

State of the Region dialogue on connecting spatial planning and economic development evidence bases - key outcomes

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West Midlands
Regional
Observatory

1 Introduction

The new State of the Region process aims to have more impact on regional policy development than was the case in the past and to engage more effectively with policy and decision makers. To this end a series of on-going dialogues between the research community and policy and decision makers are planned, each relating to particular thematic areas. One of these is 'connecting spatial planning and economic development evidence bases'.¹

This dialogue event was the first stage of the new process, drawing together a wide range of participants including academics, policy decision makers and the regional research community.

A copy of the agenda and the power-point presentations can be accessed on the WMRO web site at

<http://www.wmro.org/standardTemplate.aspx/Home/OurResearch/PlaceEnvironment/StateoftheRegionProcess/ConnectingSpatialPlanningandEconomicDevelopment>.

2 Background to SNR/SIRS

In July 2007 the Government published the Review of Sub-National Economic Development and Regeneration (SNR)². This formed part of a series of policy reviews to inform the 2007 Comprehensive Spending Review. The review outlined the Government's plans to refocus both powers and responsibilities to support its objectives to encourage economic growth and tackle deprivation at every level. Specifically, it sets out the parameters for managing policy at the right regional levels, ensuring clarity of roles and enabling places to reach their potential.

The Sub National Review Consultation Document (Prosperous Places: taking forward the Review of Sub National Economic Development and Regeneration (31st March 2008) CLG&BERR)³ sets out and seeks views on the proposals contained in the SNR for putting in place reforms that would:

¹ The other dialogues underway include Innovation, the Knowledge economy and Sustainable communities.

² http://www.advantagewm.co.uk/Images/subnational_econ_review170707_tcm9-12289.pdf

³ http://www.advantagewm.co.uk/Images/Consultation%20Document%20Final%2031032008_tcm9-12290.pdf

- Reform central Government's relations with regions and localities;
- Streamline the regional tier, introduce a single integrated regional strategy and give the regional development agencies (RDAs) lead responsibility for regional planning;
- Strengthen the local authority role in economic development and neighbourhood renewal, including a new statutory duty to assess local economic conditions, and
- Support collaboration by local authorities across economic areas.

The consultation document proposes four principles which will need to be met in the preparation of the proposed Single Integrated Regional Strategy (SIRS):

- Effective engagement with stakeholders and the public;
- A robust evidence base;
- Effective sustainability appraisal, including scoping of issues and appraisal of options;
- The strategy should be independently tested in public.

Government proposes that the SIRS sets out each region's economic, social and environmental objectives, providing the framework for economic development, housing and related regeneration priorities for each region. It should be designed to ensure closer alignment between economic and spatial planning to support sustainable economic growth, and as such it will build on the strong foundations laid by the existing regional economic strategies and regional spatial strategies. The proposed strategy should be founded on a strong analytical base which takes account of the different needs of the sub-regions within each region.

The Government have yet to respond to the large number of responses⁴ they received to their consultation, but it is nevertheless deemed prudent to begin assessing whether and how the existing evidence can support a SIRS. Whilst a wealth of data and evidence exists for both the Regional Spatial Strategy (RSS) and Regional Economic Strategy (RES) and much work has been done to ensure the strategies are aligned, there may be differences in approach, objectives and interpretation which may need to be reconciled to produce an integrated SIRS evidence base. Gaps in the evidence base also need to be identified, and potential issues surrounding the evidence base need to be prioritised.

3 Presentations

To initiate discussion and debate, brief presentations were held on:

⁴ At the time of the workshop, a response to the consultation was expected to be published on the 3rd October 2008.

- Policy and issues underlying the changes ahead (Peter Lee, Director of the Centre for Urban and Regional Studies, Birmingham University)
- The current regional position on SNR implementation (Rose Poulter, Strategic Director - SNR Transition, Advantage West Midlands)
- Existing evidence bases (RES - Brian MacAulay, WMRO & RSS - Paul Bayliss, WMRA)
- Spatial economic perspective (Prof. Ian Gordon, LSE Spatial Economics Research Centre)
- Spatial planning perspective (Dr. Tim Marshall, Dept. of Planning, Oxford Brookes University)

4 Key issues emerging

The presentations stimulated a lively debate on a diverse range of areas. Breakout sessions were also lively and looked at:

- Identifying areas where the regional evidence base needs to be developed to help connect economic and spatial policies;
- Identifying and agreeing priority issues surrounding the evidence base that we, as a region, need to work on, drawing on existing evidence from both within the region and from wider sources.

Vision-led?

There is a need to decide on whether we should be 'vision-led' or whether we should closely follow existing economic trends, with a strong focus on realism. It was acknowledged that a key part of a strategy may be to *break* trends, and it was felt perhaps a good strategy had to do both, acknowledging existing trends whilst setting out a strong vision for the future.

The Black Country Strategy set a clear vision for where to aim for in thirty years' time, whilst also acknowledging current trends and examining how the current situation arose, and the full challenge posed by the agenda for transformational change.

This strategy has a good reputation on a national level and it was suggested that it - or possibly other sub-regional strategies such as Coventry and Warwickshire's - could be used as a useful model for the SIRS's evidence base and planning. Some however were more cautious, noting that the Black Country Strategy was a major exercise, and the primary benefit had been getting people to realise the need for a common strategy. It was felt that the Black Country Strategy had successfully connected the economic and the spatial.

Consensus?

Ian Gordon expressed concern about the push for 'consensus' within partnership working; he felt that the importance of disputes and argument to develop a robust understanding of an issue was under-valued. Some delegates felt troubled by Ian Gordon's rejection of consensus: they felt that the Black Country Strategy was a good example of building a radical consensus, and that consensus was needed for necessary radical action.

Data/Interpretation?

There was discussion around how the West Midlands' evidence base was better than that in many other regions. Paul Bayliss asserted that spatial planning now uses a 'wider lens' than it once did (e.g. incorporating more considerations regarding sustainability and involving other services and identifying cross-linkages), but that much of the current RSS evidence base still looks through the 'traditional' lens. There was agreement that the wider-lens approach encouraged cross-linking and integration, leading to more comprehensive evidence.

The balance between data and analysis was questioned by Peter Lee. Many agreed that there should be a greater focus on analysing and interpreting existing evidence than merely seeking new data. There is a need to triangulate data and make innovative use of secondary data and tacit knowledge. The evidence should be linked to key questions; how, why and effectiveness amongst others.

The utility of mapping-based approaches was identified since they are often more easily understood and could be used as explanatory and exploratory tools.

Functioning economic geographies...

There was discussion around the difficulties of reconciling administrative boundaries with functional geographies and sub-regional areas, particularly cross-boundary effects and extra-regional influences. Tim Marshall noted that national policy should be more informative in that context. Peter Lee underpinned this stating that the region's leaders must be spatially literate and able to understand the view/impacts beyond their organisations' boundaries.

There was some discussion around the fact that there is no national collection of data for planning, which means we are generally precluded from looking over the 'boundary' into other regions. However, this illustrates the need to improve knowledge of the DCLG Core Output Indicators (available via their website down to LA level) which are LA derived but to a consistent basis enabling comparisons to be made.

Process...

There is a tendency to talk about the 'evidence base' as if it were a thing, not an ongoing process; ultimately the evidence base should inform and justify policy - this is as much "a thing" as "a process" - the trick is to ensure they inter-relate rather than being discrete activities. The new State of the Region process could be a key element of changing this, but there is a need to identify how key policy-makers can be drawn into the debate and importantly how we get them to agree to put resources in, in terms of time as well as money. It was agreed that the evidence base process is not a linear process, but importantly needs to be an iterative process incorporating feedback and linkages. It was agreed that it is important that time is built into the development of the SIRS evidence base, to enable consultations to be built in, to inform and drive the evidence base formation.

Prof. Ian Gordon made the suggestion that we should be trying to construct usable, credible stories about how systems function and how they interact with available policy levers. Such narratives are seen as the key, particularly when they become hypotheses which can be tested against data from other regions or situations. It was felt across the group that there is a need to understand any assumptions being made by the policy-makers and what they believe the processes to be. It was agreed that this would then need subsequent testing to determine whether we can evidence them. Many supported the idea of developing and testing the 'stories', but felt that it was important the examination in public for the RSS evidence base was completed before this begins. There was further discussion highlighting it would be useful to have a clearer picture of which levers were available to and being used by policy makers, and how effective they were.

The group agreed with Prof. Ian Gordon's point that the evidence base cannot just be about databases but that it has to focus much more on processes. There was a discussion around Ian Gordon's proposal for a more market-oriented approach, but it was noted that many markets change very swiftly.

There was some discussion around the need for the SIRS to provide very detailed guidance on e.g. the permissible numbers of houses to be built, and that such decisions would be politically sensitive and would therefore be subject to pragmatic concerns beyond the control of academic evidence.

It was noted and agreed that the move towards SIRS would have big implications for other sectors, but that many of these are not sufficiently aware of this. There is a need to establish how we could more fully engage with these sectors (for example the health sector and the private sector). The possibility of joint working on evidence gathering was raised, for example using NHS data to provide demographic data between censuses. Issues of consistency, continuity and independence of data (especially from business) will also need to be taken into account. It was agreed however, that at present, there is insufficient clarity around the form the SIRS and other SNR measures will eventually take for it to be possible to start such conversations.

It was agreed that a striking point of difference arose through the issue of safeguarding land. Traditionally planners have wanted a reserve of land, whilst from an economic perspective there is more flexibility about land release. It was suggested that perhaps we need a mechanism to assess land more rigorously on the basis of quality.

Policy success?

There was general agreement that it would be useful to be in a position to be able to say which previous policies had actually worked and which current policies are working; it was suggested that we find out which elements of the 2004 RSS had actually worked. Paul Bayliss asserted that the RSS annual monitoring reporting process did this. Philip Amison stated that AWM was currently undertaking work to calculate the economic returns of various policies. Tim Marshall and Ian Gordon both highlighted the fact that many policies would not achieve tangible results within the lifetime of a given administration, which made some evaluations problematic.

Current evidence?

It was suggested that there was a need to understand what the current evidence base is actually telling us. We need to bring the headline implications of all studies together, and establish how we can help regional leaders to understand them.

It was recognised that academic studies can provide important assistance and can impact on policy, and that the wealth of experience in this arena could be used to assist in joining the evidence with the policies in the future. It was agreed that academics have a catalytic role but aren't the whole answer.

It was agreed that better understanding of demographics, particularly the choices the population makes is fundamental to understanding and ensuring policies we come up with now deal with the outcomes of previous ones and the impacts of processes. The lack of time series of population data was highlighted. The ability to understand the types of jobs being done by for example home-workers would greatly enhance local needs analysis.

There was much discussion around climate change. Whilst the environment agency has been key in providing the evidence base to inform decisions, there remains a weakness in obtaining data from supply companies. It was also felt that the impacts of projected growth on resources needed wider understanding.

There was some discussion about regional transport data, and it was highlighted that better data at a local level would improve the quality of this. In addition, collaborative working between organisations (e.g. between WMRO and Mott Macdonald) can facilitate sharing of data and enhance outputs.

This led to further discussion around the wealth of organisations that have data, that would be useful to informing the work of others, but that don't currently share it. It was agreed that this is problematic, but there is no single answer. A suggestion was made that future policy could mandate sharing to inform the policy.

An important point was made that we need to approach this with realism and pragmatism; complexities mean we can't always evidence or model everything. It was suggested that we identify the key issues at regional level and focus on achieving these. It was further highlighted that we have already had ten years or so working regionally and perhaps we should acknowledge what we already know to be the key issues in the region and channel investment into resolving these.

Tim Marshall suggested that organising some sort of backward look at the planning and economy of the region during the last 50 years or so might pay dividends. He admitted that history is not generally seen as very productive, but felt that a clearer understanding of the region's long term trajectory might help to focus on the future. The broad outline is well known, but not really in the context of current economic (and environmental) preoccupations.

5 Potential research ideas

A number of potential areas for further work arose from the discussions, and are mentioned in context above but can be summarised as:

- Understanding the processes involved;
- Need to better understand the levers available to policy makers;
- Understanding the assumptions being made by policy makers;
- Can we evidence these assumptions?
- Need to understand how markets operate in space (although problematic since they change so quickly), and the impact of this on policy assumptions;
- Need to understand which policies are working/have worked in the past;
- Need to know what the current evidence base is telling us - bring together the headline implications (key messages) from each of the studies;

- Assess the need for a mechanism to assess land more rigorously on the basis of quality;
- Need to better understand functioning geographies (including sub-regions) and particularly cross-administrative implications of these;
- Need to improve access to (and consistency and continuity) of external data sets (e.g. from private sector companies) and to encourage collaborative working;
- Need a better time series of demographics data, including factors influencing decisions;
- May be useful to understand what history can tell us to help focus on the future;

6 Next Steps

To explore further the key issues emerging from the dialogue and the research ideas via a further workshop at the Observatory's annual conference in October.

To prioritise the potential research ideas and consider how they could be taken forward by the Observatory or partner organisations.

To build on the enthusiasm shown by the academic arena to be engaged in future dialogues and events, and in assisting in joining the evidence base with the policies.

To draw on expertise outside of the 'usual' sectors and open up access to others data.

To build in time, for wide-ranging consultation, to the SIRS evidence base development process. The SOR dialogue process may provide a vehicle for this.