

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

WMRO Annual Conference Workshop



13 October 2008

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 workshop at the WMRO 2008 annual conference formed a part of the ongoing dialogue, drawing together a wide range of participants including academics, policy decision makers and the regional research community.

The power-point presentations can be accessed on the WMRO web site at <http://www.wmro.org/standardTemplate.aspx/Home/InformationCommunity/AnnualConference2008/Connectingspatialplanningeconomicdevelopmentworkshop>.

2 Background to SNR/SIRS and sub-regions

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 spatial levels, ensuring clarity of roles and enabling places to reach their potential.

¹ The other dialogues underway include Innovation, the Knowledge economy and Sustainable communities and were also covered by workshops at the WMRO 2008 annual conference.

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

The SNR proposed that Regional Development Agencies (RDA's) work more closely with local authorities and prepare and implement a single integrated regional strategy (SIRS). 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 evidence base underpinning the SNR recognised that economic activity takes place at different spatial levels: national, regional, sub-regional and local, and the SNR clearly recognises the advantages of economic development decision-making at a sub-regional level.

For local government, the SNR proposed amongst other things an increased emphasis on the importance of local authorities working together across boundaries to boost sub-regional economies. The Government proposes to introduce multi-area agreements (MAA's) to enable local authorities to improve economic prosperity by working across administrative boundaries, and may even strengthen the statutory basis for sub-regional collaboration between authorities. Government believes that the focus for new sub-regional arrangements should be economic development. However, the Government does not wish to be prescriptive about roles or the functional economic areas that might be covered.

The Government have yet to respond to the consultation, but it is nevertheless deemed prudent to begin assessing whether and how the existing evidence can support a SIRS. Given the importance paid to sub-regional working by the SNR, it is also prudent that we consider what the appropriate sub-regional levels may be for the West Midlands. Gaps in the evidence base also need to be identified, and potential issues surrounding the evidence base need to be prioritised.

3 Background to workshop focus

At a previous workshop (held in September 2008) many issues were identified that arise from the need to join the RSS and RES evidence bases and several areas for further work agreed³. Building on this, and considering the wider audience involved, it was decided to focus the discussion at the WMRO Annual Conference workshop on two of these areas;

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

1. Functional Geographies
2. Joint evidence base - A local perspective

4 Presentations

Prof. Alan Harding's presentation on the SNR, as part of the main conference proceedings, provided a good background and introduction to this workshop. To further initiate discussion and debate, brief presentations were held on:

- **Functional Geographies**
(Philip Amison, AWM and Stephen Howarth, WMRO)
Covering why functional geographies are important, what they can tell us and how they can influence policy and introducing types of functional geographies used in the past.
- **Joint evidence base - A local perspective**
(Dave Hill, Warwickshire County Council)
Covering local issues around bringing together planning and economic development evidence and cross-border issues including functional geographies.

Each presentation also posed questions to the group at the end.

5 Key issues emerging

The presentations stimulated a lively debate largely centred on functional geographies.

Policy-related issues

- The SNR potentially provides a mechanism through which to consider what the functioning geographies are and how they interact;
- It is important to recognise that some policies are better suited to 'sub-regional' delivery than others;
- Joining evidence bases at a local level is important but is not easy and must be an iterative process. We need a better level of alignment between all policies involved, so that we have a shared common vision before they can be integrated. In addition, geographies can make it very complex to integrate, as functional areas often cover a number of different administrative areas (including different Regions, Local Development Frameworks, Local Area Agreements (LAAs), Local Transport Plans and Sustainable Community Strategies);

- We need to understand the energy, environmental and waste implications of different spatial patterns of growth;
- We need to better understand market forces, and whether we should go with/against these;
- We need to better understand existing patterns/cycles (e.g. self-reinforcing 'tale of two economies' in Coventry, Solihull and Warwickshire area) and how/if we should break such cycles;
- We need to consider the spatial implications of an ageing population in some areas (predominantly rural parts of the region);
- We need to have conversations with and improve relationships with other regions;

Functional geographies...

Sub-regions

- As we move towards a knowledge economy, academics have recognised the importance of cities, or in UK case, City Regions. The SNR recognises this importance too, but the city region/sub-region concept may pose challenges to those areas 'left behind';

Cross-boundary effects

- Functional areas can be defined in many ways - a series of maps of functional areas was presented, highlighting that none of them follow administrative boundaries. This presents a challenge in terms of the importance of cross-boundary effects and extra-regional influences;
- The importance of peripherality needs to be considered - for example the importance of London and it's sub-region tells us we need to look outside of our boundaries to see what the wider economy is telling us and the impacts this might have for the WM;
- It was suggested that co-operative working between the WM and the NW regions could be of mutual benefit (reiterating a point made by Carl Chinn in his presentation about *working with instead of competing with Manchester*);

Other issues

- Stephen Howarth showed that there appears to have been a shift in the economic geography of the region over time, and there is a need to understand the dynamics of this;
- Dave Hill suggested that we need to look into whether we can differentiate 'local services' vs. the 'productive economy', and whether we can define them spatially;
- Dave Hill also raised the issue that the location and type of housing provision can impact on the local economy and community, and that this needs to be better understood;

Q1 - Is the West Midlands polycentric?

- There was discussion around whether the WM is polycentric. It was agreed that if we focus too much on identifying 'centres', we will miss a lot of rural areas;
- One attraction of the polycentric approach is that it takes away from the 'competing nature' and aids different centres working together (e.g. Four centres in the Black Country);

Q2 - Appropriate measures for identifying sub-regions?

- The measures we don't have are the network issues which create an area identity;
- Any approach needs to do more than just look at how we can accommodate growth;
- The EU is beginning to organise itself such that it focuses on *thematic* networks, allowing work with other areas;

Q3 - Defining sub-regions?

- There is a need to establish whether there is evidence to prove that there is value in having sub-regions. It was suggested that we need to do some work to understand the value they can bring over and above other 'methods';
- Two reasons why people think there is a need for sub-regions are: (1) tells people who they need to work with and (2) gives policy makers and people with resources ability to determine where they can go. BUT, it needs to be recognised that a weakness is that the areas differ, depending on 'what' it is you're looking at;
- It was suggested that the WM is in fact not a region but a series of sub-regions, and in view of this we must have a geography which works for the local areas. In particular local authorities need to have the flexibility to work with other sub-regions where appropriate, and not have them forced upon them;
- There was a discussion around the fact that the city region in the WM hasn't worked like it has in the NW and possible reasons for this. Birmingham has never really achieved the status of a 'centre' like Manchester has. It was suggested that the boundaries of the WM city region don't seem to be right (as was posed by Prof. Alan Harding in his earlier presentation). It was suggested that it may be more appropriate to consider the areas where 50% of GVA comes from;

- The importance of cross-regional boundaries was again emphasised by the map presented by Dave Hill, as it poses a challenge to sub-regions which cross regional boundaries, as is suggested in the LGA National Study;
- It was concluded that perhaps we can broadly define sub-regions, but they shouldn't be regarded as exclusive;

Q4 - Policy delivery at sub-regional level?

- It was re-emphasised that there is a need to establish whether there is evidence to prove that there is value in having sub-regions. It was pointed out that in some areas (e.g. flood management and landscape development, there is good evidence to suggest this works well at sub-regional level);
- It was also suggested that this could be demonstrated for the Coventry and Warwickshire sub-region;
- It was questioned as to whether housing development could be delivered at a regional level;
- It was again highlighted that perhaps we can broadly define sub-regions, but they shouldn't be regarded as exclusive since they will differ depending on the 'topic';

Q5 - Reconciling differences between functional geographies and administrative units?

- It was suggested that there may be a good case for reviewing some of the boundaries of local authorities in the WM - for example where they are recognised to create functioning difficulties;
- The appropriateness of the BCBC city region boundary was raised again;

Q6 - Community empowerment?

- There was some discussion around how to integrate community empowerment into joining up policies and evidence. It was agreed that this route will help in identifying local issues, and can therefore act as a building block to inform and drive policy. However, it was highlighted that there is a need for some strategic input from the top to help provide knowledge of the available options;

6 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:

- Need to better understand current 'real' functioning geographies (including sub-regions) and particularly cross-administrative (including cross-regional) implications of these;

- Need to provide evidence that there is value in having sub-regions. we need to do some work to understand the value they can bring over and above other ‘methods’;
- There appears to have been a shift in the economic geography of the region, and there is a need to establish whether this is a short/long term shift;
- We need to look into whether we can differentiate ‘local services’ vs. the ‘productive economy’, and whether we can define them spatially;
- We need to better understand the impact of location and type of housing provision on the local economy and community;
- There may be a need to review some administrative boundaries (e.g. BCBC and some LADs), for example through identifying where existing boundaries may be creating functioning difficulties;
- Need to investigate the complex issue of what people identify with (in terms of place) and the influence this could potentially have (e.g. in defining sub-regions).

7 Next Steps

There are two elements to progression of this area of work;

1. State of the Region dialogue

Functional geography has been identified as an important issue in joining the RSS and RES evidence bases. There have been some important issues raised at this workshop relating to this, and we need to take these away and particularly for some of those Dave has raised from a local perspective, to look at these from a regional perspective.

We expect the future progression of this thematic dialogue to help develop some of these strands.

2. Wider SIRS evidence base development

As part of the ongoing regional effort to develop the evidence base for the SIRS, and links with local economic assessments, it is expected that some work will be taken forward in the region around functional economic geographies. This needs a further scoping element, which this discussion will be invaluable in feeding into.

The SNR will undoubtedly be the biggest driver in policy terms in respect of what happens in terms of sub-region formation etc.