Regions to be cheerful? – revisited

A personal view of sustainability progress at the English regional level 2003-2011

Final Report
March 2011
Foreword

In July 2003, I was busy leading Forum for the Future’s sustainability advice to the emerging regional structures and the devolved nations of Wales, Scotland, and Greater London. It was before the North-East referendum for an elected Regional Assembly with the promise of a mixture of new and devolved powers, and the expectation of a ‘domino’ effect sweeping across the rest of England. At the time I was asked to put the case for what regions could contribute to sustainable development. ‘Regions to be cheerful?’ was born and launched with the first debate on this issue by the main political parties, and the Sustainable Development Commission (SDC). Annex 1 reproduces the main article.

Subsequently it was all down-hill with the surprise ‘No’ vote in the North-East. The ‘No’ vote was based on the popular opponents campaign that a Regional Assembly would result in more politicians – actually it would have been less with the abolition of the district councils.

It then became painfully apparent that the then Government had no ‘plan B’. As a result there was a muddled regional policy of devolving power and responsibilities to Regional Development Agencies (RDA’s) beyond their initial economic focus and without a clear local accountability framework. Meanwhile Government Departments either ignored the regional dimension, or re-enacted central ‘turf wars’ by supported different regional delivery bodies. Also the idea of strong sub-regions or city-regions began to gain favour with Greater Manchester and Leeds demonstrating their ability to link strong collective local leadership with strategic planning.

In the aftermath of the recent change of Government, regional policy was seen as ripe for change either as part of the new ideology of the ‘localism’ agenda, or the ‘bonfire of quangos’ efficiency drive and deficit reduction. Although it is too early to tell at the moment, the emerging policy appears to be as muddled as the first. The majority of regional bodies, including RDAs, will be scrapped, with the remaining organisations removing the word ‘region’ from their functions. Local accountability will be provided by new sub-regional local authority and business led Local Enterprise Partnerships (LEPs). However these new bodies will have no devolved funding, with the remaining funding streams and functions such as European support, inward investment, skills and new regional growth fund being centralised. This represents around an 80% reduction of overall funding for the new sub-regional bodies to influence.

However, in the last eight years, despite or because of the ongoing regional and sub-regional muddle, sustainability champions have been able to innovate or push forward a longer –term economic, social and environmental agenda. I have had the privilege to be part of this movement by working as part of a national sustainability charity, in a Regional Development Agency and now an independent sustainability advisory body. As part of the SDC legacy programme I was asked to revisit my ‘Regions to be cheerful’ article eight years later to draw out any key lessons for the next generation of sustainability champions and policy makers working in the ongoing frustrating and exciting arena of policy development and delivery outside Westminster.

The rest of this report is my personal view of sustainability progress at the English regional level 2003-2011.

Dr Simon Slater
Executive Director, Sustainability West Midlands, March 2011.
Contents

1. DID REGIONS MAKE A DIFFERENCE TO THE UK? 4
2. DID SUSTAINABLE DEVELOPMENT MAKE A DIFFERENCE TO REGIONS? 7
3. CONCLUSIONS - IMPLICATIONS FOR THE NEW ROUND OF ‘SUB-REGIONAL’ POLICY 10
4. ANNEX 1: EXTRACT FROM REGIONS TO BE CHEERFUL? 11

Report information

Title: Regions to be cheerful? – revisited. A personal view of sustainability progress at the English regional level.
Version: March 2011.
Client: Sustainable Development Commission.
Funders: Sustainability West Midlands.
Project Manager: Simon Slater, SWM.
Project Contributors: Simon Slater, SWM.
Disclaimer: This report represents the independent advice commissioned by Sustainability West Midlands, which is the personal viewpoint of the Executive Director of SWM, and not necessarily that of the funders.
Copyright: This report may be freely distributed and used for public benefit and non-commercial use. If information is used from this report it must reference the source which is “Regions to be cheerful? – revisited. A personal view of sustainability progress at the English regional level, Sustainability West Midlands, 2011”

About Sustainability West Midlands
We are the sustainability adviser for the leaders of the West Midlands. We are also the regional sustainability champion body for the West Midlands, designated by government. We are a not-for-profit company that works with our members in the business, public and voluntary sectors. Our role is to act as a catalyst for change through our advice to leaders, to develop practical solutions with our members and share success through our communications.

www.sustainabilitywestmidlands.org.uk Registered company No.04390508
1. **DID REGIONS MAKE A DIFFERENCE TO THE UK?**

The aim of Regions to be Cheerful in 2003 was to set out which areas regional policy could make a genuine lasting difference, and how could sustainable development ensure this was realised.

Therefore the first test is how did regions make a difference to the UK?

What follows is my own personal and subjective assessment based against the criteria I set out in 2003.

1.1 **SHARE OUT JOBS AND HOUSING MORE FAIRLY? (SCORE 5/10)**

Debates have raged around this topic which is the central promise of regional development. The gap between the economic performance of the best and worst regions was not reduced during the period, although some argue it prevented the gap growing.

Independent analysis of the return on investment of the RDAs in terms of jobs and productivity was seen as value for money. However the lack of coherent national policy towards regions was also seen as hampering the process as conflicting messages and priorities filtered down for interpretation around regeneration verses economic development, urban verse rural, or the lack of influence over the overall public spend within the region.

Regional policy in terms of spatial strategies, economic strategies and the promised overall integrated regional strategy were becoming more sophisticated in their analysis and consensus building, but attracting very little new powers for implementation.

Meanwhile Government Departments were reluctant to relocate or disperse operations or R&D from the South East. As a result there is still a mis-match of the type of jobs, workforce and over-reliance on particular sectors.

Would a more coherent regional approach have worked – yes. Would we have had a larger gap between regional performances without any regional policy – yes.

1.2 **SPREAD RISKS AND REACT TO CHANGE? (SCORE 7/10)**

Having the majority of our economic productivity concentrated within the south-east of England increases the risk to our economy from exposure to severe weather, terrorist, or other events. National and regional policy to date has failed to create a more dispersed economy around different regions and cities within the UK which would be more resilient to geographic specific threats.

However what regional policy and structures did demonstrate was the ability to respond quickly and appropriately to environmental or economic shocks. For example subsequent flooding and foot and mouth recovery led by regional agencies rather than from the remote London centre has proved more effective. If these functions are now to be carried out by fifty odd sub-regional LEPs rather than 9 regions this will require more resource to coordinate from the centre.

1.3 **GET US MOVING? (SCORE 7/10)**

The scale of regions and devolved powers promised improved national and local connections. The innovation with London and the congestion charge, integrated transport, and the bike hire schemes showed the way. Devolved powers and funding for the English regions was patchy with urban areas beginning to develop integrated transport authorities and more input on funding priorities, but nothing to match the transport powers of London, and attempts in other city region areas to introduce congestion charging failing.
However lobbying from coherent regional positions around improved rail connections, port and airport infrastructure within a national framework was seen as beginning to pay off. The latest debate around the cost and benefit of a high-speed rail infrastructure is the result of this process.

Would a more coherent regional policy which provided similar transport powers as in Greater London to other regions have worked – yes. Would we have had a less-coherent transport policy without regional input – yes.

1.4 **Drive Innovation? (Score 8/10)**

Studies have shown that the scale of a region in terms of a cluster of decision-makers, universities, investors, businesses and markets is an ideal scale to drive innovation in terms of product development and also to build links with other international partners and regions. This has been particularly true where there has been a strong partnership around a particular area of market development.

The low carbon economic areas initiative sought to ‘brand’ existing emerging strengths such as low carbon automotive development in the West Midlands. As previously mentioned regional leadership has helped kick-start several low carbon initiatives that the Government is now seeking to roll out.

With the breakup of the regions into sub-regional areas, there is a fear that the scale and clout for driving low carbon innovation will be lost.

1.5 **Value Our Environment? (Score 8/10)**

The scales of regions were not just large enough to help with economies of scale around jobs, skills, innovation and investment. They also offered a useful scale for waste recycling, energy production, and water management. Most of the regions pioneered studies putting figures on the benefit of the natural environment to the economy, such as tourism, flood prevention and recreation.

Unfortunately, with some notable exceptions around flooding and water resources, there has often been a confusing offer around the benefits of the natural environment or environmental infrastructure to allow it to be treated and valued in the same way as other vital enabling infrastructure such as schools and utilities. Also the thorny issue of compensation for different regions trading environmental resources, such as the South-East importing its power and exporting its waste has not really been tackled.

Several regions where there was a clear business case have set up centres of excellence around environmental technologies, waste and energy. The RDA’s often invested more into environmental related projects within the region, than the Government’s own environmental departments. The overall legacy is impressive, with the growth in green technology and diversification of manufacturing ready for the off-shore wind markets, housing retrofit, and low carbon vehicles. Many of these markets have also been kick-started by regional leadership, with national Government playing catch-up.

Yes there were economic projects that did not value the environment fully, especially in the early days of regional economic policy. But my experience was that with help of local partners RDA’s rapidly became more sophisticated in the type of economic, social and environmental investments they were making, often in the face of central Government guidance. For example I was involved in produced the UK’s first low carbon economic regional strategy which included a great deal of analysis and involvement from local partners in the West Midlands. However when we consulted with Government, the individual departments were only interested in their agenda, or a narrow definition of productivity. Despite this we produced a more robust, evidence based local strategy in the West Midlands has been adopted by several regions globally.
1.6 Reconnect people with place? (Score 6/10)

The idea of identify and place is one that has troubled regional policy with people having different affinities to places rather than the artificial constructs of the current Government Office regional boundaries. However as the recent submissions of LEP bids have shown there will never be a perfect boundary that reflects economic geography or political reality. Our TV, council, water or energy company boundaries don’t make sense either – but what we are more interested in is the service these organisations provide.

Where regional policy has helped reconnect people to the places they live in, is when strong brands, have been supported such as the local tourism, cultural, or the food offer, especially in working across local authority and rural and urban boundaries. Where it has not worked is when unfocused marketing has been used to around promoting the identity of the region without a clear purpose or audience.

There has been a legacy of revitalized urban centers outside London and an improved cultural and local food and tourism offering. However the current Government localism agenda of devolving more power to local authorities and communities has the potential to achieve more.

1.7 Make sense of our place in the world? (Score 6/10)

The clout and size of a region can help establish trading links with other similar regions globally and help develop policy and lobbying networks to drive change either supporting or bypassing national Governments. This has been helped by several EU funded regional good practice networks, or municipal networks such as the covenant of Mayors to tackle climate change.

There has been understandable criticism around the number of competing regional inward investment offices around the world, rather than more joint working, and notable success from city rather than regional networks. However with the emerging markets in Asia having large cities, to compete globally it will often be the case of UK cities clubbing together as a region to provide the appropriate economic presence.

1.8 Summary (Overall Score 6.5/10)

To conclude based on my subjective scoring UK regional policy over the last eight years scored above average in terms of its impact on the sustainability of the UK.

How much was this score due to the lack of a coherent approach to regions or the mixed use of sustainable development at the regional level? This is explored next.
2 DID SUSTAINABLE DEVELOPMENT MAKE A DIFFERENCE TO REGIONS?

Regions to be Cheerful in 2003 set out 10 tests of a ‘Sustainable Development guarantee’ to check against your regional policies and structures to ensure the promise or regionalism was realised.

Once again using the additional criteria provided I have provided my subjective assessment.

2.1 HAS THE QUESTION "HOW CAN REGIONAL WORKING ACTUALLY MAKE A DIFFERENCE ON THE GROUND" BEEN ADDRESSED AT THE OUTSET? (SCORE 5/10)

In my opinion many regional strategies didn’t make it past this test, especially in the early days. There was either the repetition of national policy, or an inclusive approach to consultation which meant reflecting a wide range of views rather than a more honest approach of focusing on what could be actually influenced.

2.2 WHAT IS THE REGION DOING TO HELP REDISTRIBUTE DEVELOPMENT WITHIN AND BETWEEN REGIONS, AND GLOBALLY? (5/10)

Many regions began to develop approaches of linking areas of need to those of opportunity such as local skills training linked to development sites, working across urban and rural areas and local authority boundaries. However the track record of working across regional boundaries within a UK and global context was mixed. Apart from the exception of several EU good practice networks, the ability of regions to influence UK policy, let alone international policy was limited.

2.3 IS THE REGION THINKING LONG-TERM, HELPING DECISION-MAKERS TO 'FEEL' THE FUTURE 25 YEARS AHEAD, AND SEEKING TO SHAPE IT? IS THIS BEING INCORPORATED INTO EVERYDAY WORK? (7/10)

The last round of regional strategies were using sophisticated ‘futures’ work drawing on climate change, population and resource trends to help develop and then ‘future proof’ the strategies. In several cases the identified drivers or uncertainties of change such as weather events, ageing population, global energy/food shortages were built into sustainability appraisals of strategies, then built into organizational processes such as the organizational risk register and project appraisal. For example Advantage West Midlands was the first public body to conduct a climate risk assessment across its operations and investments and regularly report progress to its Board through the risk register.

2.4 ARE REGIONAL PARTNERS USING THE SAME VISION, STRATEGY AND OBJECTIVES TO WORK TOGETHER AS ONE? (6/10)

With no overall agreement from Government or regional bodies on which of the many regional strategies was the overall driving force, a great deal of resources and effort was wasted. There was eventually the promise of an overall merger of strategies into an integrated regional strategy, but this never actually happened. Several regions, such as Yorkshire and Humber, East Midlands and the South East got a reasonable way forward with joint objectives or strategies, but never with enough buy in for joint implementation. Overall linkage with local priorities within sustainable community strategies led by local authorities and partners was poor.

There were a series of regional sustainable development frameworks which often consisted of a mixture of appraisal criteria and actions. Overall they were more successful as appraisal tools for sustainability appraisal, including strategic environmental appraisal, than actually setting the agreed direction for the region.
2.5 AS FOR THE CONTENT OF REGIONAL POLICIES, WHAT WILL THEY MEAN FOR JOBS, PEOPLE AND THE ENVIRONMENT - IN OTHER WORDS, HOW IS THE REGION IDENTIFYING AND ADDRESSING ITS ECONOMIC, SOCIAL AND ENVIRONMENTAL PRIORITIES? (7/10)

Over time the analysis and impact of regional policies became more sophisticated. For example the links with overall economic productivity, business sectors, skills and unemployment and health helped develop clear economic and social priorities. The natural environment due to its breath and different partners was often slower to develop priorities for initially, but with time and specific studies these priorities developed.

2.6 WHAT ABOUT 'JOINED UP DELIVERY'? HOW IS THE REGION INTENDING TO DELIVER ITS LONG-TERM ECONOMIC, SOCIAL AND ENVIRONMENTAL ACTIONS TOGETHER - VIA REGIONAL AND LOCAL PARTNERSHIPS, SPATIAL PLANNING, REGENERATION THAT LINKS AREAS OF NEED AND OPPORTUNITY, GETTING BUSINESSES WORKING TOGETHER IN CLUSTERS..(7/10)?

As regional policy developed and common tools and indicator sets emerged for appraisal and monitoring, more opportunities for joint delivery emerged within the different plans and delivery vehicles. However there were often issues of trying to ensure integration at the appropriate level. For example trying to ensure each project delivers joint objectives which could distort the aim of the project, rather than focusing coordination at the overall programme or spatial area level.

2.7 WHO HAS OVERALL RESPONSIBILITY FOR SUSTAINABLE DEVELOPMENT? RATHER THAN BEING LUMPED IN WITH 'THE ENVIRONMENT', SD SHOULD BE REPRESENTED BY SOMEONE WHO OVERSEES POLICY AND DELIVERY PROCESS, SUCH AS THE DIRECTOR OF STRATEGY, CORPORATE AFFAIRS OR INTEGRATED DELIVERY. RATHER THAN A SEPARATE STRATEGY, THERE SHOULD BE AN ANNUAL ACTION PLAN OF HOW THE PROCESS OF SUSTAINABLE DEVELOPMENT IS TO BE APPLIED ACROSS ALL REGIONAL POLICY AND ACTION. THIS MUST ALSO PICK UP ON RESPONSIBILITIES FOR CHILDREN, FOR FUTURE GENERATIONS, AND ON GLOBAL ISSUES - WHICH ARE OFTEN THE WEAKEST LINKS IN APPLYING THE SUSTAINABLE DEVELOPMENT PROCESS. (7/10)

Increasingly organizations began to follow the lead of the Welsh Assembly Government and sit ‘sustainable development’ within the strategy and policy unit.

Many agencies such as the North West, West Midlands, and East of England RDA’s began to develop and monitor their own sustainable development performance and benchmark against the good practice of peers. For example see http://www.sustainabilitywestmidlands.org.uk/resources/sustainability-at-the-rdas-benchmarking-performance-on-sustainable-development-at-the-english-rdas/

The West Midlands RDA became the first public body to have a Board champion for future generations, but this not widely followed by others.

2.8 IS DECISION-MAKING PARTICIPATIVE, TRANSPARENT AND ACCOUNTABLE - WHETHER OR NOT THE REGION HAS ELECTED REPRESENTATIVES? (4/10)

This was an ongoing weakness of regional policy. There were innovative approaches in strategy development and consultation, such as early versions of on-line facilitation in the North West, and statutory planning inquiry process for the regional spatial plan, and clear governance processes. However, without an elected regional body, agencies and organizations were often more accountable to central Government and Ministers than local elected representatives. At the same time the use of locally elected councilors as a proxy for local accountability was problematic as the decisions required were often cross-boundary and longer term than the local election cycle.
2.9 **WHAT HEADLINE GOALS ARE USED TO FOCUS SHORT AND LONG-TERM ACTION TO IMPROVE EVERYONE’S QUALITY OF LIFE?**

The ‘indicators’ may include GDP, healthy life expectancy, carbon emissions, contributions to international development - none are perfect, but they’re useful for setting goals and measuring progress. *(7/10)*

The regions became more sophisticated in developing and monitoring outcome indicators that reflected regional aspects of sustainable development. Several regions pioneered ‘environmental footprint’ work to track their trade and resource flows. Other regions commissioning work by the New Economics Foundation to develop an index of sustainable economic welfare to incorporate environmental and social data with standard GDP information. This was then used by several RDA’s to help provide a headline indicator on how to measure ‘sustainable economic growth’ the first for any public economic development body in the UK. Other headline indicators were also developed such as carbon emissions per unit of economic value in the West Midlands to try and measure the decoupling of carbon with productivity.

2.10 **IS THERE A GOOD WAY TO MONITOR OUTCOMES – TO CHECK WHAT ACTUALLY HAPPENS, RATHER THAN JUST WHETHER STRATEGIES HAVE BEEN DRAWN UP? EVERY REGION HAS VALUABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL ASSETS – SO HOW WILL OUR CHILDREN HOLD US TO ACCOUNT OVER WHAT WE GAVE AWAY? A FORM OF REGIONAL DOMESDAY BOOK COULD BE CONSTRUCTED FROM THE EXISTING STATE OF THE REGION REPORTS TO ACT AS A FINAL CHECK ON THE DIFFERENCE REGIONS ARE MAKING. (6/10)**

There are various state of the region reports produced by the local intelligence units or universities. However there was no standard reporting or format for these reports, or a different emphasis on the interpretation and analysis of particular trends of national data. Therefore although there is a wealth of data held by the different agencies, there has been mixed success of monitoring the overall outcomes in a consistent way.

2.11 **SUMMARY (SCORE 6/10)**

To conclude based on my subjective scoring sustainable development applied to regional policy in the UK over the last eight years scored around 6 out of 10 in terms of its application. This would have been higher, if there had been a clear national approach on overall regional roles, responsibilities, overarching strategy and clear local accountability. Many of the innovations and achievements around sustainable development policy in the regions were often despite, rather than because of national guidance.
CONCLUSIONS - IMPLICATIONS FOR THE NEW ROUND OF ‘SUB-REGIONAL’ POLICY

The emerging LEPs are inheriting a strong tradition of regional and sub-regional partners seeking to realize long-term economic, social and environmental benefits from working together on policy, funding, and implementation.

The lessons from the previous round of regional policy must be learnt – without a strong and clear national approach and framework – the full benefits of devolved power from the centre whether regionalism or localism won’t be realized. Just as the previous Government had no plan ‘B’ for the lack of regional elected assemblies, the current Government appears to have no back-up for if the LEPs initiative does not work.

The approach offered by sustainable development can help LEPs develop and deliver lasting benefits, but the framework within which they operate needs to be right.

END
ANNEX 1: EXTRACT FROM REGIONS TO BE CHEERFUL?

4.1 REGIONS: WHERE THE DIFFERENCE MATTERS.

In years to come, will we be watching TV documentaries called ‘what did the regions do for us?’ Simon Slater explains how they could earn a good report – if policy-makers can really grasp what sustainable development has to offer.

The concept and structure of the English regions – it’s not exactly the country’s number one talking point, is it? Nor should it be. Let’s face it, what most people are most aware of about ‘regions’ is ITV programme variations – we get shows at different times, and our own regional news and weather. But the key questions to ask about the regions are less about structure and ‘identity’, much more about what difference they can make on the ground. Just as no-one asks if we ‘feel part of’ our local NHS trust – what counts is the service it delivers.

And there are reasons to be cheerful about good work already under way in the regions. However, regions are in a long-term and difficult game. They are trying to make a difference now, while the debate around future powers, politics and structures whirls around them. Their success depends on drawing up and delivering good policy, and on engagement with the practical process of sustainable development – which, in the end, comes down to the same thing.

How do we make sure this opportunity is not lost?

4.2 SUSTAINABLE DEVELOPMENT – PROVIDING THE GUARANTEE

At the moment each region has various different economic, social and environmental priorities. Looking at them together and delivering them together, is what sustainable development – ‘SD’, to its friends – is all about. And the ‘SD guarantee’ is the only way to be sure that regional policies make a lasting difference to jobs, people, and the environment – with benefits for the rest of the UK, and internationally too. This isn’t idealism gone mad, it’s just good policy – the type of process described by the government in its guide to better policy and delivery.

To act effectively, regional policymakers need to think about the scope available to make a difference, the future direction they are pursuing, the content of regional policies, and their delivery, or how they are to be implemented together. Sustainable development is a process that helps start up the quest for solutions.

But regions also need to develop innovative ideas that are appropriate for their own people and space, so beware of the danger in being prescriptive. But if you want to check that your ‘SD guarantee’ is valid, try these 10 tests:

1. Has the question "how can regional working actually make a difference on the ground" been addressed at the outset? If not, it’ll be wasted effort.

2. What is the region doing to help redistribute development within and between regions, and globally? This involves influencing national government and international policy, and learning from others.

3. Is the region thinking long-term, helping decision-makers to ‘feel’ the future 25 years ahead, and seeking to shape it? Is this being incorporated into everyday work?

4. Are regional partners using the same vision, strategy and objectives to work together as one? No matter what it’s called, or who draws it up, the important thing is that people use it. And it helps if it links in to local priorities.

5. As for the content of regional policies, what will they mean for jobs, people and the environment - in other words, how is the region identifying and addressing its economic, social and environmental priorities?
6. What about 'joined up delivery'? How is the region intending to deliver its long-term economic, social and environmental actions together - via regional and local partnerships, spatial planning, regeneration that links areas of need and opportunity, getting businesses working together in clusters...

7. Who has overall responsibility for sustainable development? Rather than being lumped in with 'the environment', SD should be represented by someone who oversees policy and delivery process, such as the director of strategy, corporate affairs or integrated delivery. Rather than a separate strategy, there should be an annual action plan of how the process of sustainable development is to be applied across all regional policy and action. This must also pick up on responsibilities for children, for future generations, and on global issues - which are often the weakest links in applying the sustainable development process.

8. Is decision-making participative, transparent and accountable - whether or not the region has elected representatives?

9. What headline goals are used to focus short and long-term action to improve everyone’s quality of life? The ‘indicators’ may include GDP, healthy life expectancy, carbon emissions, contributions to international development - none are perfect, but they're useful for setting goals and measuring progress.

10. Is there a good way to monitor outcomes – to check what actually happens, rather than just whether strategies have been drawn up? Every region has valuable economic, social, and environmental assets – so how will our children hold us to account over what we gave away? A form of regional Domesday book could be constructed from the existing State of the Region Reports to act as a final check on the difference regions are making.

To have a home and a job, in a region that is having a positive impact on my health and those around me, the environment, and the world - that's my kind of regional programme, the kind I'd really look forward to finding in the TV listings.

Dr Simon Slater 30 July 2003

Originally produced in Green Futures Magazine July 2003.