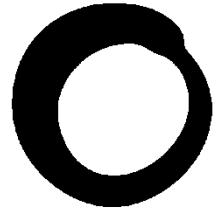


# Briefing 2



**Friends of  
the Earth**

## **England's power shift: Meet your new lords and masters**

### ***Power shift* briefings for local groups**

**Each briefing covers a different aspect of how politics, power and decision making at local and regional levels in England will have a bearing on your local group's work.**

Power is shifting in England. Regional Assemblies outside London have been phased out and control over strategic decisions in each region has been handed to a power-sharing partnership of the unelected, business-led Regional Development Agencies (RDAs) and new Leaders' Boards representing the local authorities in each region. Regional ministers have also been appointed to oversee the new institutions.

The thrust of this power shift is unashamedly about boosting economic growth although Ministers say that the dominance of this economic growth agenda does not threaten the environment and sustainable development and that their new 'localism' is part of renewing democracy, being more responsive to citizens and acting on climate and other big issues.

**This second briefing sets out the Government's *Prosperous Places* plans including the role for new regional and local bodies possessing new economic duties to lead your region and local area toward being sustainable low carbon economies.** For more information please contact either your Regional Campaigns Coordinator (RCC) or:

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**September 2009**

## ENGLISH 'DEVOLUTION'

This briefing sets out:

- How local councils and business led economic agencies are gaining new powers to decide how your local area and region develops;
- How economic factors are set to dominate decision making even more than before; and,
- The opportunities to influence decisions including ensuring that local areas and regions get on course to being low carbon, sustainable economies.

The Government has handed key duties, including on many environment and sustainability issues, to England's nine regions. Although not enjoying the same level of devolved powers as Wales, Scotland and Northern Ireland, the regions do play an important role in UK's economic, social and environmental progress. London's directly elected Mayor and Assembly is the best known case of English 'devolution'; the work of the other regions' Assemblies being less well known.

In July 2007 the Government announced the results of its Sub-National Review, or SNR (full title: *Review of sub-national economic development and regeneration*). This set out plans to phase out the eight indirectly elected Assemblies and to pass more control of regional and local policy to local authorities and to the business-led Regional economic Development Agencies (RDAs).<sup>1</sup>

In 2008 the Government's *Prosperous Places* document finalised its plans. The focus of the SNR / *Prosperous Places* is on the role of England's regions in boosting local, regional and UK economic growth. The apparent freedom of devolution is matched by strong central government requirements for regions to deliver the Government's national targets for economic and housing growth as part of the Government's view that it cannot afford to let England's regions fail:

"No area of the country should be excluded from rising prosperity. For our country to continue to prosper, we must unlock the talents of every citizen, community, city and region..."<sup>2</sup>

With economic recession high on its agenda the Government adds that the economic focus behind its SNR / *Prosperous Places* reforms of regional and local decision making is:

"...more, not less, pertinent...economic turbulence has once again demonstrated the importance of local and regional organisations, such as the Regional Development Agencies (RDAs), in the Government's response to such difficulties."<sup>3</sup>

Also shaping Government thinking is the desire to "ensure closer alignment between economic and spatial planning."<sup>4</sup> This has already been partly achieved through the latest planning reforms.

## FRIENDS OF THE EARTH'S VIEW

**For sure, the thread between national, regional and local policy making is being strengthened with new opportunities for influence. The Government must now show how its claim that sustainable development is central to its changes will add up to a meaningful, sustainable direction for England's regions and new forms of sustainable economic development.**

**Yet the true emphasis of the reforms is captured by Stephen Timms MP, Competitiveness Minister, who said on publication of the *Prosperous Places* proposals:**

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<sup>1</sup> [www.communities.gov.uk/index.asp?id=1002882&PressNoticeID=2462](http://www.communities.gov.uk/index.asp?id=1002882&PressNoticeID=2462) and [www.hm-treasury.gov.uk/spending\\_review/spend\\_csr07/reviews/subnational\\_econ\\_review.cfm](http://www.hm-treasury.gov.uk/spending_review/spend_csr07/reviews/subnational_econ_review.cfm)

<sup>2</sup> *Prosperous Places* consultation, March 2008

<sup>3</sup> *Prosperous Places: The Government response*, 25 November 2008, paragraph 1.7, page 6, [www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces](http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces)

<sup>4</sup> paragraph 2.24, page14

“...this puts businesses at the heart of our policy by setting regions just one overarching goal - to improve the rate of growth in the region...(and he added that) reducing the disparities between the poorest six performing regions and the rest, bringing the poorest up to the national average, would be worth approximately an extra £60bn to the UK economy.”

The Government often uses this economic presumption which does not make sense as a policy goal. One might as well say “if we were all as wealthy as the Queen this would be worth an extra £X trillion to the UK economy”. Even so some newly appointed Regional Ministers used their inaugural speeches to repeat the line: “In fact, if we closed the wealth gap of today between the worst and best, our country would be £60 billion richer and our region £10 billion better off. That’s £2,000 each.” (*Liam Byrne MP, West Midlands Minister, 2 August 2007*)

The real test of the reforms is that they result in each region rapidly adopting the kind of policies and practices needed to become a low carbon, sustainable economy operating within environmental limits. The reforms are *the* chance to adopt policies which will sustain a vibrant economy and a high quality environment, not one or the other. RDAs and council leaders must now deliver a clean, green route out of recession. For their part Ministers must now provide clear guidance and certainty that it is “energising each region around a compelling vision of sustainable economic growth.”<sup>3</sup>

The opportunity is to improve people’s quality of life by acting on climate change and avoiding environmental damage and biodiversity loss. This means reduced reliance on the kind of damaging economic growth, consumption and development pressures which have dominated the policies of the Regional Assemblies, the RDAs and most local authorities to date.

## **THE SNR / PROSPEROUS PLACES IN SECONDS**

If you have just five minutes here is a quick summary of what the reforms mean for your area.

**New economic assessment duty + cooperation across boundaries (also see page 6):** Councils will have a new duty to carry out an economic assessment of their area. They will be encouraged to work across boundaries with other councils on common economic aims.

**New regional bodies (see page 7):** England’s eight Regional Assemblies outside London will cease to exist. Their powers will pass to the RDAs and newly formed local authority Leaders’ Boards.

**Single Integrated Regional Strategies (see pages 6-8):** Each of England’s regions outside London will develop a new single Regional Strategy to replace the spread of current strategies on spatial planning, economic development, housing, transport, waste etc. The strategy will be a joint responsibility of the RDAs and Leaders’ Boards.

**New democratic scrutiny (see page 8):** MPs in Parliament will form Regional Select Committees and Grand Committees to scrutinise regional governance, strategies and policy making.

**Sustainable development (see page 11):** The Government says that it will “legislate to require each region in England, except London, to produce a regional strategy that delivers sustainable economic growth and contributes to sustainable development” at the same time as setting our “national policy expectations, including reaffirming commitments to providing for long term housing needs.”

**Sustainable economic growth (see page 10 + Power shift briefing 1):** In its Public Service Agreement on Regional Economic Performance (PSA 7) the Government usefully defines ‘sustainable economic growth’ as “that which can be sustained and is within environmental limits, but also enhances the environment and social welfare, and avoids greater extremes in future economic cycles.”

## ENGLAND'S 'DEVOLUTION' TIMELINE:

<p><b>2006 Budget</b></p>	<p>The Government announces its intention to review economic development and regeneration beneath the national level, known as the Sub-National Review (SNR).</p> <p>The aim is to review how to <b>strengthen economic performance in England's regions, cities and localities</b> and how to tackle persistent pockets of deprivation.</p>
<p><b>June 2007</b></p>	<p>The Government appoints new <b>Regional Ministers</b> as a form of democratic scrutiny of activities at regional level of decision making.</p>
<p><b>July 2007</b></p>	<p>Alongside its <b>Governance of Britain</b> Green Paper the Government publishes its SNR with four objectives:</p> <ul style="list-style-type: none"> <li>• empowering local authorities to <b>promote economic development</b> and neighbourhood renewal, giving them flexibility and incentives to <b>promote sustainable economic growth</b></li> <li>• supporting <b>local authorities to work together</b>, where they wish, across the sub-regional level to promote economic development, and providing them with the tools to do this</li> <li>• <b>streamlining the regional tier of government</b> outside London through simplified structures, streamlined decision-making and improved accountability</li> <li>• reforming central <b>Government's relations with regions</b> and localities.</li> </ul>
<p><b>March 2008</b></p>	<p>The Government publishes <i>Prosperous Places</i> its public consultation document on taking forward the SNR. This has particular proposals to:</p> <ul style="list-style-type: none"> <li>- Create <b>Integrated Regional Strategies</b> to replace the plethora of strategies including the Regional Economic and Regional Spatial Strategies (RES and RSS)</li> <li>- Give local authorities a duty to carry out <b>economic assessments</b> of their area</li> <li>- Develop statutory ways for councils to <b>collaborate on economic development</b></li> <li>- <b>Disband the indirectly elected Regional Assemblies</b> and hand their powers to the Regional Development Agencies (RDAs)</li> </ul>
<p><b>November 2008</b></p>	<p>The Government responds to the consultation - see this briefing for details + <a href="http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces">www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces</a></p>
<p><b>December 2008</b></p>	<p>The Queen's Speech includes a <b>Local Democracy, Economic Development and Construction Bill</b> to transfer powers to and create duties for RDAs and local councils.</p>
<p><b>January 2009</b></p>	<p>Parliament sets up new <b>Regional Select and Grand Committees</b> of MPs as a further level of democratic scrutiny of regional policy, strategy and decision making.</p>

## SUMMARY OF HOW THE PROPOSALS HAVE CHANGED

	<b>Prosperous Places proposed:</b>	<b>We said:</b>	<b>Government's response to the consultation:</b>	<b>What to do now</b>
<b>Transfer of powers</b>	<p>The eight Regional Assemblies end. Powers go to the RDAs; they will draw up a Single Regional Strategy covering key issues of spatial planning, waste, housing and economic development.</p> <p>Local councils will get a new duty to make economic assessments of their area.</p>	<p>RDAs are unqualified to decide key issues such as land and spatial planning (RSS).</p> <p>Assembly experience especially on RSS much be retained and the transfer of powers should assure this.</p> <p>The economic duty must sit within a SD Framework alongside other duties such as on well being and biodiversity.</p>	<p>Assemblies will end. The RDAs will take over and councils will get their new duty to make economic assessments.</p>	<p>Plan how to influence the development of Single Regional Strategies and councils' economic assessments and the evidence bases which will underpin these.</p> <p>Also influence the development of the promised SD Framework.</p> <p>Ensure the gains from our work on RSS are not lost when Single Regional Strategies are drawn up.</p>
<b>Accountability and scrutiny</b>	<p>Regional Ministers will have overall responsibility for the RDAs.</p> <p>Local authorities in each region will help develop and scrutinise the RDA Single Regional Strategy.</p>	<p>Regional Ministers seem to be operating to different agendas.</p> <p>A conflict of interest exists in councils informing, scrutinising and potentially being funded by RDAs.</p>	<p>An additional degree of democratic scrutiny will exist in the form of Regional Select Committees of MPs.</p>	<p>Prepare how best to brief and inform MPs' Select Committees.</p> <p>Assess how to inform local authority Leaders' Boards.</p>
<b>The role of sustainable development (SD)</b>	<p>There will be an SD Framework for RDAs to work within. The SNR reforms will secure SD and low carbon economies.</p>	<p>The SD framework proposal is vague as are the SNR plans overall on how SD will be delivered when the main trust of the reform is economic growth. RDAs SD duty must be strengthened.</p>	<p>Legislation will require Single Regional Strategies to be produced and contribute to SD.</p>	<p>Influence Whitehall on how PSA 7 will work in practice – see p10.</p> <p>Consider using the legislation on the transfer powers to RDAs / councils to strengthen SD duties.</p>
<b>Engagement with stakeholders</b>	<p>RDAs will want to consult key stakeholders.</p>	<p>Consultation is patchy at best. Minimum best practice standards are required to ensure RDAs build trust and get the best from involving partners.</p>	<p>RDAs and Leaders Boards will have a duty to consult stakeholders including statutory bodies.</p>	<p>Help the Government by setting out the best practice standards needed to secure good input to strategy, decision making and scrutiny.</p>

## **PROSPEROUS PLACES - IN MORE DETAIL**

### **1. Local councils will have a new duty to make local economic assessments**

A new duty to make an economic assessment of their area will apply to upper tier (county), unitary and London local authorities. Upper tier councils will have to “work closely with district councils in their area in completing their assessment. There will be a corresponding duty on district councils to co-operate with the upper tier”.<sup>5</sup>

In its August 2009 draft guidance to councils on how to carry out these assessments the Government has made improving local residents’ access to work and job retention the top priority. One of the other issues to be covered by assessments include to “draw out the interlinkages between economic growth and wider social and environmental issues that impact on the quality of life.”<sup>6</sup> This is potentially helpful both to build on the cross cutting approach of Local Area Agreements (**see page 10**) and in advancing our calls for policy integration rather than trade off between economic, social and environmental concerns and advancing truly sustainable economic growth (development).

### **2. Consulting public bodies**

Councils will have a duty to consult public bodies on their economic assessments. Public bodies will not have new duties to reciprocate because of their existing duty ‘to cooperate’ under the Local Government and Public Involvement in Health Act 2007; public bodies should build dialogue on the economic assessments into the existing framework of Sustainable Community Strategies, Local Area Agreement negotiations and membership of Local Strategic Partnerships.<sup>7</sup>

### **3. Consulting private and voluntary sectors**

In our response to the SNR consultation we stressed the need to improve how ‘stakeholders’ are involved in the formation of policy. This is reflected to some extent in the Government’s final plans:

“Local authorities will also be expected to consult with private sector and third sector bodies in preparing their assessments, as it is important that they engage with a broad cross-section of partners. The new duty to involve, set out in section 138 of the Local Government and Public Involvement in Health Act, and coming into force in April 2009, will support this engagement. This duty requires local authorities to take those steps they consider appropriate to involve representatives of local individuals, groups, businesses or other organisations likely to be affected in the exercise of their functions. Local authorities will need to take account of this duty in determining who they should consult on an economic assessment.”<sup>8</sup>

### **4. New Sub-regional Economic Improvement Boards (EIBs)**

We are concerned at plans to allow EIBs to be set up as these could impose another layer of decision making on local and regional tiers and have carte blanche to deliver economic aims irrespective of other social and environmental considerations. The Government has proposed EIBs because:

“...current administrative boundaries rarely capture cohesive functional economic areas, with housing and labour markets, for example, often cutting across multiple jurisdictions. As such, the need for effective collaboration between local authorities is clear...The Government will therefore legislate to allow for the creation of statutory subregional authorities for economic development, these will be known as ‘Economic Improvement Boards’ (EIBs).”<sup>9</sup>

EIBs can form as new or emerge from existing sub regional arrangements such as Multi Area Agreements. Councils do not have to set up or engage in EIBs which will be ‘opt in’ arrangements.

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<sup>5</sup> *Prosperous Places*: The Government response, 25 November 2008, 2.6, page 10 + 2.12, p12  
[www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces](http://www.communities.gov.uk/publications/citiesandregions/govresponseprosperousplaces)

<sup>6</sup> Local economic assessments, Draft statutory guidance, August 2009, pages 8-10,  
[www.communities.gov.uk/documents/localgovernment/pdf/1314939.pdf](http://www.communities.gov.uk/documents/localgovernment/pdf/1314939.pdf)

<sup>7</sup> 2.8 + 2.9, p11

<sup>8</sup> 2.10, p11

<sup>9</sup> 2.13 + 2.14, p12

## 5. Regions will develop new single integrated Regional Strategies

To replace the variety of strategies including on spatial planning and economic development the Government requires a single strategy to be drawn up for each region. The Government says that:

“...the regional strategy should set the framework in regions outside London for the activities, plans and investment decisions of the RDA, the Homes and Communities Agency and other public bodies (e.g. Government agencies, Health Authorities etc.) in the region, local authorities and other regional partners, to ensure sustainable economic development.”<sup>10</sup>

## 6. Democratic deficit

In our response on the SNR proposals we advised that a democratic deficit would be created if the Government handed so much control of regional decision making to the unaccountable RDAs, especially since the RDAs have little experience on issues such as spatial planning. The Government wants the development of the draft single integrated Regional Strategy to be:

“a genuinely collaborative approach between RDAs and local authorities...and that the Government will therefore give the RDA and the Local Authority Leaders’ Board joint responsibility for the regional strategy, including its drafting, implementation plan and monitoring of its delivery...leading the strategy’s development would then fall to the RDA...”<sup>11</sup> (and that) **“The proposals retain the RDAs’ economic expertise and focus. Local Authority leaders, as democratically elected leaders of their communities, will bring that democratic accountability to the process...these proposals will form the basis for a stronger partnership at the heart of each region, which will be focused on the pursuit of sustainable economic development and effective sub-national delivery.”**<sup>12</sup>

## 7. The content of strategies

The Government says “...the form and format of the regional strategy should be for each region to decide, but the aim should be to produce a concise and succinct document” covering:

- an overview of the **key regional challenges** over the strategy period;
- **how sustainable economic growth can best be delivered**, with regard to employment and the key drivers of productivity...as well as regeneration;
- a **distribution of housing supply figures** consistent with addressing the Government’s long term housing supply targets as well as targets for affordable housing and achieving quality homes for all, including vulnerable and socially excluded people;
- **how the region will tackle climate change**, including managing the impacts of unavoidable climate change and **achieving development in a way which is consistent with national targets for cutting carbon emissions**;
- the region’s priority locations for **regeneration, investment and intervention**;
- strategic requirements and provision for **transport, waste, water, minerals, culture, energy and environmental infrastructure**, where these are not already specified in national policy; and
- **other policy areas** that the Leaders’ Board and RDA decide fit with the objectives of the strategy.<sup>13</sup>

## 8. Flexibility in developing the strategies

The Government says that it wants to allow:

**“maximum flexibility for the regions in deciding the process and structures for producing their regional strategy.** It therefore accepts that **there will be different detailed arrangements for preparing, consulting on and producing the regional strategy in different regions.** The Government will, however, set out high level principles in legislation and guidance, as well as encouraging the exchange of best practice.”<sup>14</sup>

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<sup>10</sup> 2.32, p17

<sup>11</sup> 2.27, p15

<sup>12</sup> 2.28, p16

<sup>13</sup> 2.31, p17

<sup>14</sup> 2.36, p18

## 9. Involving stakeholders and communities

In our response to the Government's *Prosperous Places* consultation we stressed the need for far better ways of engaging communities in the development of strategies. We pointed to some good practice which we had seen in the development of Regional Spatial Strategies. We also pointed to poor involvement which is all too common. In response the Government says that it:

"...is **committed to stakeholder engagement** as a fundamental feature of the processes for developing and delivering the regional strategy and there will be **a duty on the RDA and Leaders' Board to consult and engage stakeholders**. As part of this duty, the RDA and Leaders' Board will be **required to prepare, and comply with, a published statement setting out how they will consult and engage with stakeholders and communities**. The Government will provide further guidance on this issue. We are aware of innovative and effective approaches in many regions for engaging with a wider range of stakeholders and want to build on these examples and share best practice."<sup>15</sup> However, in some regions the newly formed Leaders' Boards are already ending the access which we and other 'stakeholders' have had to help inform policy and engage with decision makers.

## 10. Regional strategy implementation plan and monitoring

The Government will legislate to "require the RDA and Local Authority Leaders' Board to jointly produce an implementation plan setting out how the regional strategy will be delivered."<sup>16</sup>

"The implementation plan will not be signed off by Ministers but **the RDA and Leaders' Board will need to ensure that it has the buy-in of other regional stakeholders**. However, the plan will not need to go through the same formal processes as the regional strategy itself. To ensure the alignment of regional priorities and the programmes of central Government departments and their agencies, those departments and agencies whose programmes will impact on the achievement of the regional strategy objectives will need to be closely involved in drawing up the plan..."<sup>17</sup> The RDA and Leaders' Board will publish an annual monitoring report on delivery of the strategy."<sup>18</sup>

## 11. Regions will get new democratic scrutiny

In response to the *Prosperous Places* consultation we said that there was inadequate democratic overview of regional decision making if the Government proceeded with plans to disband indirectly elected Regional Assemblies and empower the RDAs. In July 2008 the *Modernisation Committee of the House of Commons* recommended the establishment of both **Regional Select Committees** and **Regional Grand Committees**. In addition to the creation in June 2007 of **Regional Ministers**, since 1 January 2009 extra democratic scrutiny and accountability has existed:

"Regional select committees for each of the English regions (except London) will be established, but they should ensure their scrutiny does not interfere with existing lines of accountability and departmental select committee scrutiny at a national level;

- regional bodies and regional strategies will be the chief focus for the committees; and,
- regional grand committees, comprising all MPs in the region, will meet once or twice a year, and will include an oral questions slot for the Regional Minister."<sup>19</sup>

## 12. Scrutiny of RDAs and local authorities

The "RDAs will continue to be held to account by Parliament, through the Secretary of State for Business, Enterprise and Regulatory Reform, and in accordance with their performance framework. The performance of local authorities, who are of course accountable to their electorates, will continue to be managed within the context of the local government performance framework."<sup>20</sup>

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<sup>15</sup> 2.37, p18

<sup>16</sup> 2.42, p19

<sup>17</sup> 2.43, p19

<sup>18</sup> 2.44, p20

<sup>19</sup> 2.47, p20

<sup>20</sup> 2.49, p20

## OPPORTUNITIES AND NEXT STEPS

The Government is developing guidance on the following areas:

### 1. Developing the Regional Strategy

The Government will legislate to:

- “require each region in England, except London, to **produce a regional strategy that delivers sustainable economic growth and contributes to sustainable development**
- issue **guidance on what the regional strategy would be expected to cover** and on the strategy-making process
- provide greater clarity on **national policy expectations, including reaffirming commitments to providing for long term housing needs**; and
- require regions to produce **an implementation plan** to accompany the regional strategy, as well as undertake annual monitoring.”

In August 2009 the Government opened consultations of its draft policy for how new Regional Strategies should be produced and the setting up of new Regional Leaders’ Boards – see [www.communities.gov.uk/publications/planningandbuilding/regionalstrategiesconsultation](http://www.communities.gov.uk/publications/planningandbuilding/regionalstrategiesconsultation)

### 2. Quality consultation and stakeholder engagement

As stated on page 6, the Government says that it wants to see best practice involvement and consultation of stakeholders. We have many examples of good and poor practice in this regard and will discuss with the Government how best practice minimum standards should be set out in the guidance to RDAs and Leaders’ Boards on how they should engage environment and social organisations and community groups in the development of strategies and priorities.

### Other opportunities for influence

In addition to influencing the Government’s formal guidance other opportunities exist to refine the way in which new regional structures and duties will operate including:

### 3. Environmental limits

In addition to formal guidance there is more work to do on expressing the quality of ‘sustainable economic growth’ and the considerations which need to be fed into the regional evidence bases which will, in turn, inform the development of the new Single Integrated Regional Strategies. This will require greater understanding of the environmental limits in each region and how these will influence each region’s push for economic development and how well regions meet the Government’s PSA objective on regional economic performance and ‘sustainable growth’ – see page 10.

### 4. Legislation and scrutiny

The Government’s *Local democracy, economic development and construction bill* announced in the 2008 Queen’s Speech will enact the transfer of powers and duties from Regional Assemblies to the RDAs. The passage of the bill presents opportunities to test the Government’s claims that its reforms will deliver sustainable development, low carbon and other environmental standards.

This is also an opportunity to press for a meaningful revision to the current weak duty on RDAs to contribute to sustainable development only ‘where applicable’. We will also look to use the new Parliamentary Select and Grand Committees – see page 8.

5. How local community groups and coalitions feed in to the **economic assessment** of their area by their local authority;
6. How to encourage local authorities to think further, and in more detail, about the economic issues which matter and need to be part of local authorities’ **Local and Multi Area Agreements** (LAA and MAA) – see page 10;
7. How to contribute to the **evidence bases** which will underpin and inform the development of the new Integrated Single Regional Strategies – see page 6;
8. How to influence the **Regional Funding Advice (RFA)** process through which England’s regions tell the Government what is most important to them and how this should guide spending decisions on infrastructure, for instance.

## OTHER USEFUL INFORMATION

### 1. How well is my region doing on being environmentally sustainable?

Friends of the Earth England, CPRE and WWF-UK have researched how much progress each region had made in moving towards being environmentally sustainable. Our report *How Green is My Region?* is at: [www.foe.co.uk/england/news//how\\_green\\_is\\_my\\_region.html](http://www.foe.co.uk/england/news//how_green_is_my_region.html)

### 2. Where can I find out about Local and Multi Area Agreements (LAAs and MAAs)?

[www.urbanforum.org.uk/handy-guides/handy-guide-to-laas](http://www.urbanforum.org.uk/handy-guides/handy-guide-to-laas)  
[www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/localareaagreements/](http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/localareaagreements/)  
[www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/multiareaagreements/](http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/multiareaagreements/)

For guidance on the performance reward grant to local authorities for achieving local improvements see: [www.communities.gov.uk/documents/localgovernment/pdf/1148974.pdf](http://www.communities.gov.uk/documents/localgovernment/pdf/1148974.pdf)

### 3. How is regional economic development and 'sustainable growth' measured?

The Government has an aim to raise Regional Economic Performance (REP) which is summed up in its Public Service Agreement 7 (PSA 7). The overall objective of PSA 7 is to "improve the economic performance of all English regions and reduce the gap in economic growth rates between regions."  
[www.hm-treasury.gov.uk/d/pbr\\_csr07\\_psa7.pdf](http://www.hm-treasury.gov.uk/d/pbr_csr07_psa7.pdf)

In PSA 7 the Government states, for the first time, that its "central economic objective is to raise the rate of sustainable growth". Sustainable growth is then defined: "**'Sustainable growth' here and throughout refers to economic growth that can be sustained and is within environmental limits, but also enhances the environment and social welfare, and avoids greater extremes in future economic cycles.**"

After years of asking the Government and RDAs to define their regular use of terms like 'sustainable economies' and 'sustainable growth', the PSA definition is a welcome initial move to define growth within environmental limits.

Business Innovation and Skills (BIS) is the lead Whitehall department for the Regional Economic Performance PSA 7 target. BIS's REP PSA website also contains relevant regional socio-economic statistics and indicators against which regional economic performance and competitiveness will be judged: <http://stats.berr.gov.uk/reppsa2>

Regional Indicators of 'Regional Competitiveness & State of the Regions' include:

- Globalisation: regional GVA relative to EU average (using purchasing power parity)
- Workplace based gross value added (GVA) and gross disposable income per head
- Residence based gross value added
- Real GVA per head growth rates
- Labour productivity
- Investment and output by UK and foreign-owned companies
- Export of goods and services
- Earnings
- Employment / Unemployment
- Claimant count
- Educational and vocational attainment
- Income support / Income deprivation
- Business registrations and survival rates
- Total entrepreneurial activity
- Research & development, and employment in high and medium-high technology industries
- Transport
- Industrial property and office rental costs
- Re-use of vacant and derelict land