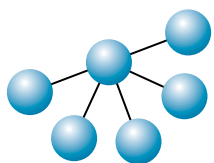


Supporting sub-regional working

a discussion note



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Introduction

Collaboration between councils and their partners at a sub-regional level is increasingly important. This work has largely been instigated by local councils and their partners. The outcome of the Government's Sub-National Review has highlighted the importance of work at this level. And it is significant that while the Conservative Party is highly critical of regional structures, it is committed to encouraging local councils to develop enterprise partnerships reflecting "natural economic divisions".

There is a widespread, and growing, recognition that housing markets and local economies do not reflect administrative boundaries. Economic evidence from various sources shows that markets for labour, goods and services as well as industrial clusters and relative economic performance all tend to operate on geography that is different from most individual councils' boundaries, and often at a larger scale than the district, but at a much smaller level than the government's administrative regions – in other words, at a sub-regional level.

Much sub-regional working focuses on economic development and regeneration, but joint working at a sub-regional level is also important in relation to other policy and service areas such as transport, spatial planning and waste disposal. As part of the new arrangements for 14 to 19 education and training the Government required councils to come together in sub-regional groupings. In addition, a number of the Total Place pilots comprise groups of authorities,

some of which are established sub-regional partnerships.

It is important to stress that much activity at this level has been instigated by councils and their partners as a response to local circumstances rather than in response to Government initiatives. Partnerships such as the Association of Greater Manchester Authorities (AGMA), the Black Country Consortium and Tees Valley Unlimited all pre-date the current Government policy agenda. For once, central government's policy approach has been shaped by councils' own practice.

This discussion note outlines the scope and breadth of activity at the sub-regional level. It identifies the headline challenges sub-regional working has presented for local councils. The note goes on to raise questions about the lines and forms of accountability of these structures and in some cases sets out an LGA perspective on those issues. This note is also intended to prompt a debate about how the LGA group might best support sub-regional working. It is the first publication to be produced from the 'Supporting Sub-Regional Working' project that Shared Intelligence (Si) is delivering for the IDeA, which will produce a final report in the autumn.

The note:

- summarises the case for sub-regional working;
- provides pen portraits of ten sub-regional partnerships;
- suggests a framework for sub-regional partnership arrangements;
- identifies a number of challenges councils and their partners face in working at a sub-regional level; and
- poses a number of questions about the future development of sub-regional working.

This paper draws primarily on the experience of Shared Intelligence (Si) in working with sub-regional partnerships but is also based on a brief review of available literature and a series of telephone interviews with people involved in sub-regional working.

1. The case for sub-regional working

Sub-regional working is not a new phenomenon. There have been partnerships across local authority boundaries over many years, predominantly in relation to transport, waste disposal, and economic development. But increasing emphasis is being given to activity at this level, and it is possible to identify three key factors behind this trend.

First, councils have raised the level of their ambition in relation to economic development and regeneration. The recession has provided a further impetus for this work. Transport and housing are also priorities for many councils. In each of these areas the geography for analysis and intervention is often different, and sometimes larger, than the boundaries of the individual councils concerned. A sub-regional focus is often appropriate.

Second, pressures to secure efficiencies and deliver improved services in the context of expenditure constraints are leading councils and their partners to put more energy into exploring forms of collaboration, including shared services and joint commissioning and provision. In many cases councils are choosing to collaborate at a sub-regional level. This trend has been reinforced by the Total Place

pilots. The primary objective of this programme, which was announced in the 2009 Budget, is to explore ways of securing improved services at lower cost through an area focus, enhanced collaboration between partners and more effective customer engagement. A number of the 13 pilots are sub-regional groupings – some are based on existing partnerships (eg AGMA), some cover the same area as a Multi Area Agreement (eg Bournemouth, Dorset and Poole) and some are new groupings (eg Gateshead, North Tyneside and Sunderland).

Third, the Government and national agencies are encouraging sub-regional and conurbation level working. The sub-national review has expressed this formally, and a number of subsequent government documents and policies have emphasised the benefits of sub-regional working and provided incentives for Councils to formalise these relationships. These include: MAAs, MAAs with statutory powers, Employment and Skills Boards, Economic Prosperity Boards, City Regions, and Accelerated Development Zones. In a number of places the need to engage with the Home and Communities Agency (HCA) through its “Single Conversation” is a further factor strengthening the case for collaboration at this level.



2. A picture of the current landscape

The landscape of sub-regional working is now an extremely varied one. This results in part from the outcome of negotiations with Government and in part from local choice. The pen portraits in this section illustrate that diversity.

The following summaries illustrate the range of current structures for sub-regional working. Sub-regional partnerships range from legally-constituted bodies to voluntary arrangements. Some focus mainly on coordinating the policies of the individual authorities, whilst others engage directly in plan-making. They also vary in their scope, some deal predominantly with a single issue such as housing growth, while others cover the full breadth of issues relating to the economic wellbeing of an area - housing, infrastructure, transport, enterprise, and skills.

Most of the partnerships are in a continuous process of change, influenced by a range of regional and national factors, as well as the extent of the local authorities' ambitions. This is not an inevitable process of evolution; some local authorities develop sub-regional arrangements for a particular issue or funding stream and they are dissolved once their work is done, while others have evolved considerably over the years, building on increasing understanding of joint objectives across the authorities.

This section illustrates some of the challenges facing sub-regional partnerships, which are developed in more depth in the next section. We hope that together these sections will provide a starting point for identifying how to better support local authorities to work sub-regionally.

The **Association of Greater Manchester Authorities** (AGMA) was set up in 1986 following the abolition of the former Greater Manchester County Council. The Leaders and Chief Executives of the 10 local authorities of Greater Manchester now work on a range of key strategic and policy issues. A pioneer of city region working, it has an Integrated Transport Authority and an Executive Board that brings together the Council Leaders to take joint decisions by majority vote. AGMA has achieved a significant degree of joint working on key areas, including lobbying government, and establishing joint units that provide functions for the whole city region. Greater Manchester has secured forerunner statutory city region status and has established a series of commissions to address key policy themes. It is also a Total Place pilot.

The **Greater Nottingham Growth Point Partnership** was set up in April 2008 to steer the alignment of strategic planning across the Nottingham Conurbation and the implementation of the New Growth Point Programme of Development. It brings together the 6 local planning authorities that comprise Greater Nottingham (Broxtowe Borough

Council, Erewash Borough Council, Gedling Borough Council, Nottingham City Council, Rushcliffe Borough Council, and the Hucknall part of Ashfield District Council), together with Nottinghamshire and Derbyshire County Councils. The work is steered at a political level by a Joint Planning Advisory Board which has been established to align planning strategies (especially in relation to housing growth) in and around Greater Nottingham. Nottingham's experience illustrates the challenges involved in establishing and managing partnerships which span unitary, county and district boundaries and which relate to places which embrace only part of an authority's area.

The **Leeds City Region** has been a pioneer of city regional working over the past 10 years. It was part of the first round of Multi Area Agreements and along with AGMA was successful in its bid to prepare a City Region Forerunner Plan. Starting as a voluntary partnership, city regional governance has been strengthened by the formation of a Leaders' Board in 2007, which is a legally constituted Joint Committee made up of the 11 local authorities in the city region. The City Region Forerunner bid outlined ambitious proposals for devolution of funding and responsibility to the city region, including a City Region and an HCA Joint Board to oversee city region housing policy, investment and delivery.



Luton and Central Bedfordshire

unitary councils collaborate in various ways around the Luton/Dunstable and Houghton Regis growth area. Particularly close working takes place on planning and transport through a Joint Committee which was established prior to the recent local government reorganisation which created Central Bedfordshire Council. The local authorities and partners have also formed a Local Delivery Vehicle – Luton Gateway – that focuses on driving growth through land assembly and investment. Central Bedfordshire and Luton is also a Total Place pilot, which may well be a driver for more integrated working between the councils, though the precise links with the growth agenda remain unclear. Finally, the councils have worked together on the preparation of an Integrated Development Plan, and on the submission of bids for City Region status, as well as an Accelerated Development Zone.

The **Olympic Host Boroughs** are the London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest. These five boroughs are leading the development in London of sub-regional working and have a shared vision for the future of their rapidly changing area. The boroughs are committed to securing lasting physical, social and economic benefits for their local communities from the 2012 Olympic and Paralympics Games. Working with Government and the Mayor of London they have adopted a principle of “convergence” where this area at least achieves equality with the rest of London on the big life-impacting issues including wealth, health and wellbeing. The Boroughs have already formed a joint statutory committee; established and resourced a shared unit to support their sub-regional work; developed a joint regulatory services approach to the Olympic Park; developed an approach to co-ordinating employment support services across the boroughs; supported sport and activities events across the five boroughs, including an annual culture festival and art awards; developed a Multi Area Agreement in partnership with central and regional Government covering worklessness, housing and public realm services; and will shortly be publishing part 1 of a Strategic Regeneration Framework, setting out the vision, principles and five year action plans for achieving a lasting legacy and regeneration.



Pennine Lancashire brings together areas which have suffered industrial decline resulting in significant pockets of concentrated deprivation. Pennine Lancashire functions as a single economic area and is in close proximity to the Manchester, Liverpool and Leeds City Regions. The seven Pennine Lancashire authorities have identified transport connections to these economic growth centres as a top priority. This forms part of a wider strategy to integrate employment and skills, increase Higher Education provision and link this to the needs of the economy, as well as prioritising other key economic interventions aimed at restructuring the local economy, as set out in their Multi-Area Agreement. The Pennine Lancashire Leaders and Chief Executives (PLACE) currently lead the development and delivery of strategies for the sub-region, though there are plans to replace this voluntary arrangement with a legally-constituted Joint Committee. PLACE is also committed to forming a Pennine Lancashire Development Company (PLDC) to deliver elements of the MAA and the Economic Strategy.

The **Sheffield City Region Forum** brings together 11 local authorities from across the city region to identify strategic priorities that will benefit from city regional working. The aim of the authorities is to collaborate around factors that support higher economic growth and make a major contribution to moving the City Region towards, for example, a knowledge-based economy. The SCR Forum is a non-executive partnership. It is conducting a review of economic development structures across the city region and exploring the potential to set up an Economic Prosperity Board. The city region spans two regions, and includes unitary and two tier council structures.

Thames Gateway South Essex is one of three sub regions that comprise the Thames Gateway Growth Area, Europe's largest regeneration project. It is a national, regional and local priority area for investment. Set up in 2001, the Thames Gateway South Essex Partnership (TGSEP) focuses on three strategic priorities - leadership, advocacy and enabling – across the member councils. It offers a platform for joint working with regional and national agencies on the area's development and regeneration. TGSEP is currently developing an Integrated Development Programme and an Economic Development Delivery and Business Plan.



Thames Gateway Kent is another of the three sub-regions that comprise the Thames Gateway Growth Area. The Thames Gateway Kent Partnership (TGKP) was set up in 2001 and brings together a partnership of private, public and community sectors in North Kent and Medway. TGKP has recently developed a MAA focusing on investment, employment and skills, housing and transportation. The partnership's governance structures have been strengthened by the creation of the Thames Gateway Kent Leaders Board, bringing together the Leaders of the five local authorities together with high level representatives of key partners who are signatories to the MAA.

The **West of England Partnership** brings together the four unitary authorities in and around Bristol and Bath, on the footprint of the old Avon County Council, with other social, economic and environmental partners. The partnership was set up to drive forward action to sustain prosperity and quality of life in the sub-region. The partnership Board is supported by two joint committees and three boards who offer specialist advice on five thematic areas. The two joint committees set up for transport and waste have facilitated particularly close joint working on these issues. The partnership is currently strengthening sub-regional decision-making in other areas including employment and skills, and agreeing an MAA.

Partnership for Urban South Hampshire (PUSH) was formed in 2003 to support collaborative work to tackle the economic challenges of South Hampshire. It covers business, enterprise and skills, housing, transport, infrastructure and quality of life/place issues. PUSH includes 11 local authorities - Hampshire County Council and the eight district councils whose areas fall wholly or partly within the South Hampshire sub region, along with Portsmouth and Southampton city councils. There is a Joint Committee of Leaders which sets the overall policy direction for the partnership, five themed Delivery Panels which oversee implementation, and the partnership has also set up an Employment and Skills Board. It was part of the first wave of MAAs to be agreed in 2008. PUSH is currently exploring new models for securing development funding through an Accelerated Development Zones bid, Tax Incremental Financing and the Asset Backed Vehicle model.



3. Challenges and issues

It is clear from our work with sub-regional partnerships and our discussions with people working with them that there are a number of significant challenges to be addressed if sub-regional working is to achieve its potential. The nature of some of the new sub-regional arrangements and the governance issues being addressed in negotiations with government have focussed attention on the mechanisms for ensuring appropriate forms of accountability. These issues are addressed below.

Political leadership

Political and civic leadership has an important role to play in driving the continued development of sub-regional partnerships, but the task is an extremely challenging one. In some cases the scale of investment required across a sub-region is massive, and the political challenges of agreeing a strategic approach and prioritising resources across a sub-region require considerable skill. Collaboration at this level is inevitably complex and progress can be hampered by factors such as resources, ongoing political commitment, inter-

authority differences and competing priorities. In addition, promoting the case for sub-regional working within councils to ensure political support, understanding the role of members on partnerships and developing mechanisms to facilitate robust decision-making at the sub-regional level require a high level of political leadership.

Managerial leadership

The dynamics between political and managerial leadership at a sub-regional level are different to those within an individual authority. More attention has to be given to negotiation and consensus rather than working with a political process which hinges around opposition and majority groups. Managerial leaders also face the challenge of breaking out of the “sub-regional bubble” and embedding within their organisations an understanding of the synergy between policies and activity at local and sub-regional levels. Communication is critically important, and at a sub-regional level knowing who to know and how to influence is far more complicated and less tangible than within an individual council.

Complexity and lack of clarity around future options

This is a rapidly developing area of policy and practice, but effective partnerships take some time to establish, and become operational. Interpersonal and inter-organisational relationships have to be nurtured and developed over a period before real change is apparent on the ground.

But the policy context is changing rapidly and nationally-set deadlines often ignore the realities of partnership working. Since the sub-national review was first published, there have been Economic Prosperity Boards, Employment and Skills Boards and City Regions established or under development. None of these structures has been clearly defined, and there is considerable variation across the country, for example in Employment and Skills Boards. There are also existing partnerships and Joint Committees as well as existing regeneration delivery agency partnerships taking forward work in these areas.

While it could be argued that the general direction of policy is to increase sub-regional working and to reinforce the potential value of these structures, it is as yet unclear how far these developments are likely to go. The implications of a possible change in government following the general election add to the sense of uncertainty. This is particularly relevant to councils and partnerships which are considering whether or not to put more formal structures in place.

Democratic accountability and governance arrangements

One element of the current government's proposals for arrangements at a sub-regional level is the introduction of a larger range of formal decision-making and accountability structures, including MAAs with statutory duties, Economic Prosperity Boards and Statutory City Regions. The logic underpinning much government thinking – that the greater the powers available to a sub-regional body the clearer and more transparent its lines of accountability should be – is sound. But the choice of what structure is appropriate has major implications for local government and more thinking is undoubtedly required. In particular, the Local Government Association (LGA) questions the Government's pursuit of new, tailor-made governance structures in its negotiations with sub-regional partnerships.

	Partnership In which agreement of all councils is required	Partnership In which a specified number of councils must agree	Organisation With independent decision-making authority
Decision making	<ul style="list-style-type: none"> Operates on the basis of a consensus Members as <i>representatives</i> The member organisations decide 	<ul style="list-style-type: none"> Operates – in theory – on the basis of majority decision-making Members <i>delegate</i> decision-making 	<ul style="list-style-type: none"> Has formal decision-making powers Members are conferred full powers
External partners	Non-local authority members form part of the consensus	What is the status of non-local authority members?	
Accountability	Accountability through individual members	?	Some element of direct accountability
Resource and Delivery	Aligned budgets and strategies	Pooled budgets and joint strategy	Dedicated resource and its own strategy
	CO-ORDINATION eg LSP, MAA	COLLABORATION eg Economic Prosperity Board	ORGANISATION eg Statutory City Region

Figure 1

Typologies can often be used to understand different options in circumstances such as this. The fact that we have had difficulty in developing a typology for sub-regional structures with which we are happy is evidence of the complexity of the issues involved. One typology is set out in Figure 1 above for the purposes of discussion. It seeks to illustrate the differences and interaction between:

- A partnership and a new organisation;
- Co-ordination, collaboration and organisation (as modes of operation);
- The nature of the decision-making process, from consensus to majority vote;
- The difference between partners deciding and a partnership deciding.



Among the issues it highlights are:

- The potentially anomalous position of non-council partners in structures where formal decision-making authority rests with the partnership or organisation (particularly given the limits on the membership of statutory joint committees in the current local government legislation);
- A lack of clarity about the most appropriate form of accountability for a partnership with decision-making powers;
- The fact that the areas of uncertainty we have identified apply particularly to the new structures the Government is proposing;
- The importance of being clearer about whether any form of direct accountability is appropriate for new sub-regional organisations, bearing in mind the primary local democratic function of local councils, and, if so, what forms of accountability may be appropriate.

The LGA considers that a key factor to be taken into account in exploring these issues is what these partnerships are to be accountable for. The Association maintains that the kind of accountability needed where a partnership aims to discharge a function devolved from central government and a portion of a Budget voted by Parliament to a non-departmental public body is arguably quite different – as it is taken on a role previously held by ministers – from the

accountability needed to discharge a function shared between a number of councils. The LGA considers that government thinking on this issue is confused – suggestions, for example, that some kinds of partnership must be “business-led” to do their job raises wholly novel concepts of the need for the state to account to the corporate sector.

It may be that new models of local accountability need to be developed to fill this gap. Two of our case study partnerships have established scrutiny arrangements – AGMA and the West of England. This suggests that securing political accountability requires more than the creation of Joint Committees, particularly if powers are going to be increasingly exercised across the sub-region rather than locally and partner organisations are going to be involved in the new structures. But there is more fundamental thinking required. Some observers have suggested, the whole debate about accountability is being exploited by those who are actually reluctant to see local government take on more responsibility.

Variation in local government structures

Many of the sub-regions featured in our case studies span a multiplicity of boundaries, including regional boundaries. In some cases the need for cross-border working stems from the existence of an urban area with very tightly drawn administrative boundaries. This can be challenging for the city concerned, but also for the neighbouring/surrounding authorities. It is challenging for a county council, for example, to focus on one or more conurbations while maintaining a coherent strategy for the county as a whole (which, administratively, may not include the city). This all makes the political and governance issues more complex than they would otherwise be.

Counties operating for economic development purposes as sub-regions in relation to their work with the RDAs are currently ineligible for some of the new structures. For example, the Government is not willing to negotiate an MAA with a county council working with districts because this combination of councils is not deemed by ministers to meet a definition of “cross-boundary” which has been adopted as a precondition for MAA negotiations. Similarly, the Government will not support the creation of Employment and Skills Boards in these circumstances. The LGA is keen that the justification for this stance should be challenged.

4. Questions and issues for discussion

The LGA group is planning a programme of support to councils developing sub-regional working. And would like to explore what the focus of that support should be – guidance on options, guidance on governance, spreading best practice and sharing experience, or coaching and development work focused on partnership building and leadership.

1. What kinds of capacity should be held at sub-regional level?
2. Does cross boundary sub-regional working require significant cultural change within member authority structures?
3. How can sub-regional partnerships most effectively leverage the capacity of member councils and other partners?
4. How important are governance structures and lines of accountability?
5. Do we need a fundamental rethink to develop new models of accountability for sub-regional bodies?
6. Does it make a difference whether the sub-regional arrangement is a partnership sharing local government powers, or a new arrangement to receive powers devolved from central government?
7. How does sub-regional working apply to county and district structures where these councils are dealing with the same issues on a sub-regional basis but without the same ability to develop new sub-regional structures?
8. Could lessons from the Pathfinder processes provide an answer?



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