

# HAMPSHIRE AND ISLE OF WIGHT LOCAL GOVERNMENT ASSOCIATION

25 January 2008

## IMPLEMENTING THE SUB-NATIONAL REVIEW IN THE SOUTH EAST

Report by the Lead Chief Executive, Simon Eden

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### RECOMMENDATION

That Members discuss the review of sub-national economic development and regeneration.

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### INTRODUCTION

1. The 2006 Budget announced that the 2007 Comprehensive Spending Review would be informed by a series of policy reviews, one of which was a review of sub-national economic development and regeneration (the SNR) to consider how to strengthen economic performance in regions, cities and localities throughout the country.
2. That SNR was published in July 2007, and central to its proposals was what the Government termed “streamlining the regional tier outside London, based on more effective and accountable Regional Development Agencies which would be responsible, working closely with local authorities, for preparing a single strategy for the region” (the Integrated Regional Strategy). This included the removal of the role of Regional Assemblies for strategic planning, and the consequent demise of those Assemblies.
3. The Government proposal has caused a number of concerns in the local government community. Two are particularly notable and acute: concern that the input councils have to sub-regional planning will seriously diminish and, allied to that, a broader fear that local authorities will lose the (sometimes limited) influence they enjoy on a range of strategic matters through the Assembly. However, a number of South East Councillors have welcomed the demise of what they see as an unnecessary and unloved quango.
4. The topic has been debated at the South East England Regional Assembly (SEERA) Plenary on a couple of occasions. There has been relative unanimity in condemning the manner in which the decision was announced and the lack of alternative proposals for involving a local voice. However, there is less clarity and commonality of view as to what would be an appropriate response to the SNR proposals.
5. Members raised the SNR at the November 2007 HIOW meeting, and this paper updates HIOW on the debate surrounding the SNR and provides an opportunity to discuss the importance of a favourable outcome for local authorities. Members will be forming their own views on the appropriate stance to take, at least in part through regional political groupings, and so it is not proposed that HIOW collectively adopts a particular policy position.

## THE REGIONAL CASE

6. There are a number of reasons why local government needs a strong voice in future regional governance arrangements. However, two stand out: the need for a robust and effective regional planning framework, and the opportunity to have a say in the economic agenda which the South East England Development Agency (SEEDA) will be driving forward.
7. The SNR did not seek to exclude local authorities from new arrangements, and both Ministers and SEEDA have been sympathetic in listening to those making the case – indeed the original announcement indicated that the Regional Development Agency (RDA) should be “working closely with local authorities”. Moreover, there is also a recognition that whatever new arrangements are put in place they will vary across regions to reflect local character – the South East with 74 local authorities is very different from the strongly urban North East, for example.
8. Several options are currently being discussed for how future arrangements might work, and the region-wide Local Authority Chief Executives grouping - LACE – which advises the SEERA Chief Executive (and which Joe Duckworth from the Isle of Wight and I sit on) has offered advice to Members through regional political groupings. This is attached (less the five appendices, which are not central to the options outlined).

## LACE ADVICE

9. LACE recognises the political sensitivity surrounding the current role of the Regional Assembly and its future. They have sought, in their advice, to explore the case for continuing local authority engagement and the more pragmatic options likely to be acceptable to Ministers and SEEDA.
10. Assuming they accept the case for continuing engagement, Members will, of course, wish to adopt a fairly robust negotiating position with SEEDA/Government and argue for a leading role in creating the Integrated Regional Strategy. They will, however, want a clear idea of where they wish to end up. The advice from LACE (which arose from a discussion at which officers from SEEDA and GOSE were also present) was that a balanced RDA Board comprising both local authorities and business was realistic and achievable (scenario (c) - shared agency - in the attached paper).
11. Under whatever approach is adopted for engagement with the RDA Board, local authorities would need to decide how all 74 South East councils could be engaged. The paper suggests they could work through an ‘Executive’: which would provide the RDA Board representatives. Clearly an Executive would need to be representative, and section 3 of the LACE paper deals with this. It does not, however, develop options, concluding that these would be matters to be discussed amongst authorities once the broad model for the new arrangements had been agreed.
12. There are a number of other practical matters which would need to be determined under this model, however the LACE view was that it provides an outline which strikes the right balance between the aspirations of all parties. Paul Bevan (SEERA Chief Executive) has subsequently sent this to representatives of all political groups at the Assembly.

## ISSUES FOR HIOW

13. Some, if not all, of the regional political groupings, have already discussed this topic, and it would seem appropriate for those groupings to initiate responses to the Government and SEEDA, rather than HIOW. However, members may wish to consider the issues the Sub-National Review gives rise to. The next Assembly Plenary meeting is on 5 March, although the Executive is likely to discuss this topic on 25 January, and no doubt discussion will continue between central and local politicians.

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Date: 17 January 2008  
Annex: 1 (confidential)  
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