

2. **SUB-NATIONAL ECONOMIC DEVELOPMENT AND REGENERATION REVIEW (A.971/JBD)**

Proposal

- 1 This reports sets out the issues for the National Park Authority arising from the Government's consultation on the sub-national economic development and regeneration review. It includes a brief summary of the state of our engagement with Local Area Agreements and describes the new duty to cooperate with the production and implementation of LAA targets that applies to the Authority.

RECOMMENDATION:

That

1. **the Authority's duty under Section 5 of the Local Government and Public Involvement in Health Act (2007) to cooperate in the production, implementation and monitoring of Local Area Agreements is noted**
2. **a report be made no later than December 2008 and annually thereafter to the Audit and Performance Committee on the Authority's performance in contributing to the 7 Local Area Agreements that directly apply to it**
3. **the priority of areas for engaging in the transitional and future arrangements for implementation of the sub-national review set out in paragraph 10 become the basis for work designed to maximise National Park Management Plan outcomes through these partnerships**
4. **strong representations are made to Government Office East Midlands, East Midlands Development Agency, constituent authorities and Defra to ensure that the Peak District National park Authority retains its essential position on the new regional and any sub-regional arrangements for developing and scrutinising the Integrated Regional Strategy**
5. **a response to central Government is made by the English National Park Authorities Association in line with the answers to the consultation paper provided at annex B no later than 20 June 2008**

Policy/Legal Background

- 2 The sub-national review of economic development and regeneration (the sub national review) began life in the Treasury as a policy analysis prepared as part of the spending review for the period 2007-11. It appeared at that time to be primarily about economic policy issues and how these were delivered in the regions of England. It has since developed into a more fundamental shift in the roles of major agencies such as the Regional Development Agencies (RDAs), Regional Assemblies (RAs) and local authorities (LAs). In particular, the proposed abolition of the RAs, the transfer of their responsibilities to RDAs and the devolution of powers and resources to LAs creates opportunities and threats for National Parks and National Park Authorities. The original HM Treasury policy paper is available at the following link, although the purpose of this report is to consider how to respond to a more recent and specific consultation paper.

http://www.hm-treasury.gov.uk/spending_review/spend_csr07/reviews/subnational_econ_review.cfm

- 3 On 1 April, The Departments of Communities and Local Government (CLG) and Business, Enterprise and Regulatory Reform (DBERR) published *Prosperous Places: Taking forward the Review of Sub-National Economic Development and Regeneration*. This is available at the following link:

<http://www.berr.gov.uk/regional/sub-national-review/page40430.html>

The consultation closes 20 June 2008 and this is expected to be followed up nationally by a Government response within 4 weeks; legislation within the Queen's speech in November; a White Paper on Community Empowerment, addressing issues around community engagement and involvement (which are perceived by many as weak in the current sub national review); and implementation by 2011. At local and regional level, key agencies are already planning for the transitional period and the new regional arrangements and local and regional agencies and partnerships are preparing their responses. ENPAA will be responding nationally on behalf of all 9 English National Park Authorities. Defra has already fed into the consultation paper and will expect to be involved in framing the Government's response and, in doing so, will involve ENPAA in coming to its view.

- 4 The sub national review is, in effect, a bundle of 13 existing and new policy reviews focused around a DBERR and HM Treasury agenda of achieving more rapid and sustainable economic growth across all of the regions of England. It is strongly predicated on the assumptions that the UK's position in the global economy is fragile; that public investment needs to be focused on creating the capacity for industry to grow; that local, regional and national government needs to be more focused on and supportive of economic growth; and that high economic growth is both compatible with and a prerequisite for a more equitable and sustainable society. Throughout its passage within Government it has met significant challenge and much active lobbying and therefore the current document is a rather complex, in places contradictory and political document.

- 5 The key areas elements of the sub-national review are:

- Each region will have, from 2011, a single, integrated regional strategy that will subsume the current and separate Regional Economic and Spatial Strategies and lead and possibly subsume other regional strategies such as for housing, transport, environment and culture
- Regional Assemblies will be abolished and the leadership function for the regional strategies will transfer to the Regional Development Agencies. In practice, over the last few years, Government Offices have transferred many of their functions either to RDAs or RAs and this will complete the transfer of main economic and planning powers to the RDAs
- RDAs will be expected to delegate further more of their responsibilities and a good share of their budgets to Local Authorities. The sub national review is quite clear that the new arrangements should focus on local authorities, their Local Area Agreement arrangements and not other arrangements such as Local or Sub-regional Strategic Partnerships
- The RDAs will be scrutinised by a 'Leader's Forum' which will be expected to be made up mainly of the 'upper tier' authorities (Unitary or County and not District) although there is some discretion as to the nature of these arrangements within regions. Note that in statute, the National Park Authority is an upper tier Authority in land use planning terms.

- Upper tier local authorities will have a statutory duty to assess the economy in their areas. This is expected to be more than an academic exercise as such an assessment is expected to drive investment priorities, community strategies and the work of the Local Area Agreements.
- There is an enabling arrangement that will allow local authorities to come together into a statutory partnership if they wish to combine forces for a particular function, such as transport, housing or economic regeneration. This is particularly expected to apply to City Regions. Manchester, for example, has already made detailed progress on the setting up of a Multi Area Agreement

6 An essential part of the new arrangements are the compulsory Local Area Agreements that apply to all 'responsible authorities' (county and unitary). These are mandatory agreements between Government Office and the responsible authorities which reflect local and national priority targets and allocation of funds towards them. The basis for these agreements is a selection of 35 of the most important national indicators selected from a master list of 198 that apply to local government. The indicators are available at:

www.communities.gov.uk/publications/localgovernment/nationalindicators

Each local authority will be required to report on 198 indicators (and some will apply to the NPA as part of our agreed performance framework). Only the agreed '35' will be part of the Local Area Agreement that applies to a broad partnership of bodies working together under the leadership of the responsible authority.

Key Issues

7 Issues for National Parks and NPAs include:

- The focus of the new regional infrastructure appears to be strongly skewed towards economic development, potentially at the expense of social and environmental issues
- There is a risk that NPAs, even as statutory upper tier planning authorities, will be excluded from playing a role on the regional 'Leader's Forums'
- RDAs will be expected to be 'business-led' with their existing economic growth focus, but they will also become the responsible body for the development and implementation of the regional tier of planning (which is a statutory part of the Development Plan policies of the National Park Authority) creating the potential for conflicting interests.
- The new Local Area Agreements become an automatic 'sieve' for many of the resources that currently are available directly from Government Office, RDAs and other national and regional bodies. Whilst we expect there to be a high correspondence between LAA priorities and the National Park outcomes in some areas (such as young people) this may not be the case in others (such as heritage and biodiversity).

Duty to Cooperate in Local Area Agreements

8 An important part of the new regional and sub-regional architecture is the requirements under the Local Government and Public Involvement in Health Act (2007) on responsible authorities (county and unitary) to:

- prepare a Local Area Agreement including selecting 35 improvement targets drawn from the list of 198 national indicators ;
- to consult and involve 'such persons as appear to be appropriate';
- and that named bodies (including National Park Authorities' must cooperate in the determining of targets and have regard to achieving the targets in the course of their business. Detailed guidance has been issued implementing section 106 of the Act which came into effect 4 March 2008

9 In practice, 7 of the National Park's constituent councils are responsible local authorities and so there are 7 Local Area Agreements to which we are expected to cooperate. The CLG guidance states that:

The type of involvement that is appropriate is likely to differ depending on the body in question and the characteristics of the locality, therefore the details will need to be agreed between partners at the local level before the negotiations begin. Existing partnership structure may be sufficient or may need to be adapted to meet the requirements of the duty, eg the LSP or relevant sub partnerships could agree to meet more regularly in the run up to submitting their draft LAA...in any case the following standards are expected of partner authorities:

- *cooperation should take place through the LSP framework (this can be through the district LSP where appropriate) rather than just between individual partner authorities and their responsible local authority. This is because the majority of LAA targets are expected to be cross-cutting, therefore meaningful co-operation can only occur if all relevant partners are represented during negotiations. This should not prevent partners from conducting a portion of their deliberations through partnership arrangements at other spatial tiers where this might add to the wider negotiations of the full LSP*
- *Staff with sufficient authority should be involved in negotiations. Partner authorities will only be able to cooperate effectively if representatives at negotiations are able to take key decisions and make commitments on behalf of their organisations*
- *Cooperation should be a continuous process of planned engagement rather than a one-off event [in respect of planning, implementing and monitoring LAAs]*
- *The duty to cooperate applies to all 35 local improvement targets in the LAA, not just for those that are designated national priorities*

Annex A sets out the current state of play in terms of the agreements between the National Park Authority and the 7 responsible authorities. These relations are of variable depth and involvement, reflecting the relative importance of the NPA to the local political arrangements in the 7 council areas. This is a developing area and it is proposed that as part of fulfilment of our duty that we should report annually, starting in the autumn of 2008, to the Audit and Performance Committee on our contribution to the 7 LAAs.

Priority issues for the Peak District NPA

10 There are a number of specific issues that we must develop a view on in relation to the national consultation on the sub-national review. These will mainly for ENPAA to agree at a national level, as our priority must be to address local and regional issues. Annex B deals with the national consultation response as draft responses that, once agreed, will be fed into the ENPAA response nationally. The specific issues that the Peak District National Park Authority will need to engage with in order of priority are:

Priority one

- The approach adopted by East Midlands Development Agency in consultation with Government Office and partners in responding to the SNR in the East Midlands. For land use planning purposes, the whole of the National Park is in the East Midlands region and our statutory planning framework includes the regional planning documents. Engaging in the new regional structures here will be a first priority. There is a real concern that the Authority will not be properly represented in the new regional planning and scrutiny arrangements.
- The sub-regional arrangements, especially within Derbyshire, will be important both in land use planning and economic development and funding terms. It will be important to engage in a) the new County Council-led approach that will likely replace the Derby and Derbyshire Economic Partnership, b) the Derbyshire Local Area Agreement which is overseen by the Derbyshire Partnership Forum (the Derbyshire local strategic partnership) of which we are a member; and c) the Derbyshire-county-led Leaders and Chief Executive's forums (to which we have recently been invited to join). Currently the National Park Authority is represented on 3 of the 6 Derbyshire LAA Boards (Improvement, Sustainable Communities and Culture). We have had less involvement, to date, in the Staffordshire LAA, but we need to raise our involvement in this, but recognising that this will be a lesser priority than in Derbyshire.
- The Sheffield City Region Forum which brings together all of the South Yorkshire local authorities, and those in North and North East Derbyshire most closely associated with the economy of the Sheffield City Region. There is a potential tension between the Derbyshire Local Area Agreement arrangements (looking to emda and the East Midlands) and the Sheffield City Region Forum (looking to Yorkshire Forward and the Yorkshire and Humber Region). Current discussions between all interests on the Sheffield City Region Forum may lead to closer working between a North/North East Derbyshire sub-region of the Derbyshire Local Area Agreement and a Sheffield City Region partnership. It is possible, for example, that this could lead to a single area for economic, transport and housing planning within both the Yorkshire and Humberside and East Midlands Integrated Strategies (potentially a common chapter in each). It is also possible that quite separate arrangements will develop in each area and that the NPA will need to engage with both areas simultaneously. There are both threats and opportunities for the National Park Authority in these options.

Priority two

- The Local Area Agreements in key urban neighbouring constituent authorities – Oldham, Kirklees, Barnsley – identify clear community priorities that are shared with the communities, councils, regional bodies and other public agencies such as the police, Primary Care Trusts and fire services. There is a duty on the NPA to have regard to these targets and it is, by and large, to our advantage to engage constructively with these agreements. This creates a useful forum for the Authority to pursue its people and communities strategy and also to have influence on these councils on issues such as transport, economic regeneration, tourism and climate change.

Priority three

- The regional arrangements for the North West of England, West Midlands and the remainder of Yorkshire outside of the Sheffield City Region, whilst

important, must remain a lower priority for the Authority. In the Yorkshire and Humber and North West Regions other NPAs are engaging in these and we can rely on them to ensure National park issues are reflected.

- With the new arrangements for Local Government taking shape in Cheshire, we will engage with the new 'shadow' Cheshire East Authority as it develops its priorities and programmes prior to being formally created in May 2009. A separate paper to today's Authority deals with member representation from the new Cheshire East Authority.
- There are also key local authorities identified in our People and Communities Strategy – such as Manchester, Derby and Tameside – who will have an influence over the delivery of our outcomes and with whom we can work in partnership over the implementation of Local Area Agreements. However, the full engagement in their LAAs and sub-regional arrangements must be a lower priority than with the constituent authorities.

11 The Authority is engaged in several Local Strategic Partnerships that do not have a direct role in LAAs and are not tied in to the LAA/SNR arrangements, especially the High Peak and Derbyshire Dales LSP and Moorlands Together in the Staffordshire Moorlands. There are many important reasons why we should continue to engage with these, strengthen them and advance their contribution to National Park Outcomes. However, as a general rule, these appear to be playing less of a formal role in the sub-regional arrangements than they have in the past and so they are not considered fully here.

APPENDIX

Background

12 This is set out above.

Resources

13 This work will be undertaken by members of the Management Team, supported by Head of Policy, Research and Partnerships and his team and other officers as necessary. Members will continue to play an important representational role in many of the partnerships described above. It is important, however, that an agreed priority is ascribed to each activity and this has been attempted above

Risk Management

14 There are many risks of being involved in fast-moving partnerships over which the Authority has little direct influence. It is expected that having a clear analysis, clear priorities and suitably experienced staff leading this work that these risks are minimised.

Human Rights, Equalities, Health & Safety

15 No issues appear to be apparent

Consultees

16 The Strategic Advisory Group considered these issues at its meeting of 25 April 2008

Enclosures

17 None

List of Background Papers (not previously published)

18 None

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19 Jim Dixon, Chief Executive

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20 15 May 2008