

APPENDIX E

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 10TH JUNE 2008

Title:

“PROSPEROUS PLACES – TAKING FORWARD THE REVIEW OF SUB-NATIONAL ECONOMIC DEVELOPMENT AND REGENERATION”

[Portfolio Holder for Corporate Strategy: Cllr Mr R J Gates]
[Wards Affected: All]

Summary and purpose:

The Government is currently consulting on proposals for a sub-national review of economic development and regeneration. New legislation has been indicated in the recently published draft Queen’s speech. The review contains important and far-reaching proposals that pose fundamental questions about the democratic and community leadership role of local government, and the ability of local authorities to determine policies for economic development, regeneration and land use.

The closing date for responses to the review is 20 June 2008. This report seeks the endorsement of the Executive for a response by the Leader of the Council to the Secretary of State for Communities and Local Government stating Waverley’s fundamental opposition to the proposals set out in the review.

Environmental implications:

Local authorities have a legal duty under the Local Government Act 2000 to promote the economic, environmental and social well-being of their communities. The proposals envisaged in the sub-national review could have the effect of severely curtailing the ability of elected representatives to determine policy in these areas, unfettered by regional and national directives.

Social / community implications:

Local authorities have a legal duty under the Local Government Act 2000 to promote the economic, environmental and social well-being of their communities. The proposals envisaged in the sub-national review could have the effect of severely curtailing the ability of elected representatives to determine policy in these areas, unfettered by regional and national directives.

E-Government implications:

There are no e-government implications arising from this report.

Resource and legal implications:

Waverley Borough Council currently subscribes to the South East Regional Assembly at an annual cost of £4,500.

Introduction

1. The sub-national review sets out:
 - Proposals for significant changes to the process for developing a single, Integrated Regional Strategy;
 - Proposals for a new economic development duty on County Councils and unitary authorities, who will be required to undertake assessments of local economic conditions
 - Proposals to encourage local authorities to work together across administrative boundaries under new “Multi-Area Agreements”.

Planning Policy Powers

2. At the heart of the sub-national review (SNR) is a proposal to abolish Regional Assemblies, and to transfer regional planning responsibilities to the Regional Development Agencies (RDAs).
3. Regional Assemblies currently have legislative requirements to produce “Regional Spatial Strategies”, which set out targets for housing development and job creation, identify land-use planning policies for key sub-regional areas, and list a range of general policies to guide land-use planning throughout the region (for example on affordable housing, transport or biodiversity). Regional Spatial Strategies replaced Structure Plans, which, under the previous planning system, were produced at County Council level. Borough Councils are **required** to produce local planning policies in their Local Development Frameworks that **conform** to the Regional Strategy.
4. The introduction of Regional Spatial Strategies was politically controversial. In particular, the inclusion within the Regional Assemblies not only of elected representatives from local authorities but of “stakeholders” from a range of professional interests (e.g. CBI, Housebuilders Federation, etc) was seen by many as a dilution of the democratic role of local authorities, and many were concerned that the effect would be that regional policy would be dictated by Government interests rather than formulated by democratically accountable elected representatives.
5. The sub-national review’s proposal to abolish regional assemblies and transfer regional planning powers to unelected Regional Development Agencies will produce a profound democratic deficit at the heart of the process of planning for the future of our communities. RDAs are responsible to Ministers in Whitehall, with no public accountability to local communities. The proposals in the SNR to allow local authorities to be involved with RDAs in the process of preparing regional strategies do little to give Councils the ability to influence and shape important policies, as RDAs will be given powers to submit draft strategies to ministers with or without local authorities’ agreement.

6. In the South East of England, local authorities have taken a firm stance in response to these proposals, setting out a requirement that the new RDA Board should contain a majority of local authority members as a pre-requisite for involvement in the preparation of the Regional Strategy. If this model is rejected by Government, local authorities will co-operate together across the region to provide advice and to comment on the RDA's Regional Strategy, but will not co-operate in its preparation in the absence of any real ability to influence its content.
7. Interestingly, the SNR includes proposals for local authorities region-wide to establish a "forum" to sign-off draft Regional Strategies. While the proposals state that it is desirable for local authorities to determine their own arrangements for the working of this forum, there is scope for government to intervene in the event of consensus not being achieved. South-East Councils have taken the decision to form what will effectively be a Regional "Local Government Association" as the forum for collaboration across all Councils, and to enable local government to speak with one voice on these proposals. Waverley supports this regional LGA.

Economic Development Assessments

8. The SNR's proposals to require local authorities to undertake local economic assessments of their areas is generally regarded as a positive move. However, in County areas, the practicalities of how this might be delivered are very unclear. The duty is proposed for County Councils; however, Districts and Boroughs must be "fully involved". The Local Government Association is of the view that this duty should be jointly discharged in two-tier areas, thus ensuring that Borough Councils are properly able to discharge their economic and community well-being powers for their own areas. Waverley supports this view.

Multi-Area Agreements

9. The SNR proposals contain clear encouragement to local authorities, not only to collaborate across District and County boundaries, but even actively to consider mergers and re-organisations between authorities. The Local Government Association's view is that it is to be regretted that the Government consultation paper includes any reference to local government reorganisation. It believes that work to improve an area's economic performance does not require local government boundaries to be redrawn.

Recommendation

The Executive is recommended to endorse a response to the sub-national review consultation which states:

1. Waverley Borough Council's fundamental opposition to the transfer of regional plan-making powers to an unelected Regional Development Agency;
2. our insistence that the proposed new arrangements can only be credible if the new RDA Board contains a majority of local authorities;

3. our support for the creation of a South-East “Local Government Association”;
4. a cautious welcome for the new duty on local authorities to undertake economic assessments, but a preference for this duty to be discharged jointly between County and District / Borough Councils in two-tier areas; and
5. our opposition to any further rounds of local government reorganisation.

Background Papers (CEX)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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