

- (1) Approve the main points of the consultation response, as set out in section 7 of the report.
- (2) Authorise the Acting Director, Cultural Services, to discuss and if possible agree a similar joint response with East and West Sussex County Councils.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Sub-National Review of Economic Development was published on 16th July 2007. Its main recommendations were that the Government should refocus powers and responsibilities below the national level to support its objectives to encourage economic growth and tackle deprivation at every level, by:
- empowering all local authorities to promote economic development and neighbourhood renewal, including a new statutory duty to assess local economic conditions;
 - supporting local authorities to work together at the sub-regional level, including working with interested sub-regions to explore the potential to

allow groups of local authorities to establish statutory sub-regional arrangements;

- strengthening and streamlining the regional level, introducing integrated strategies and giving the Regional Development Agencies (RDAs) lead responsibility for regional planning;
- reforming central government's relations with regions and localities, with the aim of sharpening the focus of central government departments through clearer objectives and responsibilities.

3.2 The Government's proposals for implementation were published on 31st March 2008. It is this consultation the city council would be responding to. The main implementation proposals were:

- Legislation will be brought forward that will give Regional Development Agencies (RDAs) responsibility for regional planning. RDAs will lead the development of the new integrated regional strategies which will replace regional economic strategies and regional spatial strategies.
- RDAs will continue to be business-led and will be informed by a forum of local authority leaders, representing all local authorities in the region, who will agree the draft strategy.
- It is expected that RDAs will delegate funding, where appropriate, to those best placed to deliver economic improvements, including local authorities and sub-regional partnerships.
- Regional Assemblies will not continue in their current form and effective stakeholder engagement and management will be required of and led by RDAs.
- In the transitional period the current round of regional spatial strategies will be completed and regional assemblies and RDAs will be expected to work together to begin preparations for the regional strategy.
- A focused statutory economic assessment duty will be created for upper tier and unitary local authorities that will contribute to the analytical underpinning of key local and regional documents and improve the shared economic evidence base.
- Multi-Area Agreements (MAAs) will be introduced to enable authorities to improve economic prosperity by working across administrative boundaries.
- The Government will legislate to allow development of formal legal status for collaborative arrangements. The focus for these new sub-regional arrangements should be economic development. However the Government will consider a wider range of functions and will not be prescriptive about the functions or the functional economic areas that might be covered.

4. CONSULTATION

4.1 Officers will be consulting with colleagues in East and West Sussex County Councils prior to submitting the council's formal response.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

There are no direct financial implications relating to the development of the consultation response.

Accountant consulted: Anne Silley 27 May 2008

5.2 *Legal Implications:*

It remains to be seen as to what form the legislation will take and there are no immediate legal implications arising from this report.

Lawyer consulted: Bob Bruce 27 May 2008

5.3 *Equalities Implications:*

None in terms of the response but in future work the RDA will take account of any equality implications.

5.3 *Sustainability Implications:*

None in terms of the response but future work of the RDA, local authorities and other regional partners including the new regional strategies will need to be underpinned by the principles of sustainable development.

5.4 *Crime & Disorder Implications:*

None in terms of the response but in future work the RDA will take account of any crime & disorder implications.

5.5 *Risk and Opportunity Management Implications:*

Responding to the consultation gives the Council the opportunity to influence government policy in this area.

5.6 *Corporate / Citywide Implications:*

The recommendations of this report are that we seek agreement with East and West Sussex County Councils to submit a joint response to the consultation which will strengthen our response.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

No alternative options were considered as we are responding to a national consultation exercise.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1** Sustainable and appropriate economic development will form a key part of the Council's Local Area Agreement. The consultation on the Sub-National

Review gives an opportunity for the Council to influence government policy in this area.

- 7.2 The proposals for implementation of the sub-national review fall short, in the view of officers, in several ways. Most importantly, the local authority voice is weakened with the abolition of SEERA and arrangements proposed do not provide an adequate replacement.
- 7.3 There are many items in the proposals with which we can agree. In particular, the general devolutionary thrust of the paper is welcome, and gives the city a chance to exercise a greater degree of control over the funding it receives for economic development. It should also encourage closer working with neighbouring authorities, which is a sensible and logical approach.
- 7.4 Some important elements of economic development and planning remain at regional level, however, and it is in this area that the LGA and many local authorities have expressed strong concern. The abolition of SEERA removes a strong local authority voice in regional planning, and leaves SEEDA as the principal regional player on both planning and economic development.
- 7.5 Given the central importance of planning and economic development to local authority work, it is disappointing that the government's proposals do not give local authorities more leverage over SEEDA. The local authority forum that government propose is a consultative body with no veto power, and final authority will rest with the Secretary of State.
- 7.6 Officers would support a response that backs the position of the LGA, and suggests that SEEDA become a central/local shared agency. This is also the proposal of Cllr Keith Mitchell, current Chairman of SEERA.
- 7.7 Officers anticipate that the government will not support the LGA's approach, so the proposed response also seeks to ensure that any local authority representation (whether a forum or some other mechanism) is properly representative of the economic profile of the local government community in the region.
- 7.8 The proposed consultation response would therefore:
- support those elements of the implementation proposals that are devolutionary
 - disagree with the proposal that RDAs should remain business/government-led quangos
 - propose instead that RDAs should become central/local shared bodies, with 50:50 representation of central and local interests on the board

- say that any form of local government representation should be properly representative of the economic and planning interests of local government in the region, rather than on a strictly numerical basis.

7.9 From informal conversations, officers understand that East and West Sussex County Councils broadly share our position. To strengthen our consultation response, officers would like to seek agreement from both authorities to submit a joint response along the lines proposed above. If officers are unable to secure agreement, an individual response from the City Council will be issued.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents In Members' Rooms

None

Background Documents

1. Review of sub-national economic development and regeneration
2. Prosperous Places: Taking forward the Review of Sub National Economic Development and Regeneration

