

REVIEW OF SUB-NATIONAL ECONOMIC DEVELOPMENT AND REGENERATION

Summary

1. The report seeks approval for a response to the Government's consultation Sub-National Review of economic development and regeneration (SNR) and for a Multi-Area Agreement submitted by the Leeds City Region.

Background

2. A report was presented to the Executive in February 2008, outlining the main findings from the SNR. This has identified a number of structural reforms, namely:
 - to strengthen the local authority role in economic development, including a new statutory economic assessment duty;
 - to support the effective collaboration by local authorities across functioning economic areas, for example by establishing Multi Area Agreements;
 - to introduce single regional strategies, with Regional Development Agencies designated as regional planning bodies;
 - to give regions a greater say in the distribution of funding in each region;
 - to sharpen the focus of central government on sub-national devolution, including the appointment of regional Ministers acting as regional champions.
3. Since then, the Government have issued a consultation paper on how to take forward the SNR. The consultation covers developing stronger partnerships for regional growth, integrating regional strategies to promote growth and the role of local authorities in strengthening sub-regional economies. Full details of the consultation are available at www.communities.gov.uk/publications/citiesandregions/prosperousplaces. There are 15 specific questions to be covered in responses to this consultation. The deadline for responses was 20th June and a response was sent by the Chief Executive following the circulation of this to all elected members for comment. This is attached to this report as Annex A.
4. The SNR envisages a stronger role for City Regions and sub-regional working in order to enhance economic growth and competitiveness. The engagement of York in the Leeds City Region was a major focus of the report to the

Executive in February. Approval was given to a series of actions to support the priorities of the City of York within this city region context. This included endorsement of officer support for the preparation of a Multi-Area Agreement focussed on skills, labour market mobility and transport. A draft of this was considered at the Leeds City Region Leaders meeting held on 12th June and it was agreed to delegate responsibility for finalising this to the Chair and Chief Officer of the Leeds City Region in order for submission to take place by the end of June. The latest version of the Multi-Area Agreement for the Leeds City Region is appended to this report as Annex B.

Consultation

5. Consultation has been undertaken by the Government regarding the SNR and it is likely that specific elements of the proposals set out within the SNR will be the subject of further consultation as proposals are developed. The Leeds City Region Development Programme was subject to consultation within the city region and was agreed by all 11 local authorities. The implications for York of the developing "City region agenda" has been included in the consultation exercises undertaken with respect to the Future York Group report, the Sustainable Community Strategy and the Local Development Framework. Any agreed actions following consideration of this report may need to be subject to further consultation following consideration at this meeting.

Options

6. Most of the proposals set out in the SNR will be the subject of legislation following this round of consultation with the local authority and an assessment of the options open to the Council will need to be undertaken at the appropriate time. At this stage, the options are to endorse the response to the consultation or not and similarly, to support the Leeds City Region Multi-Area Agreement or not.

Analysis

7. The analysis of issues arising from the SNR consultation is set out in the response attached at Annex A. The response has been written to set out how the SNR can deliver maximum benefit to the City within the Government's proposals and also takes account of the outstanding concerns of the Local Government Association, particularly concerning joint agreement of a draft Integrated Regional Strategy by the Regional Development Agency and local authorities before this is submitted to Government and planning responsibilities needs to be anchored in democratic political processes, with political responsibility taken at the appropriate level for different orders of planning decisions. A copy of a joint statement issued by the Local Government Association and the Regional Development Agencies is attached at Annex C. Additionally, a joint position paper has been issued by Local Government and Humber and Yorkshire Forward and this is attached at Annex D.
8. In terms of Corporate Priorities, involvement with the Leeds City Region can help to increase the skills and employment prospects of residents, improve

economic prosperity/minimise income differentials and reinforce the sustainable transport agenda. These are central features in the proposed Multi-Area Agreement (MAA). The MAA includes a series of “asks” from Government as part of a dialogue about devolution of responsibilities in line with the SNR. Work has concentrated on making these “asks” more focussed although it is recognised that some are likely to form the basis of longer term working between the Leeds City Region and Government. At the current stage, the requirement on the City of York Council is to engage in mutual co-operation to help achieve these “asks” from Government; there is no direct funding commitment required from the Council to achieve the MAA. Members will be aware that the MAA can assist in ensuring that an appropriately skilled workforce is available to meet the needs of employers in the City and across the LCR. York, a centre for learning with its two universities and two colleges with a new Financial Services Academy (York College) and Business School (St John's) is well placed to feed into the skills base required in the future and underpin the burgeoning Financial and Business Services Sector that needs to spill out of Leeds. York is currently at near full employment but the opportunity is here to address both higher added value employment as well as under employment and low skills issues.

Corporate Priorities

9. Current corporate priorities that link with the report's focus on improving economic prosperity through the SNR and the Leeds City Region are:
 - Increase peoples skills and knowledge to improve future employment prospects.
 - Improve the economic prosperity of the people of York with a focus on minimising income differentials.
 - Increase the use of public and other environmentally friendly modes of transport.

Implications

10. Financial: As a member of Leeds City Region. City of York Council will be playing its part in the formulations of future policy and subsequent action. At this stage, it is not possible to determine what action may be agreed. However, it is likely that there will be a financial consequence which will need to be considered at the appropriate time.
11. Human resources: None directly from this report.
12. Equalities: None
13. Legal: None
14. Crime and Disorder: None
15. Information Technology: None
16. Property: None

Risk Management

17. In compliance with the council's risk management strategy. There are potential risks to York and the Council of not engaging in the Leeds City Region through a potential loss of funding opportunities and influence. The actions set out in paragraph 9 of this report are intended to mitigate against potential risks.

Recommendation

18. That the Executive:
1. endorses the response to Government regarding the consultation on the Sub-National of Economic Development and Regeneration as set out in Annex A to this report;
 2. supports the Multi-Area Agreement for the Leeds City Region as set out in Annex B to this report.

Reason: To help shape the effectiveness of future action, in line with the Council's Corporate Priorities and the objectives of the Sustainable Community Strategy.

Contact Details

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Report
Approved

Date

Specialist Implications Officer(s)

Financial – Patrick Looker
Others – Report Author

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

None

Annexes:

ANNEX A: RESPONSE TO THE SNR CONSULTATION

ANNEX B: LEEDS CITY REGION MULTI-AREA AGREEMENT

ANNEX C: JOINT STATEMENT ISSUED BY LGA AND RDAs

ANNEX D: LOCAL GOVERNMENT YORKSHIRE AND HUMBER – YORKSHIRE FORWARD POSITION STATEMENT