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# Report

**Report Subject :** Sub national review of economic development and south Wiltshire economic priorities  
**Report to :** Cabinet  
**Date :** 01 October 2008  
**Author :** Claire Smith (Economic Development Manager)  
**Cabinet Member :** Councillor Edge (Portfolio Holder for Economic Development)

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## 1. Purpose of report

The purpose of this report is to inform Members about the sub national review of economic development and the consultation response made by Salisbury District Council. The report also provides Members with a brief update on the emerging economic priorities and on the development of an economic strategy for south Wiltshire.

## 2. Background

**2.1** On 17 July 2007, the Government published its review of sub-national economic development and regeneration (sometimes referred to as the sub-national review or SNR) for consultation. The review has been led jointly by the Treasury, the Department for Communities and Local Government and the Department for Business, Enterprise and Regulatory Reform (BERR) and their predecessor departments.

**2.2** The review focused on how to strengthen economic performance in regions, cities and localities throughout the country, as well as tackling persistent pockets of deprivation where they remained. It was based upon the principles of managing policy at the right spatial level, ensuring clarity of objectives, and enabling places to reach their potential. In line with these principles, its final report outlined the Government's plans to refocus both powers and responsibilities below the national level to support its objectives to encourage economic growth and tackle deprivation at every level, by:

- empowering all local authorities to promote economic development and neighbourhood renewal;
- supporting local authorities to work together at the sub-regional level;
- strengthening the regional tier; and
- reforming central government's relations with regions and localities.

**2.3** Its recommendations ranged across a number of policy areas and a cross-Government programme has been established to manage their implementation with BERR and the Department for Communities and Local Government jointly responsible.

**2.4** Key proposals contained in the document include:

- How Regional Development Agencies (RDA's) should change to take on a more strategic and regional planning role and how local government will input into this.
- The process of developing integrated regional strategies across England
- Enhanced sub regional co-operation between local authorities including Multi Area Agreements (MAA's)

**2.4.1 Stronger partnerships for regional growth:**

- Streamlining the Regional Tier: Regional assemblies will be abolished from 2010 and responsibility will transfer to RDA's. The RDA's will lead on the development of an integrated regional strategy that will align economic development and spatial planning and also consider environmental and social issues.
- Delegation of RDA funding: RDA's will be required to identify where they can delegate funding to local authorities and other providers. RDA's will need to ensure that local authorities/sub regional partnerships have the capacity to manage delegated funding and work with them to develop capacity. RDA's will continue to deliver services such as business support and inward investment.
- Strengthening Local Government at Regional Level: A Local Authority Leaders Forum will be set up in each region "to take strategic decisions and agree priorities in the development and implementation of the regional strategy". The Government's view is that the Forums should be representative of local government across the region and should have sufficient authority to sign off the draft strategy on behalf of all local authorities in the region.
- Regional Funding Allocations: The Regional Funding Allocation will continue but will include a wider range of funding schemes including additional transport schemes and the European Regional Development Fund.

**2.5 Stronger role for local authorities in economic development:**

**2.5.1** The Government proposes that all the upper tier and unitary authorities will have a statutory duty to undertake an economic assessment for their areas. This is something that has been done by Salisbury District and Wiltshire County council's for many years.

**2.5.2** These assessments will provide an important evidence base for local area agreements and multi area agreements from 2011/12 onwards. The Government has put forward three options for how this might be put in place:

- Option 1: Primary legislation is introduced to impose a duty on authorities to assess the economic conditions of their area. The Secretary of State would issue statutory guidance regarding the purpose, form and method of assessment.
- Option 2: A statutory duty is imposed but without statutory guidance. The legislation will set out key areas that need to be covered in the assessment and the Secretary of State would produce non statutory guidance to assist local authorities.
- Option 3: No new statutory duty is imposed and local authorities would use their current powers to promote economic development. However, the Government considers that this option would not enhance economic development and regeneration.

**2.6 Increasing local authority collaboration**

The consultation also invited views on whether it should establish statutory arrangements for sub-regional collaboration on economic development. The advantages would be devolving funding and

responsibility to a sub regional partnership without the need for a lead authority and improving regional economic outcomes. It is prepared to work with interested local authorities to develop models.

### **3. Consultation response**

Salisbury District Council responded to the consultation, which ended on 20<sup>th</sup> June 2008, with a number of views:

- There are concerns regarding the democratic accountability of the RDA's in preparing the new integrated strategies. Local authorities should have a wider remit and stronger role than merely 'scrutiny'.
- RDA's must commit to work with *all* their areas to build capacity to ensure that every area can receive its fair share of delegated funding.
- There must be a transparent assessment process, consistent across the country, which all RDA's must use, to assess and areas capacity to manage delegated funding.
- With regard to arrangements for the proposed Local Authority Leaders Forums, it would be inappropriate for any central government intervention or prescription on how these are set up. The local authorities themselves should be able to decide the most effective working arrangements.
- We support the production of an integrated regional strategy to provide closer alignment between economic and spatial planning to support sustainable economic growth.
- The proposal for upper tier and unitary authorities to prepare an economic assessment for their areas is welcomed, as is the requirement for RDA's to have regard for them in the preparation of their strategies. A consistent approach is required across the country to allow valid comparisons to be made between areas.
- The recognition that authorities will need to work with neighbouring authorities in terms of economic development is welcomed, although we do not support the introduction of statutory arrangements at this time. MAA's have only just been introduced and need time to establish.
- As a local authority member of the Wiltshire Strategic Economic Partnership (WSEP) we support other comments jointly submitted (see Appendix A)

Responses are being considered and a formal Government response will be published on 20<sup>th</sup> September 2008.

### **4. South Wiltshire Economic Priorities**

- 4.1** In 2003 a five year Economic Development Strategy, setting out the council's economic development vision for Salisbury and south Wiltshire, was produced. In early 2007 work commenced on a new strategy for the district to replace the outdated plan. This was postponed in July 2007 when it was announced there would be one Wiltshire authority until plans for one council and the delivery of economic development were further developed.
- 4.2** In June 2008 the councils five Economic Partners (South Wiltshire Economic Partnership (SWEP), Salisbury City Centre Management Ltd, Salisbury and District Chamber of Commerce and Industry, Federation of Small Businesses, Salisbury and Stonehenge Tourism Partnership) agreed on a list of economic priorities for the district.
- 4.3** These were discussed with Cllr Jane Scott, Dr Keith Robinson, Mark Boden (Corporate Director for Economic Development, Planning and Housing for Wiltshire Council) and Alistair Cunningham (Head of Economic Regeneration and Resources, WCC, newly appointed Director of Economy and Enterprise for Wiltshire Council) at a SWEP Board meeting on 25<sup>th</sup> June. A commitment was made by WCC at this meeting to produce an economic strategy for south Wiltshire based on these priorities:

- Higher education provision
- Porton Down Bioscience Centre
- Porton Down Centre of Excellence
- Military and civilian integration – super garrison
- HQ Land Command Wilton – move to Upavon and Andover
- Salisbury Vision
- Development of the Maltings and Central Car Park
- Renaissance of Salisbury Market Place and Guildhall Square and development of a public realm strategy
- The future of the Guildhall
- Churchfields Industrial Estate
- Public realm
- Workspace/Employment Land
- Business Improvement District
- Transportation
- Tourism development (hotel potential)
- Stonehenge
- Marketing of Salisbury
- Rural regeneration (Salisbury Plain Local Action Group/Sowing SEEDS LAG)

4.4 The strategy plan will be considered by the SWEP Board on the 17<sup>th</sup> September 2008 with a final document produced by the end of March 2009.

## 5. Recommendations

It is recommended that Cabinet:

- a) Note the proposals put forward in the sub national review of economic development and the district council's response.
- b) Note the economic priorities for south Wiltshire and the timetable for development of the new economic strategy for the district.

## 6. Implications

<b>Financial</b>	None
<b>Legal</b>	None
<b>ICT</b>	None
<b>Human Rights</b>	None
<b>Personnel</b>	None
<b>Community Safety</b>	None
<b>Environmental</b>	None
<b>Communications</b>	None
<b>Council priorities</b>	Economic Development
<b>Wards affected</b>	All

**Wiltshire Strategic Economic Partnership  
Response to consultation on Prosperous Places: Taking forward SNR**

The Wiltshire Strategic Economic Partnership (WSEP) welcomes the opportunity to comment and has the following points to make.

**General**

- The Partnership supports:
  - The aims of the structural reforms as outlined in Para 2.10, providing that the democratic accountability rests with local government.
  - The strong emphasis placed on “devolved decision-making to the most appropriate level as a means to improve economic development outcomes” (Para 2.5)

**Specific questions**

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

- The Partnership feels that considerable capacity already exists at a local level to deliver. For example, upper tier and unitary Authorities manage budgets well in excess of those currently managed by RDAs.
- However, in order to satisfy RDAs, WSEP suggests that the following need to be in place at a local/sub-regional level:
  - Strategic place-shaping agendas linking e.g. employment, housing, infrastructure needs and which are in line with the agreed regional strategy.
  - Associated delivery plans identifying activities, resources and lead responsibilities.
  - Effective delivery partnerships with a track record of successful delivery of local programmes.
  - Political commitment.
- RDAs must commit to work with all their areas to build capacity as outlined above, to ensure that every area can receive its fair share of delegation. Historically, programme spend has resulted in inequalities of capacity within regions, with some areas having been able to build significant capacity through programme delivery over a number of years, and other areas, with no programmes to deliver, having been unable to develop the same level of capacity.
- There must also be a transparent assessment process, consistent across the country, and which all RDAs must use, to assess an area’s capacity. There must be a presumption that delegation must be awarded at the earliest opportunity. There must also be an independent challenge process instigated against any RDA demonstrating an unwillingness to delegate, either across their region, or to specific areas within their region.

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

- Yes! The Partnership also feels that RDAs, as partners, should be consulted on the proposals for the Forums, before these are finalised.
- Is there any scope for proposals to be shared across the country, either before being finalised, or after, or both, to allow for the sharing of good ideas and best practice?

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

- The consultation document does not present enough detail for WSEP to be able to comment in depth on the proposed accountability and scrutiny proposals. We support the adoption of the powers as they currently operate within local authorities; we feel these work well and will be proportionate and workable at the regional level.

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

- WSEP supports the production of an integrated regional strategy to provide closer alignment between economic and spatial planning to support sustainable economic growth.
- However, we feel that the second bullet point should be expanded to make specific mention of all the key drivers of growth as spelt out in Para 4.5.
- The strategy should also include the following elements:
  - How an equitable distribution of growth across the region will be achieved.
  - How sufficient land will be made available for employment and housing needs across the region.
  - Recognition of the importance of creating and maintaining sustainable communities, particularly in rural areas.

**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?**

- WSEP supports any attempt to streamline the preparation of the regional strategy and condense the currently very protracted and therefore very unsatisfactory timescale.
- On paper, the proposals should work but, once again, there is insufficient detail for us to comment in depth. However, we do have a couple of points to make:
  - The “detailed processes” must be agreed between RDAs and the leaders’ forums.
  - At each stage in the process outlined in the figure on page 35, formal agreement must be reached between RDAs and the leaders’ forums. This must not affect the timescale but will ensure ownership.

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

- It is to be hoped that the streamlined process, whilst still over 2 years in length, will bring reduced costs and increased benefits to stakeholders.

**Q7: Which of the options for the local authority economic assessment duty (or any other proposals) is most appropriate?**

- The Partnership supports the proposals for a local authority economic assessment duty; these economic assessments will be a valuable source of robust local data, to be used, for example, when the regional strategies are being developed.
- We feel that a consistent approach is required across the country, to allow valid comparisons to be made between areas.
- On balance, we favour Option 2, but recommend that a menu of issues is provided, with associated guidance, so that areas can select which issues they wish to include in their economic assessment. Once selected, the associated guidance will clarify what information needs to be included for that issue and on what basis any calculations are to be made. This will allow flexibility but also provide consistency of data provision across the same issues.
- We would welcome clarification as to why “procurement of goods and services” is included in the list in Para 5.15.

**Q8: What additional information or support do local authorities consider valuable for the purpose of preparing assessments?**

- Timely, consistent guidance, which does not change every 5 minutes.
- Associated data sources also need to be timely and consistent.
- A duty on all public sector bodies, including Government departments, NDPBs, quangos etc. to provide information, on request and within a reasonable timescale. This may have particular relevance for some areas where it has been traditionally very difficult to secure key information from some bodies e.g. the MoD and associated defence agencies.
- A careful examination of “commercial in confidence” data to ensure that it really is commercially sensitive. E.g. land-banks held by private sector companies – in order for local authorities to determine how much land might be available in their area for employment/housing it is important to know who owns parcels of land and what options have been taken on them.

**Q9: How should lead local authorities engage partners, including district councils, in the preparation of the assessment?**

- Many local authorities already produce some kind of economic assessment. Existing best practices should be built on to identify the best ways of engaging partners.

**Q10: Which partner bodies should be consulted in the preparation of the assessment?**

- We feel that Para 5.20 is a good start in terms of those partner bodies that need to be consulted. Each area will have their own specific list of partners for whom it must be a duty to respond to any consultation within a given period of time, including any reasonable requests for information. Areas should build on existing lists e.g. those used for Local Development Framework consultations.

**Costs – Para 5.26**

- The Partnership welcomes the Government’s recognition that additional costs will fall to lead local authorities with the duty to prepare an economic assessment. We also welcome the promise that additional funds will be made available.

**Q11: Should any duty apply in London and, if so, which of the proposed models is most appropriate?**

WSEP is not in a position to comment on proposals for 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?**

- We do not support the introduction of statutory arrangements for sub-regional collaboration at this point in time. MAAs have only just been introduced and these need time to bed down, start working effectively and then develop further across other sub-regions before consideration is given to introducing compulsory arrangements.

**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?**

- We are not aware of any constraint under current legislation that would affect the activities of sub-regional partnerships.

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

- WSEP has no comments to make on this question.

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

- WSEP has no comments to make on this question.

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June 2008