

Prosperous Places: Taking forward the Review of Sub-National Economic Development and Regeneration -

Liverpool City Region response.

Introduction

The Liverpool City Region welcomes the opportunity to respond to the SNR consultation document. The comments and responses outlined in this document reflect the views of the sub regional partnership. Throughout our response the term sub-regional partnership is used to encapsulate the views of the following:

Private Sector
Third Sector
Local Authorities (The Liverpool City Region Cabinet)
Higher Education Sector
Local Transport Plan Partnership
LSC

Our response is based on the proposition that by working together collaboratively at a sub-regional we can add value to addressing the needs and opportunities within our respective Local Authority boundaries. For a number of years, the Liverpool City Region has been pursuing many of the principles set out in the Sub-National Review. For example, The City Region already collaborates on an annual basis to produce a Merseyside Strategy and Action Plan for delivery, as well as to undertake an Economic Review of the sub-region (The Merseyside Economic Review). Recently, our collaboration on economic regeneration issues has been extended through the establishment of an Integrated Inward Investment Agency. To build on this, the sub regional partnership board (TMP) is established as the Economy Board as part of the new City Region Governance model. Our developing Multi Area Agreement is focusing on Employment, Economic Development and Enterprise in the first instance with the addition of key transport and housing elements. We, therefore, welcome proposals to formally delegate responsibility for economic regeneration and we would point to the good progress we have made in recent years to strengthen our city-regional partnership governance structures to make this possible.

1. Consultation questions:

Chapter 3 – Stronger partnerships for regional growth

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

RDAs should apply clear and transparent criteria that is jointly developed and agreed with the North West Leaders' Forum to assess

capacity for programme management and delivery at the sub regional and local level.

Local authority and sub regional capacity in undertaking statutory economic assessments and delivering economic growth will be a critical element to implementing the SNR. There should be a memorandum of understanding, contract or SLA between RDA and local authorities/MAA/sub regions to clarify respective roles and responsibilities of stakeholders and to make clear what should be delivered in return for delegation of funding as well as the precise scope of any local discretion. Resources will need to be provided to ensure that Local Authorities can adequately fulfil their obligations to strategic partners through continuing to develop appropriate programme management systems and open decision-making structures.

In addition for RDAs to move away from a delivery focussed project management role towards a more strategic programme approach, there will need to be significant changes within RDAs. RDAs should bring forward proposals to the Regional Leaders Forum to demonstrate how these capacity issues/changes will be addressed.

We would seek assurances that arrangements were in place to ensure that RDAs recruited, in good time, people with the appropriate technical expertise to take on the new responsibilities that the new duties will bring. Equally, RDAs may consider seconding staff to learn from and embed good practice from the management and delivery of existing regeneration programmes.

The Liverpool City Region has a track record of successful programme management and delivery in this regard with a number of examples where it has demonstrated a proven track record of managing and delivering complex programmes aimed at growing the economy of the sub-region.

Examples include at sub regional level the Mersey Waterfront Regional Park, a £110m programme from 2002 – 2008 and at local level the Urban Regeneration Company Liverpool Vision, an £800m programme running from 1999 to 2008, as well as the Housing Market Renewal Programme worth £500 million over the next three years. The Liverpool City Region Development Plan and the Action Plan for the City Region highlight the direction of travel we are taking to develop a Single Investment Framework for the city-region

In addition mature collaborative partnerships within the Liverpool City region have made decisions regarding the prioritisation of major investment through Objective 1 Structural Funds during the last decade and more recently around major transport schemes as part of the RFA process.

New RFA guidance in 2008 should seek advice on transport, housing and regeneration investment but not on ERDF resources for which a clear process is already in place. To achieve a 'joined up' approach to providing strategic advice this process should not be led by three different regional organisations as it was in 2005/06.

Halton - welcomes the consultation document. For many years Halton has played its part in developing strong collaborative working across the sub-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 NWRA/NWDA response provides details on the North West Leaders' Forum structure being developed which the Liverpool City Region fully supports.

The North West region's sustainable economic development sub-group should play a role in promoting inter-regional collaborative working through integrated regional and sub-regional plans.

Halton – Agrees that the role and function of the Leaders' Forum should be determined by Local Authorities for Local Authorities.

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

The consultation document provides little detail on proposals for scrutiny by parliamentary committee and limited information regarding scrutiny at the regional level. Existing scrutiny powers at the regional level must be strengthened if local authorities and other partners are to effectively hold the RDA and other regional bodies to account within the region.

The Regional Leaders' Forum should develop the Single Regional Strategies in conjunction with RDAs and it should NOT be possible for RDAs to submit a strategy to Government that has not been agreed by the Regional Leaders Forum.

We would also seek an improvement to the existing scrutiny arrangements by seeing greater emphasis placed on the assessment and scrutiny of future plans rather than just a retrospective view of existing plans and activities.

RDAs' accountability to parliament will remain with the Secretary of State for BERR. However, we feel that given the need to reflect on wider economic regeneration issues, it is appropriate to obtain an input from

other Government departments, for example, DCLG. Equally the responsibility for the regional development of the country does not reside with nor is it dependent upon one Government department. The current proposals might narrow the focus to an analysis of GVA and productivity indicators to the exclusion of wider wellbeing and sustainable development aims.

Any parliamentary committee that is established to scrutinise the regional tier should include representation from the Regional Leaders' Forum.

Halton – agree with the comments

Chapter 4 – Integrating regional strategies to promote growth

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?

We agree that the policies and spatial priorities in the Single Regional Strategy need to cover the elements outlined in paragraph 4.13. however we do not feel that the consultation document adequately reflects the relationship between social and economic regeneration. The document does not pick up on, for example, the impact of health inequalities on levels of economic prosperity.

The key drivers of economic performance need to be drawn out, for example, the document needs to further reflect on transport as a major contributor to economic growth and prosperity.

We welcome, for example, Eddington's focus on the links between city regions and where there is greatest demand for transport. We would continue to use the devolution of economic development as a means of identifying transport demands based on sub-regional economic priorities and providing the opportunity to test options accordingly

The document makes little reference to emerging arrangements on the adult skills agenda and this will need to be considered fully as part of the sub national review and in developing a Single Regional Strategy. Paragraph 3.33 outlines the desire to build on Sub Regional Employment and Skills Boards to agree shared priorities – the Liverpool City region supports this approach and would wish to see the Skills resources included in any future RFA exercise.

In addition we would wish to highlight the potential mismatch in regard to outcome measures arising from the bringing together of respective regional strategies.

Current regional economic strategies focus on 'hard' economic development indicators for example, there needs to be a balance/ equal weighting given to 'softer' sustainable development indicators as measures of success.

Halton – our discussions on our emerging Core Strategy express the need to link economic growth with wider social deprivation issues such as health, educational attainment, transport and housing.

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?

The flow chart is a helpful simplification of the process, however the timings identified appear unrealistic; whilst it may be possible to agree strategic priorities within a relatively short timeframe, initiatives requiring statutory or legislative input will take longer. The review of RSS is an example of this.

Also, the sequencing between the preparation of the first regional strategy and the next round of advice on regional Funding Allocations is unhelpful. RFA guidance is anticipated in summer 2008. Regional funding priorities and advice will be established in spring 2009 in advance of the development of the first regional Strategy. Moving forward partners clearly wish to see development of the Regional Strategy before outlining a delivery plan and allocating resources to deliver that plan.

We would also wish to see greater emphasis on sub-regional priorities shaping and influencing the regional strategy, so we welcome the fact that statutory local authority economic assessments will be input to the development of the regional strategy, alongside other key evidence bases, e.g. Local Transport Plans. Again the timing of this would need to be clear to ensure that local authority economic assessments are produced in time to inform the development of the Regional Strategy.

Halton – any proposals to reduce timetable is welcomed. We are concerned that RFA allocations will be decided (2008) before the Regional Strategy process begins in Spring 2008. We need to maximise the opportunity to feed in local assessment data into regional strategy-making processes.

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?

A more streamlined process could aid understanding and involvement of stakeholders, with the complex and extremely long process for developing the current RSS causing confusion, attrition and disengagement for the public.

A high level strategy may result in impacts not being identified through the SA/SEA. Lack of robust and comprehensive evidence and subsequent analysis, due to the desire for a concise high level strategy, would result in the SA being unable to assess all the potential interactions and relationships between policies and priorities, resulting in critical impacts for sustainable development.

Halton – Guidance on the development of our Local Development Framework places emphasis on the need to formulate a robust and rigorous evidence base to substantiate any future initiatives and actions. The process could provide a mechanism for aligning sub-regional and local success measures and outcomes.

Chapter 5 – Strengthening sub-regional economies – the role of local authorities

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

Liverpool City Region partners support option 1. We support the preparation of a set of core indicators which would be accompanied by a menu of indicators which would be used flexibly to reflect the relative scale of problems and distinctiveness of areas across the sub-region.

We support the creation of an economic assessment duty for local authorities and would wish to see any assessment underpin the development of city region strategic priorities and decisions re investment priorities through the City Region Economy Board. However, there is an underlying principle that the role of Local Government goes beyond acting merely as a vehicle for producing a local economic assessment, but rather to giving Local Government the duty for leading on promoting and driving the economic prosperity of the local area.

The development of sub-regional and local economic assessments should not be regarded as mutually exclusive. Our view is that a city regional assessment will inform and augment the quality of local assessments to provide effective input to the development of a Regional Strategy.

It is important that there is consistency in the data used to provide evidence base at local, sub regional and regional levels.

There is, however, a need for a rigorous analysis at a sub-regional and local level. There is recognition that macro and micro economic issues will need to be picked up at the appropriate spatial level. One example might be in regard to skills areas of deprivation are more likely to pick up lower level skills, whereas sub-regional/regional working will focus on higher-level skills. Similarly GVA and productivity will require a sub-regional, regional or indeed national treatment. Local assessments will often pick up 'fine grain' information which could be missed by a wider geographical assessment.

Examples of the types of indicators that it would be useful to capture include:

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Indicator	Scope	Source	Notes
Retail 'All-risk' Yields (in city centres)	By place	VOA	-
Rental values	By place, by commercial type	VOA	-
Reduce person delay due to congestion (min)	By place	Merseyside Local Transport Plan	-
Travel-to-work figures	Destination and source of employment	Merseyside Local Transport Plan	-
Improve Business Friendliness Index Score	By place	Business Liverpool	The data for this indicator is collected using a bespoke annual survey of Liverpool businesses. Discussions for a booster survey to cover Merseyside are planned
	By place, by sector	Nomis, annual	-
	By place, by sector	Nomis, annual	-
GVA per job filled, GVA per hour worked (workforce productivity)	By place, by sector	ABI and annual population survey, annual. Nomis, annual survey of hours and earnings, annual	Possible issues surrounding GVA per hour worked methodology (relatively high levels of sampling error in some datasets).
Increase amount of investment into the LCR	By place, by sector	Inward Investment team	Is currently tracked by TMP inward investment team
	By place	Nomis, Annual Population survey, quarterly	-
Reduce workless-ness in LCR (IB/IS/JSA)	By place, by benefit type	Nomis, Work and Pensions Longitudinal Study (WPLS), quarterly.	DCLG definition of workless-ness is likely to be adopted
Percentage of employees receiving job-related training in previous 13 weeks	By place	Annual Population Survey, nomis, quarterly	-

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Improve Index of Multiple Deprivation score in key wards	By place	DCLG, 2-4 years.	-
Employment rate (working age)	By place, by gender, by ethnicity	APS and LFS, Nomis	The monitoring of employment by ethnicity will be dependent upon securing a dataset that does not have a large sampling error.
Population	By place, by age	APS, Mid-year population estimates	-
Increase number of day visits, overnight stays and international overnight stays in the LCR	By place	Merseyside Destination Management Plan, Merseyside Waterfront Regional Park programme	-
Increase contribution of Tourism sector to the LCR economy	By place	Merseyside Destination Management Plan, Merseyside Waterfront Regional Park programme	-

Indicator	Scope	Source	Notes
City-Region Image Tracking	-	-	Indicator methodology is currently under review
Increase Total Early stage entrepreneurial Activity (TEA)	By place	-	-
Increase number of exporting companies and value of exports	By place, by sector	-	-
Proportion of GVA spent on R&D in Merseyside	By sector (including HEI and public)	-	-
Graduate Retention in LCR	-	Mid-year population estimates	Awaiting introduction of indicator into mid-year population estimate dataset
Reduce per capita CO2 emissions	By sector	NWDA	-
Increase GVA contribution of ETS sector to economy of the LCR	-	ABI, yearly. Dependant upon agreeing on appropriate SIC definition	-

Halton – we also favour option 1 as it allows for consistency of approach and an opportunity to benchmark data within and across regions

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

The document sets out assumptions regarding the funding of assessments. How have these assumptions been made? Government needs to acknowledge that some resource will be required to implement the new duty. Resources will be required at both a sub-regional and local level, to allow Local Authorities to utilise and benefit from the valuable sources of information, knowledge and expertise available through close working with other strategic partners and sectors.

Local Authorities in the Liverpool City Region have developed local economic assessments through, for example economic development strategies and it would be unfair to expect Local Authorities that have already been doing this work to effectively subsidise those that have not through 'efficiency savings'. Again the 1% efficiency saving assumption appears arbitrary. We would propose an allocation based on size/population.

We would also wish to see consistency in the statistics produced and that these statistics would be produced over a longer period. Similarly there also needs to be consistency in the type and level of key indicators applied.

We also feel that Government should be consistent in the tools it uses to find solutions to economic development issues. One example of this inconsistency is how, on the one hand, Government promotes a commissioning based approach based on need to tackling problems, but on the other promotes a competitive bidding approach such as the Local Enterprise Growth Initiative

Halton – we agree that the figures appear to be arbitrary and do not reflect the real costs of undertaking this piece of work.

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

Local authorities will engage with local partners through existing mechanisms e.g. the LSP. It will be important that assessments are 'joined up' at the sub regional and regional levels so engagement of sub regional and regional partnership structures will also be important.

Halton – it is suggested that Halton already has strong partnership arrangements in place; the development of the Community Strategy, LSP thematic group baseline reports and accompanying action plans serve to demonstrate our evidence base led approach to identifying issues facing the borough and developing solutions with partners to address these problems.

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

LSPs and existing sub regional partnerships include all the necessary partners who should be consulted..

Halton - we propose a duty to consult with the Business Community from the perspective of understanding the Market/gathering market intelligence

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

No Comment other than to ask whether there are examples of best practice that can be applied to other parts of the country?

Halton – no further comment

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?

There is value in this. The Liverpool City Region sees the value in creating statutory arrangements for sub regional collaboration. The new governance and delivery model for the Liverpool City Region demonstrates our commitment to fully utilising the powers, freedoms and flexibilities presented in the SNR with the potential of moving towards a statutory City Region Cabinet. The key activities that the city region governance model will oversee go beyond economic regeneration including Skills and Employment, Housing and Transport and also include Environment and Waste; Safer Communities and Health and Social Care;

Liverpool City Region partners are committed to economic regeneration as a key focus for delivery and so have moved quickly to establish an Economy Board, with a single agency approach to Inward Investment.

Halton – a statutory body for the sub-region requires further discussion with sub-regional partners in line with the need to be accountable to its potential membership.

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?

The new governance and delivery model for the Liverpool City Region demonstrates our commitment to fully utilising the powers, freedoms and

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flexibilities presented in the SNR. The key activities that the city region partnership (led by the Leaders Cabinet) will carry out through six City Region Boards are: Economic regeneration; Skills and Employment; Housing and Spatial Planning; Transport; Environment and Waste; Safer Communities and Health and Social Care;

Constraints on delivering these activities through current legislation are starting to be articulated through the MAA development Merseyside would question the use of current procurement practices, for example, the DWP prime contractor approach which places constraints on a more commissioning based approach to delivering services.

and, further legislation may be required to facilitate some types of delegation from RDAs and to ensure that the local levers to coordinate activity to meet the city region's need around skills for example, from Jobcentre Plus and the future Skills Funding Agency.

A further constraint relates to differing approaches expressed by Government departments concerning the incorporation of transport in sub-regional governance structures. Reference is made to Integrated Transport Authorities being subsumed by regional collaborative arrangements, and yet it is not clear whether BERR would support this. A dialogue between the two departments is key to ensuring that the Local Transport Bill and guidance adequately reflects this.

Halton – we note the comments

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

The Liverpool City Region is developing a multi area agreement that will address this by ensuring that within a context of need for democratic accountability, MAA and LAA performance indicators will be complementary. The MAA will demonstrate the added value of collaborating at a sub-regional level. Part of this approach includes consultation with respective Local Strategic Partnerships to facilitate the integration of Local Authority Performance Frameworks into sub-regional plans.

Halton – we note the comments

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

Yes - all relevant local authorities, the RDA, new Homes and Communities Agency, new Skills Funding Agency, DWP, Jobcentre +, Environment Agency, Network rail Highways Agency and others should have a duty to co-operate. This should be consistent with the Local Government and Public Involvement in Health Act 2007 which sets out a comprehensive list of those that have a duty to co-operate with a Local Area Agreement .

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Halton – we have advocated wider accountability and duties, which is reflected in the above response