

RESPONSE BY THE YORKSHIRE AND HUMBER REGIONAL FORUM ON BEHALF OF VOLUNTARY AND COMMUNITY ORGANISATIONS TO THE CONSULTATION ON 'PROSPEROUS PLACES; TAKING FORWARD THE REVIEW OF SUB-NATIONAL ECONOMIC DEVELOPMENT AND REGENERATION'

The Regional Forum is the strategic organisation for the voluntary and community sector, (VCS), in the Yorkshire and Humber region. The Forum promotes and supports the contribution of the VCS in improving the quality of life for people, and especially those who are disconnected from society and the economy, or who live in disadvantaged communities across our region.

The Forum has consulted widely with its members and with other organisations. The Forum facilitated a Focus Group event which was attended by representatives from a wide range of regional VCS organisations and members of the Yorkshire and Humber Regional Environment Forum. This response is informed by the outcomes of those discussions.

Introduction

The Regional Forum welcomes the opportunity to respond to the consultation on the Review of Sub- National Economic Development and Regeneration. We recognise the importance of measures to strengthen economic performance in regions, cities, and localities throughout the country, and we particularly welcome the commitment to tackle persistent pockets of deprivation. We support the principle that decisions should be made at the right spatial level by devolving powers and responsibilities, and the intention that the RDAs will delegate their single pot of funding where appropriate. We also welcome measures designed to simplify the complexity of regional strategies. The Regional Forum has, however, identified a number of issues, and we make some suggestions for changes to the proposals as they currently stand.

1. Stronger Partnerships for Economic Growth

- The Regional Forum consultation revealed concern amongst the VCS about the key premise that partnerships should be strengthened with the principle aim of achieving economic growth. It was felt that a more appropriate title would be; "stronger partnerships for sustainable development". The current proposals focus almost exclusively on

delivering economic growth, and in so doing fail to recognise the importance of synergy between the economy, social, and environmental objectives.

Economic growth and development have to encompass social and environmental objectives; otherwise they cannot be truly sustainable. If the purpose of forming stronger partnerships is simply to deliver a narrowly defined economic improvement focussing on Gross Value Added, we would have serious concern for the future well being of people and communities, who are likely to feel increasingly disconnected from the decision making process because they do not benefit from economic growth. In any case, this approach, without specific and targeted work to tackle exclusion and promote civil society and environmental protection, will fail to address disadvantage and disconnection, which in turn are themselves inhibitors of economic progress. This will be particularly the case in rural areas, where the emphasis on GVA consistently under values the need to support the dynamism and sustainability of rural communities. The need to support rural economies and the contribution of specific sectors, (e.g. agriculture) to rural life is clear, but not to the exclusion of civil society and community in these areas.

- The proposed duty on local authorities to carry out economic assessments in their areas should link explicitly with other local concerns and objectives such as those in Sustainable Community Strategies, and should not elevate economic growth above those wider issues. We believe that the duty on economic assessment should be accompanied by an equal duty on environmental and social assessment.
- The Regional Forum believes that the role of local authorities needs to be clarified. The Government should set out the safeguards, procedures, and mechanisms which will help local authorities to carry out the conflicting role of scrutinising the activities of RDAs whilst also being in receipt of funding from them. Under current proposals much of the integrated Regional Strategy will be delivered by local authorities on behalf of RDAs, and the scrutiny of these authorities as they undertake this proposed role is a vital but as yet undefined part of the governance arrangements which need to be clarified.
- There is a lack of clarity about how responsibilities and powers at a variety of spatial levels will be integrated and what is appropriately delivered at what level. In addition, political changes in local authorities will inevitably shift priorities, and so the critical relationship between the local and the regional requires much clearer delineation.
- There is concern amongst the VCS organisations the Regional Forum consulted about the scrutiny role of the proposed Leaders Forum. There is a built in tension in the scrutiny role for bodies both receiving funds and scrutinising the source of those arrangements. This is why it

is critically important to include social and environmental stakeholders in the scrutiny process.

- The SNR proposals recognise the importance of effective stakeholder involvement in new partnership arrangements, but leave the organisation of this to individual regions. We agree that there should be flexibility and autonomy for regions to decide the detail. However, we believe that there needs to be some way of providing safeguards to strengthen the requirement for partners and stakeholders to be involved in the dialogue **from the start**. The Third Sector must be fully engaged in the regional discussions. Its contribution to the economy, to society, and to the environmental agenda has been recognised by the government. In addition, its proven ability to engage effectively with hard to reach communities is pivotal to the achievement of sustainable economic development, as well as to designing programmes that work well and to managing their implementation.
- The proposed abolition of the Regional Assemblies is leading to concerns about the potential exclusion of the Social, Economic, and Environment partners from the process, and thus the weakening of good governance. Experience in Yorkshire and the Humber demonstrates that these partners have been able to reflect a diversity of experience and have added the civic society dimension to regional decision making and scrutiny. Partners bring connection to communities and diversity of experience. They also articulate the interests and concerns of communities of interest that are not geographically defined and provide first hand understanding of how programmes actually work on the ground. Social and environmental partners should be guaranteed a meaningful role in the development of regional policy, before their wealth of experience is lost to the process.
- The contribution of social, environmental, and economic partners adds an important dimension to decision making and should sit alongside the legitimate leadership role of elected members. If the existing arrangements under the Regional Assembly have been effective and positive in their contribution and if multi sector partnerships are a recognised way of running LSPs for example, then this principle should continue to apply to the regional and sub regional levels.
- Engagement and partner involvement has to be adequately resourced. The level of working proposed in the SNR consultation will require appropriate capacity if governance arrangements in the region are to be dynamic and fit for the future.
- As they stand, the SNR proposals focus on process and function to the detriment of vision. The Regional Forum believes that everyone operating at regional level must embrace the **culture** of partnership and collaboration. In these proposals the RDAs will be given the responsibility for leading on effective stakeholder engagement. This will require them to have a positive focus on effective engagement to

ensure that these new arrangements do not increase citizen and partner disengagement from the decision making process. RDAs will need to promote a vision of partnership working which is truly inclusive, and one which reflects the diverse interests and concerns of the regions. This will be crucial to the successful development and the subsequent delivery of a single integrated regional strategy. The Yorkshire and Humber region has developed a culture of shared ownership of regional policies and strategies; it is hard to see how the current proposals will sustain this.

Recommendations:

- All programmes should be 'sustainability proofed' to agreed standards by all the stakeholders who have an interest in them, especially the RDAs, who need to have sustainable development at the heart of what they do.
- At the regional level, instead of one overarching economic development objective, RDAs should retain the mix of region-specific targets in the Tasking Framework so that they can respond to varying social and environmental needs. Specifically, Government must commit to not limiting RDA horizons with a single, overarching economic growth objective.
- The governance and composition of new RDA Boards should reflect the diversity of the people whom they represent, and the integrated nature of their economic, environmental, and social responsibilities.
- Arrangements for independent regional scrutiny must be clear, effective, and appropriately resourced. Wider options for democratically accountable regional governance should be explored. These should not automatically exclude existing Regional Assembly arrangements where the region feels that these have been effective.

2. A New Single Integrated Regional Strategy

The Regional Forum welcomes, in principle, the proposal to bring the range of current regional strategies under one over-arching integrated strategy. However, our consultation revealed a number of concerns;

- The objectives set out for the IRS seem to focus on economic growth above all else. We would like to see objectives that have a much more balanced and ambitious vision including the promotion of an improved quality of life for all; tackling exclusion and disadvantage; promoting spatial and economic elements that are designed to promote public health; community economic development that supports the development of civic society, and the enhancement of the natural environment and green economy.

- There is serious concern that **sustainable development** does not sit at the heart of the proposals for a single regional strategy. The emphasis seems to be on achieving narrow economic objectives and not the wider imperatives of sustainable development. The references to sustainability in the proposals suggest that there is a fundamental misunderstanding of what it means; it is more than simply 'sustaining' economic growth.
- There is confusion about the status of existing Regional Sustainable Development Frameworks or Integrated Regional Frameworks. There is a significant amount of work that has already been done but it is not clear how this fits with the proposed IRS. Clarity is needed on this, because it would be a real waste if the foundations for current partnership working were to be ignored.
- The requirement for RDAs to be economic development agencies with clear economic objectives does not sit easily with the new responsibility to be the Regional Planning body. The existing Spatial Strategies will become part of the new IRS, the purpose of which is to deliver integrated social, economic and environmental outcomes. If the RDAs are to be successful in this new capacity, they will need to reflect local and sub regional interests, as well as arriving at a credible consensus for regional delivery. RDAs will need to develop the capacity to lead on this; both internally and in terms of utilising existing expertise in the region.
- Previous regional strategy processes, (example Housing and Spatial), have often failed to reflect rural needs. We need to ensure that this pattern is not repeated with the Single Integrated Regional Strategy.
- The creation and delivery of regional strategy should be the responsibility of the region, subject only to "the lightest of touches" from central government so the flexibility outlined in the proposals is welcomed. Regional strategy should also be clearly seen to add value to local activity, and not be seen as in some way 'more important'. People should be very clear about the **purpose** of the IRS, and how it sits with local priorities like Local Area Agreements, and national government priorities. At the present time this clarity is missing.
- The IRS needs to be 'fit for purpose' for each region. There is concern that the current proposals will not deliver this.
- The Regional Forum believes that the timescale set out in the proposals for developing and implementing the IRS is unrealistic. 24 months from start to finish suggests that speed is more important than realism. RDAs are unlikely to agree with local authorities quickly, local authorities are unlikely to agree between themselves, and BERR and CLG are unlikely to agree at both official and Ministerial levels within 2 months! The proposed arrangements also assume that all the other

regional stakeholders whose communities of interest need to be included will find the mechanism satisfactory.

- The Forum likes the idea of an Examination in Public to look at the preferred strategy but there needs to be further detail about how this would work in practice. Would, for example, the findings be binding, or subject to government approval?
- How will public engagement with the IRS and the wider SNR be achieved? If the government is serious about empowering citizens and re-connecting them with the political process how does it intend to engage them or their representatives with this agenda?

Recommendations:

- Sustainable Development should be at the core of the IRS.
- National standards for community, VCS, and other stakeholder engagement should be incorporated into any guidance issued by the government for developing the IRS.

3. The Role of Local Authorities and the Economic Assessment Duty

The Forum has a number of specific observations to make about the proposed economic assessment duty;

- The Economic Assessment should not be too narrow. We refer to our earlier point about sustainable development and the need to ensure that the focus is on an area's holistic needs for its communities. This is what elected local councillors are there to do, but it also needs to happen at regional level. Clearly it is important to ensure that the local economy is understood and particularly in terms of what drives it, but the economy is not an end in itself.
- The Regional Forum recommends that the Economic Assessment should be based on the definition of Sustainable Development used in 'Securing Our Future', the Government's own Sustainable development strategy. This is; 'the simple idea of ensuring a better quality of life for everyone, now and for generations to come'.
- We believe that the economic assessment process should be flexible and visibly fit for the purposes set out in the consultation. For example, the needs of rural areas are different to urban areas and the process should reflect this.
- The economic assessment duty will apparently only apply to upper tier authorities. In areas where there are two tiers of local authority we believe that the economic assessment duty should be discharged jointly. This will help avoid a situation where County priorities dominate

the agenda, and people who live in Districts feel marginalised. This is particularly relevant in rural areas.

- There is little in the proposals to show how local authorities will be able to do more than carry out an economic assessment; in other words exert control over greater resources. What happens to the Assessment after it has been completed? LAs will still have to get approval from higher level authorities and prove their capacity. They will need the tools, resources, and flexibility to make a difference in their areas.
- Although the proposals “encourage” local authorities to consult more widely than the key delivery partners identified, there is no obligation for them to do so. We believe that there should be a duty on LAs to conduct the assessments in a spirit of partnership. The Voluntary and Community Sector must be a key partner in this process because it has a unique knowledge of disadvantage and exclusion at a local and regional level. It is also able to make the link between economic growth and social welfare.

Recommendations:

- The government should provide greater clarity regarding both the purpose of the proposed economic assessment, and the role of local authorities in both the assessment and any subsequent economic development activity.
- The government should provide greater clarity about the proposed relationship between local authorities, RDAs, and central government in relation to the delivery of economic programmes at local level.

4. General Points

- The arrangements for scrutiny of the proposed new governance arrangements need to be clear, effective, and appropriately resourced.
- The Forum does not understand how the proposals in the SNR sit with the government’s intention to devolve powers to local communities. The initiative may well be seen as a ‘top down’ approach designed to drive forward the economic priority more quickly.
- The voluntary and community sector in the Yorkshire and Humber region expects to be a key partner in the preparation of the Single Regional Strategy. We believe that we can undertake a vital delivery role and that we should be part of its development for the reasons outlined above.
- Economically, socially and environmentally deprived communities are the ones that tend to be most alienated from the democratic process. This means, in turn, that the democratic process fails to engage and

represent them. The 'environment' may not have obvious or established champions of any kind. The VCS does give a voice to these communities, and to environmental sectors; it is our role. Therefore, we have a moral and practical reason for being fully engaged with the structures and partnerships the SNR is talking about. We would like to see some recognition of this in the proposals contained in the consultation, and some priority given to ensuring that this is reflected in the actions that follow.

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