

**SOUTH EAST ENGLAND REGIONAL ASSEMBLY  
EXECUTIVE COMMITTEE**

Date: 13 June 2008

Subject: **Assembly Response to 'Prosperous Places', the Sub-National Review Consultation**

Report of: Chief Executive

**Recommendation:**

That the Committee considers and agrees the proposed response to the SNR consultation as set out in this report.

**Purpose of Report:**

To propose a response on the Assembly's behalf to 'Prosperous Places', the consultation on implementing the Sub-National Review of Economic Development and Regeneration (SNR).

**Key Issues:**

- A summary of the consultation document is appended.
- The Assembly continues to have fundamental concerns with the SNR on issues of:
  - democratic accountability
  - sustainable development
  - delegation of delivery
  - the role of stakeholders
  - resources.

These are expounded in the narrative of our proposed response in section 2 of this paper.

- The consultation document asks 15 specific questions; in section 3 of the paper an Assembly response is suggested in respect of eight of these.
- The detailed responses to those questions relating to the process for the new regional strategy (Q4-Q6) will have been considered by the Regional Planning Committee on 21 May 2008.

## **1. Background**

- 1.1 The publication of 'Prosperous Places' follows the initial announcement of the SNR last July. At its November plenary meeting in Winchester the Assembly agreed to 'oppose the Government's proposals to transfer strategic planning, housing and transport powers to the unelected development agencies', and resolved that local government should have those powers instead. The Assembly criticised the SNR proposals as 'strongly anti-democratic' and 'likely to prove unworkable'.
- 1.2 A meeting of all the region's local authorities that took place before the Assembly plenary in Reading on 5 March restated this opposition and called instead for 'the RDA be reconstituted as a 'shared regional agency' between local and central Government, with 70% of board members nominated by and from the region's local authorities and adopting the open and inclusive ways of working required in order properly to engage the region's communities in strategic policy-making.' The full resolution is at appendix I. The local authorities created a 'task and finish group' to develop the 'shared agency' concept and to produce a constitution for South East Councils as the local government forum for the region.
- 1.3 'Prosperous Places' was published on 31 March and this Executive Committee took the opportunity of its meeting on 11 April to discuss initial reactions. A summary of the document is appended to this report (appendix 2). The consultation document concludes with 15 questions which respondents are invited to answer under the document's three chapter headings of:
- Stronger partnerships for regional growth
  - Integrating regional strategies to promote growth
  - Strengthening sub-regional economies - the role of local authorities
- 1.4 GOSE held two consultation meetings on 12 and 13 May, each attended by some 70 participants from local government and other stakeholders. Although participants endorsed some aspects of the SNR proposals, such as integrating regional plans into a single regional strategy, the 'democratic deficit' criticism was strongly restated alongside other concerns including the imposition of overriding economic targets and the marginalisation of stakeholders.
- 1.5 The Regional Planning Committee was due to consider technical aspects of the consultation document at its meeting on 21 May and its conclusions form part of the proposed response before the Executive Committee today.

## **2. The Proposed Response on Behalf of the Assembly**

- 2.1 In addition to addressing the specific questions with which 'Prosperous Places' closes, the Assembly wishes to record a number of fundamental concerns that were raised when the SNR was published last July and which continue to be strongly and widely expressed in response to this

consultation. These concerns can be summarised under the following headings.

### **Democratic accountability**

- 2.2 It is axiomatic that planning, which affects property rights, the value of land, and the character of places, must be a matter for local democratic accountability. Until the 2004 Planning and Compulsory Purchase Act local authorities had primacy in setting structure and local plans and deciding planning applications, albeit the Secretary of State had 'backstop' powers in the form of non-statutory regional guidance, call-ins and appeals. The 2004 Act introduced local development frameworks within regional spatial strategies which, thanks to assemblies, are now produced much more openly and transparently, with the benefit of wide public consultation and stakeholder involvement. However, the Secretary of State's role in signing off what are now statutory regional plans marked a centralisation of strategic planning powers.
- 2.3 The SNR proposals go yet one step further, and should be seen in the context of two other centralising measures, namely the creation of the National Housing and Planning Advice Unit to determine targets for housebuilding, and the proposed National Planning Commission to decide major infrastructure projects. The transfer of regional planning to Government-appointed RDA boards will distance democratically elected local councillors still further from key planning decisions. The offer in 'Prosperous Places' for local council leaders to be involved throughout the plan preparation process, to agree the regional strategy and to scrutinise its delivery cannot conceal the dramatic reduction in local accountability this transfer of functions entails.
- 2.4 Both central and local government have legitimate democratic mandates. If central Government's concerns can be characterised as predominantly strategic and economic, local government tends to be more focused on place and quality of life. These mandates interface at the regional level. We know from our well-regarded work on the South East Plan that regional policy-making is about balancing national imperatives for growth and global competitiveness with local priorities for improved services, infrastructure and environmental quality. Successful regional strategies navigate these tensions and provide the means for negotiating a balance between central and local mandates. The SNR's clear aim however is to tilt the table in favour of central Government. For all its talk of local devolution and community empowerment, the impact is not only to disenfranchise local communities in strategic decision-making but also, because LDFs have to conform to the regional plan, to constrain further councils' scope for self-determination in local plan-making.
- 2.5 This Assembly remains committed to opposing the transfer of strategic planning to unelected central Government quangos, and we will press instead for local authorities collectively to take responsibility for preparing the integrated regional strategy. Failing that, our counter-proposal is for the fine balance of central and local democratic mandates that is so critical to successful regional plan-making to be reflected in a balanced RDA board. Our proposition is that the RDA board in the South East should comprise

nominees from local government alongside appointees from central Government. This will make the RDA a joint venture between central and local democratic mandates - a 'shared agency'. It will transform the culture, approach and legitimacy of the RDA and therefore the credibility of the integrated regional strategy as its key policy 'product'.

- 2.6 Support for our case for retaining balanced democratic accountability in regional decision-making can be drawn from the Assembly's most recent public opinion research. Every two years we have commissioned Ipsos MORI independently to track public perception of the region and the Assembly. In this, our fourth such survey, the public were asked firstly who they thought should be involved in regional policy-making and secondly who should have ultimate responsibility for decisions. The results are very telling.
- 2.7 75% of residents cited local councillors as their first or second choice to be involved in regional decisions, while less than a quarter (22%) included business representatives. Much less popular was central Government (16%) and only one in ten (9%) chose civil servants working for a government appointed regional organisation as their first priority.
- 2.8 When asked to say who should be ultimately responsible for making regional decisions about large scale planning, transport and housing developments, four in ten (41%) say local councillors and 35% say central Government. Only one in ten (9%) say civil servants working for a Government appointed regional organisations.

### **Sustainable development**

- 2.9 This question of balance is manifest too in the SNR's overriding emphasis on economic targets for regional strategies. It is no accident that these proposals have their origin in a 'review of economic development and regeneration', with chapter headings preoccupied with economic growth. By contrast the approach we have adopted in the South East Plan is one of sustainable development, which seeks to progress not just economic goals, but gives equal priority to social, environmental and natural resource concerns.
- 2.10 Compared to the SNR announcement in July last year, 'Prosperous Places' does contain more positive acknowledgement of sustainable development and the role of the regions in delivering a low carbon economy. Contributing to the achievement of sustainable development is restated as a core function of RDAs and an underpinning principle of the regional strategy. However the primacy accorded to economic objectives remains clear, with each region setting an economic growth objective 'so raise its sustainable trend rate of growth in comparison with the previous economic cycle'.
- 2.11 The Government's own definition of sustainable development is that we should aim to achieve a strong, healthy, just society living within environmental limits and supported by a prosperous economy, good governance and responsible use of sound science. However, as in the quote above, there are a number of places in the consultation document where the references to sustainability seem gestural and are ambiguous: for example

inserting the word 'sustainable' in front of 'economic development' could be taken simply as an ambition to prevent growth rates stalling.

- 2.12 This concern is borne out by the tasking framework for RDAs, which currently has five statutory objectives - for economic development and regeneration; for business efficiency, investment and competitiveness; for employment; for skills, and, lastly, for sustainable development. However the 2007 Comprehensive Spending Review indicated that RDAs may have the economic dimension of their statutory objectives strengthened still further, with the current tasking framework replaced by 'a simplified outcome and growth-focused framework defined by a single over-arching growth objective'.
- 2.13 The UK Sustainable Development Commission has criticised this overarching emphasis on gross value added (GVA) growth as in conflict with the Government's aim to provide the basis for regional strategies which integrate economic, social and environmental considerations. For example, GVA measurements take no account of carbon emissions or distribution of income, including local concentrations of deprivation. The SDC considers the narrowing of all RDA activity is 'highly significant and deeply disturbing'. It says 'Over the past eight years, RDAs and their delivery partners in the English regions have developed a tasking framework which reflects the complexity and uniqueness of the issues the regions face. The tasking framework also recognises that economic development must go hand in hand with quality of life issues. The single growth objective threatens to demolish this careful constructed, but fragile and still evolving, framework.'
- 2.14 Further evidence of this rowing back from sustainable development in its full sense has arisen as a result of the Assembly's recent scrutiny of SEEDA's corporate plan. Following the criticisms this Committee recorded at its April meeting on the final submitted version of the corporate plan, SEEDA colleagues invited us to suggest additional wording to meet members' concerns. Among the additions suggested was the following: 'Good governance is a pillar of sustainable development and SEEDA will only succeed as regional planning body if it has the confidence of local government, stakeholders and the public.' It is interesting that this insertion was however rejected by BERR<sup>1</sup> as 'moving beyond the language of the SNR consultation document'.

### **Delegation of delivery**

- 2.15 The original SNR proposition, in July 2007, seemed to offer councils a win-lose deal. On one hand they would gain devolved money and economic development powers from RDAs. But on the other hand they would lose to the RDAs the leadership of strategic planning, transport and housing that they have through assemblies. However 'Prosperous Places' hedges even further the Government's commitment to devolving RDAs' economic development spending to local authorities and 'win-lose' risks becoming 'lose-lose' for councils. The consultation document stresses that RDAs already commission partners to deliver regional economic strategy (RES) outcomes, and there is an expectation that as RDAs become more strategic councils will 'play an

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<sup>1</sup> Department for Business Enterprise and Regulatory Reform – the sponsor department for RDAs

increasing role in this delivery'. But this vision is always qualified with 'where appropriate' and 'where there is capacity', with councils cited amongst a number of delivery partners for RDAs.

- 2.16 Having said that, the economic assessment duty on local authorities provides a welcome mechanism for developing local authority capacity, although it is not clear what becomes of the assessments when they have been produced and whether the RDA is under any obligation to heed them. What is clear however is that the expectations raised last July that a lion's share of RDA budgets would be passing to local authorities either individually or collectively will not be met. Local area agreements and regional funding allocations already provide the means for better alignment of local and regional spending. The greater goal is for democratic councils working together to be free to shape and lead the economic development of their areas and sub-regions, not simply to do the bidding of regional quangos.
- 2.17 Again interesting evidence has followed from the Assembly's scrutiny of SEEDA's corporate plan. Another suggested form of words for insertion into the final submission sought to strengthen the plan's commitment to delegation of funding and delivery, viz: 'SEEDA anticipates that the majority of its funding will be delegated locally or sub-regionally by the end of the corporate plan period'. Once more this amendment - not unreasonable given the commitments in 'Prosperous Places' - was ruled out by BERR.

### **Stakeholder involvement**

- 2.18 While there is no consensus across the Assembly on the role of stakeholders in the future, there is agreement that we have made the current system work well and that the outcome has been stronger as a result. Stakeholder representatives within the Assembly have never been in a position to overrule councillors, but they have had the opportunity to contribute significantly to regional planning policy, influencing the shape and scope of the South East Plan. Stakeholder participation 'within the tent' of regional decision-making has arguably enhanced the credibility of and widened buy-in to the Plan, helping to strengthen the evidence base and extend the reach of public consultation.
- 2.19 Against this background the SNR's exclusion of stakeholder representatives from regional decisions is likely to be an understandable matter of concern and regret to stakeholders who have contributed so much. For their own part elected councillors may feel that, in the context of the weakening local accountability already explored above, the specific emphasis given to the local government forum in the new architecture is something of a saving grace. Stakeholders will clearly continue to have an involvement as consultees, and a few, albeit not in a representative capacity, will be on the RDA board. But despite the submissions made to Ministers since the SNR was announced, 'Prosperous Places' still reveals very little appreciation of the positive contribution that representative stakeholder participation has made to regional policy making to date.
- 2.20 Although the consultation document refers to the importance of involving 'all types of local authority' the role of town and parish councils as the first tier of local government remains unexplored. The Assembly's connection

through town and parish council representatives to the 1,500 or so local councils in the region has helped regional policy-making to reach and engage local communities in a way never before achieved. The consultation on the South East Plan was the most ambitious ever undertaken on a regional strategy, touching every household and achieving a record level (56%) of public awareness. Unless we are to accept, with integrated regional strategies prepared by RDAs, that equivalent levels of engagement will not be sought in future, grass roots bodies such as town and parish councils will be critical in sustaining such reach.

## **Resources**

- 2.21 It is vital to the success of the proposed transfer of responsibilities that these important strategic functions continue to attract sufficient financial support. At present Communities and Local Government (CLG) provides grants totalling some £20m a year to the eight regional assemblies. Whoever and however these functions are to be discharged in the future, adequate Government funding must continue.
- 2.22 Yet the executive summary of 'Prosperous Places' implies that RDAs are already resourced under the 2007 Spending Review to take on their new roles. While streamlining may allow for some savings, if RDAs are expected to take on these new responsibilities without any transfer of resources, then either the new job will not be done properly or their existing work will suffer, or both. This pressure will be particularly acute in the South East where the Assembly's planning budget as a percentage of SEEDA's budget is probably the greatest of any region.
- 2.23 Strong representations have already been made on this question and verbal reassurances received from civil servants. We need these to be confirmed formally. If the transfer of functions looks to be a savings exercise it is inevitable that expert and experienced staff will quit for a more certain future long before the transition takes place.

## **3. Responding to the Consultation Questions**

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

- 3.1 Completion by the local authority of an evidence-based economic assessment of the functional economic area, with neighbouring councils and other partners as necessary, is a sensible prerequisite for delegation. In other respects RDAs must assume that local authorities have the capacity to deliver unless their Audit Commission performance assessments are 'weak' or without good reason have failed to deliver hitherto.

### **Q2. Do you agree that local authorities should determine how they set up a local authority leaders' forum for their region, and that Government should only intervene if the required criteria are not met or if it failed to operate effectively? If not, what do you propose instead?**

- 3.2 How a local authority leaders' forum is created and functions should be a matter for local authorities in the region. Councils in the South East have agreed to establish such a forum and are at present engaged in developing its constitution and ways of working. Central Government need not dictate such arrangements; a forum that is manifestly unrepresentative can expect to have less influence than one that galvanises an inclusive voice for councils in the region.

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

- 3.3 No. The accountability arrangements 'down' to the region and its communities are far too weak. They are seriously insufficient against the significance of regional planning for the use and value of land, the quality of place and quality of life in communities. Instead of promoting ownership of regional planning policies they will undermine their legitimacy and provoke conflict between local and national democratic mandates. Instead these mandates need to be balanced through much stronger governance arrangements such as the South East's 'shared agency' proposition. A 'joint venture' RDA will increase accountability to the region and enhance the confidence of local government in the regional policy-making process.
- 3.4 Without the resources of the current assemblies the ability of the local government forum to scrutinise effectively will be constrained, and there will be little interest amongst busy local authority leaders in participating in weak and poorly resourced scrutiny arrangements.
- 3.5 Parliamentary regional select committees should reflect the political balance of the region, should include local authority leaders alongside MPs, and should encompass the performance impact of central Government departments on the region as well as that of regional agencies.

**Q4. Do you agree that the regional strategy needs to cover the elements listed in paragraph 4.13 (of the consultation document)? Are there other matters that should be included in the regional strategy to help in the delivery of key outcomes?**

- 3.6 In seeking a 'concise' regional strategy, there has been a lot of reflecting back by some to the days of slim, focused Regional Planning Guidance (RPG) but this must be seen in context of the pre-2004 planning system. RPG was a relatively light-touch document; it was non-statutory and was therefore not subject to the statutory process and did not have the detail or traction that RSS has; strategic policy was contained in structure plans; and RPG was a land-use based strategy, not a spatial strategy. A very different planning system below regional level would be required if there was any ambition to return to this form of regional planning in future.
- 3.7 Successive Governments have attempted to secure 'concise' strategic planning strategies without success. Whilst this still remains a reasonable ambition, it is important to understand why the current round of spatial strategies (RSS) have ended up being much more detailed and lengthier than envisaged by assemblies and learn from this so that the regional strategy is

concise but still provides sufficient detail for investment and local decision making. The main reasons are:

- These are the first 'spatial plans' and inevitably were going to include more policy direction than previous land-use based strategies to help policy interpretation and integration, particularly at the local level. This was not helped by the fact that there is no provision for supplementary planning guidance to support RSS (although this is now changing and will help any future reviews).
- There has been an inevitable settling down period with RSS and LDFs trying to position themselves at the appropriate spatial level. The sub-regional dimension to RSS was very much new territory and in some cases, there was an attempt to try and recreate structure plans to fill an important gap at the sub-regional level.
- The statutory plan-making process usually ends up with issues addressed that could be dealt with more suitably elsewhere, to secure wider community ownership.
- The RSS is a key delivery framework for statutory agencies (e.g. Environment Agency) and other infrastructure providers' investment plans which has resulted in the inclusion of more detail to secure 'traction'.
- The first round of RSS has been prepared through a period of changing national planning policy to respond to the change from 'land-use' based to 'spatial' plans (e.g. PPS3 on Housing and PPS1 on Climate Change both emerged during our Examination in Public), emerging policies (e.g. PPS4 on economic development the draft of which emerged after the Examination in Public) and without the benefit of any national policy framework (e.g. the proposed National Policy Statements). There has therefore inevitably been a process of filling gaps and developing policies that at some point in the future would be replaced by national policy / guidance.
- We have not really had the opportunity to fully benefit from the process envisaged by the 2004 Act where the RSS would be updated on a more regular basis through partial reviews which would almost certainly be faster.

3.8 Turning to the actual content of the regional strategy as set out in paragraph 4.13 of the document, although there is clearly more emphasis on the economic components of the new regional strategy most of this is already addressed in the South East Plan and the Regional Sustainability Framework. The regional strategy could therefore be seen as an evolution of the current RSS, developing the Assembly's approach to spatial planning and its implementation, and ensuring alignment and integration with other key strategies e.g. economic development, learning and skills, health.

3.9 On implementation, our view is that there needs to be a long-term framework for implementation (i.e. to cover the plan period) integral to the regional strategy itself (i.e. part of the statutory plan) but that much of the

detail should be included in a regional delivery plan (action plan or business plan). The delivery plan would have a shorter term horizon (e.g. two to five years) and would provide the detail for investment plans and programmes for the region. It is also important to note that the geography for the regional strategy may be different from the geography for delivery which will require different partnerships and approaches to deliver different policies - e.g. local and multi-area agreements, and functional economic areas. Our proposed approach, which is already being implemented in the South East and other regions, will provide a much more flexible and responsive approach to implementation. It would also ensure a direct link with the statutory plan, giving certainty to investors for long term proposals, but flexibility in terms of funding and mechanisms employed to deliver these.

**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?**

- 3.10 We support the objective of simplifying and speeding up the preparation process but this will be difficult to do if there continues to be an emphasis on independent testing, public engagement and political accountability through the involvement of the local authorities. If this is the case (and we strongly believe it must be), then the proposed timescale set out on page 35 of the document is wholly unrealistic. The process will be quicker simply because the regional planning body (RPB) will manage the process until submission to Secretary of State(s), and there will be no need for the Government Offices to take on this role following the Examination in Public (EiP). But the suggested 18 to 24 months simply is not realistic and would set the RDAs up to fail if retained by Government as a target. It is, however, difficult to provide an alternative view on timescale given that there are still too many questions around the process, but we envisage a minimum of three years to be more realistic.
- 3.11 One of the criticisms of the current system and a key driver for speeding up the proposed system is to ensure that the regional strategy is not out of date by the time it is approved. However, this is not a significant issue if our proposed approach to implementation and delivery is accepted. This would ensure that a long term framework is set to provide certainty for infrastructure provision (which will hopefully endure much longer than the plan preparation process) with flexibility in terms of funding and priorities, provided by the delivery plan.
- 3.12 We urge the Government to learn from this Assembly's experience, gained from years of involvement in plan preparation and planning. Our views are set out in Table I below but, at the risk of stating the obvious, there are some practical points to note:
- There is a general assumption that the decision-making process at each stage will be straight forward and quick, i.e. the RDA Board will agree with the local authorities, the local authorities will agree amongst themselves and the two lead Government departments (BERR and CLG) will agree at official and Ministerial levels. It is unlikely that this would be so simple in practice.

- The process will be even more time consuming and complicated (and probably contentious) where the regional strategy has to propose housing allocations to LPA level, particularly where there is a predominance of two-tiers, as in the South East. Whilst we support the need for this to happen where there is no statutory sub-regional arrangements in place, experience has told us that the reality is that this will neither be easy or quick.
- There will still be various committee timescales to be adhered to and impacts on timetables of elections (there are local elections usually every year), all of which need to be taken into account.
- This has all got to be done within the requirements of Sustainability Appraisal and Appropriate Assessment (there is no mention of the Habitats Directive in the document) which affect any changes in policies as they develop. This will apply both to the regional strategy as a whole and in some cases, to specific proposals within the regional strategy.
- There is an implication in the document that public engagement will take place at only key stages. Whilst formal public consultation will be limited to key stages, informal public and stakeholder engagement must be an integral part of the whole process.

3.13 In the proposals for a two-stage Examination in Public, this was a suggestion put forward by the English Regions Network and we are pleased that this has been taken up as part of the consultation. We support anything that makes the current EiP process shorter and more focused, given our experience in the South East with a four month EiP. However, there obviously needs to be more discussion, particularly with the Planning Inspectorate (PINs), about what a two-stage EiP would mean in practice. In our view there are three potential models:

Model 1: The first stage EiP is used at 'Issues and Options' stage to eliminate options that are considered inappropriate or undeliverable. The outcome of this would impact on what is taken forward through the next stage of the plan process.

Model 2: The first stage EiP is similar to the current technical sessions which are used to help the panel and participants have a common understanding of some of the technical evidence e.g. on demographics and economic forecasts. These could be chaired by experts from within the field. The outcome of this would be a shared understanding but would not necessarily result in an agreed position on anything.

Model 3: There would be no formal EiP as such but the independent panel would be appointed at the start of the plan process and could engage with the RPB on a 'light-touch' basis throughout.

**Table 1: The process and timetable for the regional strategy**

<b>Proposed Process</b>	<b>Timescale</b>	<b>Comment</b>
Stage 1: RDA and local government forum (LGF) with stakeholders scope the issues and appraise options: involving EiP	12 months	This stage will also includes gathering evidence particularly as the strategy is supposed to be 'evidence-based'. 12 months is simply not enough to do this, agree what the options are and to have a first stage EiP (time must be allowed for reporting and digesting the outcome of stage 1 EiP assuming it will influence the next part of the process). It also does not provide much room for 'effective stakeholder engagement' (paragraph 4.19) the assumption perhaps being that this only happens during the formal consultation stages when this must be ongoing throughout the process.
Stage 2: RDA drafts strategy and agrees with LGF	3 months	This is not long enough for preparation of investment framework and to ensure 'traction' with key delivery bodies, all of which takes time (see paragraph 4.3 of the document).
Stage 3: Formal consultation and EiP of preferred strategy	6 months	In practice this means fitting an 8 to 12 week public consultation, preparation for the EiP and the actual EiP within 6 months. This will also have to cover preparation of the Panel report, digestion of the recommendations, preparing policy changes as a result and undergoing any required testing (e.g. SA) as a result of these changes.
Stage 4: RDA and LGF refine and sign-off draft final regional strategy	2 months	Assuming they all agree the panel recommendations and the LGF had agreement amongst the Las.
Stage 5: BERR and CLG SoS approve regional strategy (reserve right to make further changes)	2 months	On past experience just getting one SoS to agree an RSS is difficult, let alone two, particularly as it is obvious from the SNR experience that BERR and CLG are starting from very different places.

3.14 Regardless of what model is agreed, there should be some general principles and objectives agreed before discussions on the detail. These should include; engagement of the Panel as early on in the process as possible which will help ensure familiarity with the geography of the region and pick up any real problems, particularly related to the 'test of soundness'; there needs to be transparency in the EiP process; and the current process by which the Panel decide what issues need to be examined at the final stage EiP should be retained. There is a question about whether the EiP recommendations should be binding. Although there would be some benefits from this in terms

of speeding up the process at the end, this would result in a much more detailed and longer process up front as there would need to be much more testing in terms of SA, infrastructure requirements etc to ensure what is being proposed can be delivered. For this reason alone, a binding panel report for regional plans is not practical.

- 3.15 Whatever is proposed by the Government with regards to the independent testing process, PINs and other must be engaged in early discussions to sort out the detail well before any new system comes into operation to avoid the problems experienced through LDF examinations which lead to several 'early runners' being found unsound.
- 3.16 Finally, Para 4.19 of the document sets out the principles that will govern the process. We suggest that the Government and RDAs should learn 'best practice' from the assemblies in this whilst they can, given the extensive experience we have on stakeholder engagement, evidence gathering, working with local authorities etc.

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

- 3.17 There are significant implications for political and regional accountability in the Government's proposals as addressed above. However, it is clearly in everyone's interest to have a speedier process but not at the cost of proper community engagement and testing and respect for the democratic process.
- 3.18 It is also in everyone's interests to have a more streamlined regional policy framework with less 'regional clutter'. This will provide a clearer basis and more certainty for investment in the region. The regional strategy must be able to be implemented at the local level and provide meaningful guidance on priorities for local authorities in their 'place-shaping' role. There is a real risk to this if the regional strategy is too high-level.
- 3.19 No Assembly response is proposed in relation to questions 7 to 11 that concern the mechanics of the proposed local authority economic assessment duty and its application in London.

**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?**

- 3.20 Sub-regional partnership arrangements should be voluntary unless all authorities involved agree to the principle and terms of a statutory sub-regional arrangement. This is only likely to happen when the 'pooling' of local sovereignty brings additional powers and resources for place-shaping; sub-regional transport planning and management is an example.

**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?**

3.21 No Assembly comment is proposed.

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

3.22 No Assembly comment is proposed.

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

3.23 Where a statutory sub-regional partnership has been voluntarily created by all the local authorities in the area it behoves those councils to co-operate within it. Once established such a statutory partnership cannot be allowed to be jeopardised by the non-co-operation or withdrawal of individual partners. However it should be capable of being wound up if all or a certain majority of councils agree.

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21 May 2008

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