

University of Dundee
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Department for
Transport, Local
Government and the
Regions

**Evaluation of RDA
Strategies and Action
Plans**

Final Report

University of Dundee, Aston Business School, Arup Economics and Planning

Department for Transport, Local Government and the Regions

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CONTENTS

	Page
GLOSSARY	4
EXECUTIVE SUMMARY	I
1. INTRODUCTION AND CONTEXT FOR THE RESEARCH	I
2. BACKGROUND	III
3. OVERVIEW OF THE CONTENT AND COVERAGE OF THE STRATEGIES	V
4. RESEARCH AND BASELINE ANALYSIS UNDERTAKEN TO UNDERPIN THE STRATEGIES	VI
5. THE INTERNAL CONSISTENCY OF RDA STRATEGIES	VIII
6. THE EXTERNAL CONSISTENCY OF THE STRATEGIES	X
7. IMPLEMENTATION AND ACTION PLANS	XI
8. MONITORING AND EVALUATION OF RDA STRATEGIES	XIII
9. CONCLUSIONS	XIV
10. RECOMMENDATIONS AND ISSUES FOR FUTURE CONSIDERATION	XVI
MAIN REPORT	1
1. INTRODUCTION AND CONTEXT FOR THE RESEARCH	1
1.1 Objectives of the research	1
1.2 Parameters for the research	1
1.3 Timing of the research	2
1.4 Context for the research	3
1.5 Research method	4
1.6 This report	7
2. BACKGROUND	9
2.1 The rationale for RDAs	9
2.2 The nature and purpose of RDAs	10
2.3 Guidance on RDA Strategies and Action Plans	10
2.4 Main themes in the preparation of the RESs and Action Plans	11
3. OVERVIEW OF THE CONTENT AND COVERAGE OF THE RDA STRATEGIES	16
3.1 Introduction	16
3.2 Competitiveness and business productivity	17
3.3 Cluster development	19
3.4 Regeneration	21
3.5 Skills	22
3.6 Strategic sites	23
3.7 Rural development	24
3.8 Social inclusion and equal opportunities	25

3.9	Sustainable development	26
3.10	Summary of main findings	27
4.	RESEARCH AND BASELINE ANALYSIS UNDERTAKEN TO UNDERPIN STRATEGIES	29
4.1	Introduction	29
4.2	Overview of evaluation findings	29
4.3	Specific findings in relation to the evaluation criteria	30
4.4	Summary of main findings	34
5.	THE INTERNAL CONSISTENCY OF RDA STRATEGIES	35
5.1	Introduction	35
5.2	Appropriateness of the vision and objectives	36
5.3	Sub-regional issues	39
5.4	Infrastructure issues	40
5.5	Clusters	40
5.6	Sustainable development appraisals	41
5.7	Summary of main findings	42
6.	EXTERNAL CONSISTENCY	43
6.1	Introduction	43
6.2	Integration between the RES and RPG	45
6.3	Integration between the RESs and other regional strategies	48
6.4	Consideration of the overall regional strategic framework	48
6.5	Integration between the RESs and relevant sub-regional Strategies	50
6.6	Integration between the RESs and the other specific programme documents	51
6.7	Consistency with inter-regional strategic priorities and raising national economic performance	52
6.8	Summary of main findings	54
7.	IMPLEMENTATION AND ACTION PLANS	56
7.1	Introduction	56
7.2	The context for the production of Action Plans	56
7.3	Specific findings and issues in relation to the evaluation criteria	58
7.4	Different approaches to Action Plans	60
7.5	The issue of Government Guidance on Action Plans	63
7.6	Overview of main findings	64
8.	MONITORING AND EVALUATION OF RDA STRATEGIES	66
8.1	Introduction	66
8.2	The process of developing monitoring and evaluation frameworks	68
8.3	Main emerging findings in relation to core 'State of the Region' indicators	72
8.4	Main emerging findings in relation to 'RDA Activity' indicators	74
8.5	Other emerging themes and issues in monitoring and evaluation	74
8.6	Summary of main findings	76
9.	CONCLUSIONS	78
9.1	Overall conclusions	78
9.2	Specific conclusions	80
10.	RECOMMENDATIONS AND ISSUES FOR FUTURE CONSIDERATION	85
10.1	Introduction	85
10.2	Specific implications and recommendations for the review and updating of RDA Strategies	86

GLOSSARY

AP	Action Plan
AWM	Advantage West Midlands (the West Midlands RDA)
CBI	Confederation of British Industry
cluster	A group of companies or organisations who interact in a geographic area
CRE	Commission for Racial Equality
DCMS	Department for Culture, Media and Sport
DETR	Department of the Environment, Transport and the Regions
DfEE	Department for Education and Employment
DTI	Department of Trade and Industry
e-business or e-commerce	Business or commerce carried out electronically
EEDA	East of England Development Agency
emda	East Midlands Development Agency
EU	European Union
GDP	Gross Domestic Product
GO	Government Office (for a Region)
ICT	Information and Communications Technology
IIDP	International Investor Development Programme
inward investment	investment into a nation or region, often from overseas
IRS	Integrated Regional Strategy (in East Midlands)
LDA	London Development Agency
LEAP	Local Environmental Action Plan
LGA	Local Government Association
LSC	Learning and Skills Council
NaoW	National Assembly of Wales
NWDA	North West Development Agency
ONE	One North East (the North East RDA)
PE	Public Examination (of RPG)
PIU	Performance and Innovation Unit (of the Cabinet Office)
PPG	Planning Policy Guidance
RCC	Regional Cultural Consortium
RCS	Regional Cultural Strategy
RDA	Regional Development Agency
RDC	Rural Development Commission

RDO	Regional Development Organisation
RES	Regional Economic Strategy - the Regional Strategy of an RDA
regional observatory	a facility whereby research knowledge and information can be brought together and shared by regional partners – an observatory often monitors change in a region and conducts research
RPB	Regional Planning Body (prepares Draft RPG)
RPG	Regional Planning Guidance
RSDF	Regional Sustainable Development Framework
RTS	Regional Transport Strategy
SEEDA	South East England Development Agency
SPD	Single Programming Document (for EU Structural Funds programmes)
social exclusion and inclusion	the consequence for individuals or communities of the presence of a linked set of problems such as low income, unemployment, poor housing, bad health, etc; policies that seek to promote social inclusion are aimed at tackling these problems
SRB	Single Regeneration Budget
SRP	Sub-Regional Partnership
Structural funds	European Union funds to support programmes aimed at tackling regional disparities
sustainable development	the simultaneous pursuit of environmental enhancement, social progress and responsible economic development
SWRDA	South West Regional Development Agency
TEC	Training and Enterprise Council
YF	Yorkshire Forward (the RDA for Yorkshire and the Humber)

EXECUTIVE SUMMARY

1. INTRODUCTION AND CONTEXT FOR THE RESEARCH

Objectives of the research

This is an evaluation of the content of the first Regional Economic Strategies (RESs) prepared by the Regional Development Agencies (RDAs) in the period to Autumn 1999, and the Action Plans prepared in the period to Summer 2000. The exercise had two, inter-related, objectives:

- an evaluation of the rigour and appropriateness of the proposals contained within the RESs and Action Plans, both from an intra-regional perspective and from an inter-regional and national perspective; and
- the identification of best practice and transferable lessons for the RDAs in relation to the content of, and context for, the RESs and Action Plans produced by the RDAs.

In addressing these objectives, the research had regard to a number of areas of assessment:

- the extent to which the content of RES and Action Plans comply with statutory and non-statutory Guidance;
- the extent to which the RDAs, in producing the RESs and Action Plans, had a sufficient evidence base from which to formulate the Strategies;
- the extent to which the RESs and Action plans are appropriate and “internally consistent” with the regional context, and contain proposals that are realistic with respect to regional needs and opportunities;
- the extent to which the RESs make adequate and practical provision for monitoring and evaluation; and
- the extent of complementarity and “external consistency” with other relevant regional and national policy frameworks and the activities of other local and regional stakeholders.

Parameters and timing of the research

The evaluation was of the *content* of the RESs and Action Plans. It was not a direct evaluation of the strategy development processes and related partnership working, although these process issues were an important contextual consideration. The study considered the RESs and Action Plans of the RDAs in the eight regions of England excluding London.

A fairly broad view was adopted about what constituted a RES and Action Plan. The RES document(s) and supporting background documents were considered for the purposes of the evaluation. The framework of Action Plan documents was less clear. At the time of research these tended to be consultation or working drafts, rather than final versions. The monitoring and evaluation framework sections of the RES were considered. There was little additional documentation on this topic available at the time of the research.

The research was undertaken mainly in the spring and summer of 2000. This timing for the research posed some important issues and challenges. Whilst the RESs had been finalised (although produced in a short timescale whilst RDAs were very much in a start-up phase), the frameworks of RDA Action Plans were, in many regions, only at an interim stage of development, and still subject to discussion with partners and change. The research was undertaken at a time when, in most regions, several other regional strategies (other than the RES) were being developed and reviewed.

Research Method

A consistent research method was adopted in each region, and this is outlined below.

- A set of **evaluation criteria** was developed. This was based on the requirements for the RESs and Action Plans outlined in the RDA Act and the Statutory and Non-Statutory Guidance. A reasoned qualitative assessment was undertaken of the extent to which the RESs and Action Plans met these criteria, taking into account the different contexts in each region. The aim was to identify the main findings, issues, and areas of good practice as well as areas for improvement. The study did not set out to ‘score’ the RESs and Action Plans in each region against the criteria.
- A **desk-based assessment** was undertaken against the evaluation criteria of each of the RESs and supporting documents, and the relevant Action Plan documents. (although in many regions only working drafts of the Action Plan documents were available).
- **Semi structured interviews with each RDA and Government Office (GO)** for the Region were undertaken to discuss issues and initial findings emerging from the desk-based assessment.
- **Further discussions with partner organisations** were held in each region to confirm and explore further issues and findings resulting from the desk-based assessment.

This method allowed for issues and initial findings from the evaluation of documentary sources to be clarified, confirmed, contextualised and explored further through discussions with RDAs and relevant partner organisations. This enabled the evidence and the eventual conclusions to be validated through discussion with a wide range of stakeholders.

The **evaluation criteria** were chosen to incorporate the requirements of the Statutory and Non-Statutory Guidance to RDAs and also to reflect good practice in strategy development more generally. The intention was not to develop evaluation criteria that could form the basis for quantitative measurement or ‘scoring’ of the RESs and Action Plans. Rather, as well as to assess compliance with Guidance (which was itself deliberately non-prescriptive), the criteria were also chosen to highlight the more general issues, strengths, weaknesses and problems in relation to the RESs and Action Plans.

The **application of the evaluation criteria** was based on a number of principles.

It took into account the circumstances ‘on the ground’ that RDAs faced when producing their and Action Plans, including consideration of the limitations on what RDAs could reasonably be expected to achieve given the challenging timescales, organisational, and partnership working contexts within which they were operating. It was recognised that different RDAs inherited different starting points in terms of factors such as the strength of regional partnership working, the extent of partner consensus on regional priorities, and background research and analysis previously undertaken in the region;

The views of partners were assessed against the desk-based evaluation, the interviews with the RDAs and the analysis of what RDAs could have reasonably be expected to achieve. Often partner expectations were unreasonable or unrealistic.

The assessment drew on the relevant members’ of the study team knowledge of the regions, to inform a judgement of the appropriateness and salience of the RESs. In some areas, whilst the Strategies met the basic requirements of the Statutory and Non-Statutory Guidance as well as the evaluation criteria, it was considered that they could also have reasonably been expected to develop some aspects or points in more detail.

2. BACKGROUND

The rationale for RDAs

For many years it was claimed that the English regions were disadvantaged, when compared with Scotland and Wales, in terms of the organisation and operation of regional planning and economic development. The situation began to change from the mid 90s with developments including the formation of the Government Offices (GOs) for the Regions, the revitalisation of regional conferences of local authorities, the development of partnerships associated with regional economic development and European Union Structural Funds programmes.

In 1997, following the election of the Labour Government, an issues paper for consultation was produced, and a White Paper, entitled 'Building Partnerships for Prosperity', was published which set out the Government's proposals for the RDAs.

The Government's approach to establishing the RDAs, set out in the White Paper, was based on four principles, that:

- power should not be centralised in Whitehall, but that local, regional and national structures are needed for decision making and for action to put those decisions into effect;
- regional structures must be based firmly on partnership, with each local or regional interest being able to contribute effectively towards an integrated and coherent strategic programme which commands general support;
- issues should not be tackled in isolation, but that much greater integration and co-ordination of effort is necessary to deal with the pressing problems of economic and social decay and to promote the successful regional economies vital to our future prosperity; and
- that some regional tasks, such as economic development and spatial planning, need clear leadership and the experience in action which the business community can contribute; but that these must also look to a wider circle of partner organisations and to the views of communities through their elected representatives.

This principle of widening and strengthening stakeholder engagement was developed further in the White Paper, including a proposal to establish Regional Chambers to provide a mechanism for bringing undertaking scrutiny of the RDAs.

The nature and purpose of RDAs

The RDAs were established as non-departmental public bodies under the 1998 Regional Development Agencies Act. Five statutory purposes of a RDA were set out. These were to:

- further the economic development and the regeneration of its area;
- promote business efficiency, investment and competitiveness in its area;
- promote employment in its area;
- enhance the development and application of skills relevant to employment in its area; and
- contribute to the achievement of sustainable development in the United Kingdom where it is relevant to its area to do so.

Guidance on RDA Strategies and Action Plans

Considerable emphasis was placed in the 1998 Act on the need for each RDA to prepare a Regional Strategy. A range of subsequent Guidance covering the requirements for the RESs and Action Plans was provided to RDAs, and this is outlined below.

- **Statutory Guidance.** In line with the purposes of a RDA as set out in section 4 of the 1998 Act, the content and coverage of a RES was specified in Statutory Guidance. This specification both indicated the general scope and coverage expected, and provided more detailed guidance on the particular areas and aspects to be included.
- **Non-Statutory Guidance.** Many of the items presented in Statutory Guidance were further elaborated in Supplementary (non-statutory) Guidance. Supplementary Guidance provided a further indication of policy areas to be addressed by RDAs and the RESs, as well as the discretion that the Government wished to see RDAs exercise.
- **Departmental guidance on Specific Action Plans.** Non-statutory ‘guidance’ was provided by Government Departments on the Action Plans / delivery plans specified by Government: skills; innovation; business development and inward investment.

The Statutory Guidance specified that the fundamental purpose of a RES was to *“improve economic performance and enhance the region’s competitiveness, addressing market failures which prevent sustainable economic development, regeneration and business growth”*.

More specifically, Statutory Guidance stated that RDA Strategies were to provide:

- a regional framework for economic development, skills and regeneration which would ensure better strategic focus for and co-ordination of activity in the region whether by the agency or by other regional, sub-regional or local organisations;
- a framework for the delivery of national and European programmes which could also influence the development of Government policy; and
- the basis for detailed action plans for the agency’s own work, setting the wider aims and objectives for its annual corporate plan”.

The Guidance also covered a number of main themes, including:

- the importance of partnership working by the RDAs who were “to proceed through dialogue, working in an open and transparent way, so as to develop a Strategy and agreed priorities for action which recognise the principle of subsidiarity, and will provide a focus for all economic development and regeneration work in the region”;
- the relationship with Government, including the need to have regard to all relevant statements of Government policy and to work closely with the Government Offices for the regions as the formal sponsoring bodies for RDAs;
- the need for a complementary and consistent inter-relationship between the RES and the work of the RDA and the policies set out in Regional Planning Guidance;
- the importance on building on and adding value to existing economic development and regeneration work, strategies and programmes; and
- setting out a framework for delivery in the RESs and to provide a context for the subsequent Action Plans.

Non-Statutory Guidance was issued to RDAs, to provide assistance and information on the policies and programmes inherited from central Government and engage with programmes managed by government departments and agencies at regional level. The topics covered in Non-Statutory Guidance included: regeneration, competitiveness, sustainable development, rural policy, equal opportunities, and working with the voluntary and community sectors.

3. OVERVIEW OF THE CONTENT AND COVERAGE OF THE STRATEGIES

The first stage of the research involved an assessment of the extent to which the basic content and coverage of the Regional Economic Strategies (RESs) in terms of main policy areas matched the requirements set out in the 1998 Act and in Guidance.

Main general findings

Overall the strategies succeeded in providing a basic coverage of the requirements of Statutory and Non-Statutory Guidance. There was generally comprehensive coverage of the main policy areas specified in guidance.

A general observation was that the main policy themes tended to be presented as separate areas of action, and there was scope for the RESs to identify to a far greater extent the main linkages and inter-relationships between policy areas. The RESs tended to present a somewhat fragmented approach to separate policy areas. This did not reflect the complex and multi-faceted problems and issues, and the role of the RDAs in developing a coordinated policy response at the regional level. In fairness, this was inevitable given the fragmented nature of funding streams and separate programmes for RDAs, and the fact that RDAs were in the early stages of developing effective joint working and cooperation between different programme teams. Also the associated departmental guidance, and the nature of Statutory and Non-Statutory Guidance tended to imply a somewhat fragmented approach.

Main findings in relation to coverage of specific policy areas

The main findings in relation to coverage of specific policy areas are outlined below.

Competitiveness and business productivity. This policy area was a major area of emphasis in most of the RESs, and in particular as a core theme for the vision and objectives of the strategies. The RES documents clearly meet their statutory requirements in terms of coverage and treatment of this issue, although the level of detail on how aspirations are to be developed and delivered varies considerably between the RESs. It was considered that some of the RESs had over-stated the importance and potential of new and high technology industries relative to their region's existing industrial structures.

Cluster development. Many of the Strategies devote considerable attention to specific policies for cluster development. The cluster model, whilst used as a common conceptual framework was interpreted in a number of different ways in the strategies. A wide range of practical mechanisms are set out for facilitating of cluster development. It was clear that regional approaches to cluster development were at early stages of development. In some RESs there tended to be a lack of analysis or spatial specificity in relation to the proposals. In several regions it was also considered that there was scope for more recognition of the potential developing clusters involving 'traditional' as well as 'high-tech' industries.

Regeneration. A strong emphasis is given to regeneration in the RESs. This reflects the importance of this topic to the entire span of RDA policies. The strategies only outline to a limited extent how various aspects of regeneration and programmes can be integrated more effectively. This, to an extent, reflected the difficulties faced by RDAs at the time, of having inherited a variety of separate regeneration programmes, funding streams and staff. Subsequent work by the RDAs has led to the development of sophisticated and innovative strategic area-based frameworks for taking forward regeneration. The move to 'single-pot' funding for RDAs (away from the fragmented approach of separate programmes) will enhance their ability to deliver more integrated and joined-up approaches to regeneration.

Skills. All of the strategies devote considerable attention to the issue of skills improvement. All of the strategies identify the need to improve the skills base as an essential pre-condition for economic success. Those matters that were within the competence of RDAs were

generally sufficiently developed. The RDAs have limited direct powers and resources in this area, and it was considered there was scope for the RESs to recognise more clearly the need for RDAs to work with and through other bodies to deliver their skills priorities. Although a problem faced by RDAs at the time they produced the RESs was significant uncertainty and change in relation to institutional arrangements for post-16 education and training.

Strategic sites. Most of the RESs consider directly priorities for strategic development sites. The focus tends to be on main policy themes in respect of site development, as opposed to specific consideration or listing of individual sites themselves. RDAs indicated the importance of Regional Planning Guidance, and the need to develop a more detailed approach in their own strategies in the context of the future development of RPG. Main policy themes that emerged include: meeting the needs of potential inward and business investors; taking forward urban renaissance through high quality development on brownfield sites; and the importance of improving transport and communications infrastructure.

Rural development. The coverage of rural issues is variable in terms of both the scope and depth of coverage. In some strategies there is no specific attempt to deal with rural matters separate from urban issues – these RDAs considered rural issues as relevant to all areas of their work and should not be ‘compartmentalised.’ Despite this, many partners would have preferred a clearer focus on rural issues. In several regions the consideration of rural issues within the wider framework for regional economic development was seen as very positive. The RDAs had clearly benefited from the transfer of former Rural Development Commission (RDC) staff. As well as the former RDC programmes, good progress had been made in ‘mainstreaming’ rural issues throughout the work of the RDAs. It should be noted that since the strategies were prepared, rural development has emerged as a higher priority for RDAs, due to publication of the Rural White Paper and the 2001 Foot and Mouth Disease outbreak.

Social inclusion and equal opportunities. There is a considerable degree of variation between Strategies in terms of the coverage of social inclusion and equal opportunities issues. These issues are covered in all of the RESs, although often in insufficient detail. In particular, it was considered that there needed to be a far greater focus on the needs and issues for disadvantaged and deprived communities and groups. There was little consideration of patterns and issues of exclusion and deprivation amongst ethnic minority communities.

Sustainable development. There are different levels of emphasis in the RESs regarding sustainable development concerns, and a variety of definitions of sustainable development were adopted. Some RDAs adopted a narrow definition based mainly on environmental issues, whereas others outlined a broader and more holistic definition based also on social and economic. It was considered that sustainable development was frequently underdeveloped as a policy theme for the RESs. RDAs were still developing their competencies in this policy area. Partners commented positively on the general engagement of RDAs in the development of partnerships and other regional strategies in relation to sustainable development, and in undertaking sustainable development appraisal of the RESs and Action Plans.

4. RESEARCH AND BASELINE ANALYSIS UNDERTAKEN TO UNDERPIN THE STRATEGIES

Introduction

The evaluation considered the extent to which the RESs and Action Plans are based on a comprehensive, up to date and accurate analysis of regional conditions. The evaluation criteria were designed to assess the extent to which the RDAs developed a clear, region specific understanding of the underlying strengths and weaknesses of the economy.

It should be recognised that the extent to which an original or comprehensive baseline analysis could be conducted was severely constrained by the challenging timescale set by Government for the production of the strategies. There was an assumption that RDAs would draw on and

add value to existing available data, analysis and strategies, as well as the knowledge of their staff and partner organisations. The quality and extent of available information varied considerably between regions.

Main findings

RDAs adopted varied approaches to collecting and presenting background research.

Some of the RDAs produced separate baseline or contextual papers to support the RESs. These were inevitably of variable style, quality and detail with some focusing on headline indicators, others a more detailed economic analysis. In other cases the collation of information was more informal. This should not necessarily be taken as a criticism but more as a reflection of circumstances – many of the unpublished analyses were comprehensive. With a view to future revisions and updating of the RESs better practice does however suggest that baseline studies should be published.

Overall, the strategies were underpinned by a reasonably coherent analysis task the view of the regional economy. Most RDAs made effective use of existing material. In some regions the comparatively underdeveloped nature of existing background research and reports on the regional economy posed a major challenge. Notwithstanding these constraints, the regional economic research undertaken by RDAs was regarded as one of the stronger aspects of regional strategy preparation.

The main specific issues and findings that emerged are outlined below:

- **Comprehensiveness of coverage.** In general the background research and analysis undertaken and presented by RDAs was comprehensive in coverage. However the depth and emphasis of analysis varied between regions, and within regions, in terms of the level of detail provided in relation to individual issues.
- **Consideration of strengths and weaknesses.** The research base for the RESs incorporated a consideration of regional strengths and weaknesses although this was often presented in an unbalanced manner,. Regional strengths were generally presented more than weaknesses, reflecting the importance attached by some RDAs to the RESs as in part promotional documents.
- **Analysis of regional competitiveness.** The analysis in relation to regional competitiveness was generally comprehensive. In some regions there was detailed consideration of the underlying causal effects for business competitiveness and this was considered a strong aspect of the background work. Elsewhere the lack of such analysis was seen as an important area for further development in the future.
- **Sustainable development.** Several RESs did not fully build on a general commitment to sustainable development with explicit analysis and understanding in relation to the environmental situation in the region.
- **Social inclusion and equal opportunities.** Commitment to issues of social inclusion and equal opportunities figured highly in many of the RESs, but this was generally not matched with detailed analysis or an assessment of the potential to deliver improvements.
- **Sub-regional analysis.** All of the RDA strategies incorporated a sub-regional analysis to some degree, though this varied considerably in terms of the emphasis placed on sub-regional issues within the RESs.

Although in overall terms regional stakeholders considered that the analysis conducted did provide an adequate basis for the preparation of the RESs, there is also evidence that certain of the analyses, or aspects of the analyses, were somewhat lacking in depth. To an extent this was inevitable given the constraints imposed on RDAs in terms of time and, in some cases, the limited existing research available to draw upon. Partners indicated the importance of

RDAs and other partners continuing to develop a more comprehensive assessment of relevant regional trends and issues.

5. THE INTERNAL CONSISTENCY OF RDA STRATEGIES

Introduction

For the purpose of this study, the term ‘internal consistency’ refers to the extent to which the proposals set down within the RESs and Action Plans reflected and were consistent with, the regional context. That is, that the proposals reflected underlying regional conditions, strengths and weaknesses identified in the background analysis. In drawing up the evaluation criteria it was judged that internal consistency was achieved when:

- the vision, objectives and direction of the Strategy reflected the analysis and were realistic with respect to the specific and identified needs and opportunities of the region as revealed by data and partners’ views;
- the Strategy reflected both existing economic sectors as well as developing a realistic view of the potential to develop new forms of economic activity;
- the needs and opportunities of specific sub regions were acknowledged and addressed as well as those for the region as a whole; and
- the RES was accompanied by an appraisal of the contribution it will make to sustainable development in the form of a separate sustainable development appraisal.

Main overall findings

The main overall finding was that most of the RESs tended to primarily reflect national policy priorities with not enough emphasis on the distinct and particular characteristics and issues specific to their region.

A lack of regional distinctiveness was a common (and generally legitimate) criticism of many of the Strategies. Many of the RESs are very similar in their priorities and emphasis. This partly reflected the consensus-building approach adopted by RDAs. The challenging aspects of the strategy development *process* (the short timescales and the need to build consensus in regions with differing track-records of regional partnership working) led to inevitable consequences for the RES documents themselves. Most RDAs stressed the importance of setting out a broad range of proposals around which strong regional consensus could be built.

Strategy development was necessarily a political rather than technocratic development process. In this respect, the RESs also reflected a series of ‘political settlements’ between different interests groups in the region (e.g. business, environmental) as a result of meaningful and constructive dialogue and partnership between these groups at the regional level, often for the first time. Experience also suggests that the ‘technocratic’ approach (e.g. undertaking background research, economic forecasting) progressed in parallel with the wider political processes of partnership and consensus building. In practical terms the interaction between the two processes varied.

Most RDAs undertook an analysis of strengths and weaknesses (often in the form of a SWOT analysis), and the views of stakeholders confirmed the value of these assessments as a mechanism for bringing together a wide range of information, including more qualitative information fed into the process by partners. In combination with the results of consultation, these analyses were also regarded as a useful mechanism that allowed RDAs to understand the specific circumstances within which their Strategies were being developed.

Beyond the SWOT analyses, the RESs did not sufficiently consider and identify the main underlying causal links and drivers for change *specific to their region* in terms of the regional

economy. Whilst the RESs did to some extent reflect and present the main trends in terms of regional economic performance these tended to comprise the effects rather than underlying causes of regional economic performance. Whilst there were some exceptions to this, it was considered there was scope for far more of an analytical focus for the strategies.

There was also a general lack of spatial specificity and prioritisation in most of the RES documents relative to the level of detail in the supporting background research that was undertaken. A common view of partners in some regions, was that the strategies did not 'do justice' to the quality of background research.

Main findings in relation to specific aspects of the strategies

Visions. The starting point for most of the strategies is a vision for the region. In practice, it is difficult to argue that any of the visions in the RESs fail to reflect their regional circumstances, but few are particularly regionally specific or distinctive. For instance, in most of the visions there is a strong emphasis on 'knowledge-driven' economic growth. But the generality of this approach means that in practice it was difficult to identify the important differences between regions in terms of the issues and opportunities in this area. The visions were generally considered as 'aspirational' statements. Whilst the importance of 'aiming high' was widely accepted by partners, the specific targets included in some of the visions (such as to improve regional GDP per head) were often considered to be over-ambitious.

Sub-regional issues. The RESs were expected to reflect both regional and sub-regional needs and opportunities. In essence, whether or not good sub-regional data were available, most of the RDAs found it difficult to reflect sub-regional diversity in the RESs. As regional bodies the RDAs have attempted to reflect internal diversity through a regional approach and most RESs lack a clear spatial dimension.

Infrastructure Issues. RDAs have generally not yet directly addressed difficult choices between different sub-regions as the location for major infrastructure investment. In many cases it has not been appropriate to do so until further work and complementary strategies (such as the Regional Transport Strategies, or government studies on the development of airports) have been completed. It was also difficult or inappropriate for RDAs to make contentious decisions, given the need to build regional consensus around the RESs.

Clusters. In several regions, partners indicated that the approach to cluster development by the RDA did not demonstrate a sufficiently detailed understanding of the nature of the region's economic base or the propensity and likelihood of businesses in specific sectors (including 'traditional industries') to cluster. It was also considered that there was insufficient analysis of the underlying conditions and causal factors for cluster development. It was felt that this led to an overly general, unspecific, and in some cases, over-optimistic approach in the RES. The RESs also demonstrate little spatial specificity in proposals for cluster development, despite the fact that (by definition) specific clusters generally develop at the sub-regional (rather than regional) level and below.

Sustainable development appraisals. All of the RDAs have undertaken or are undertaking a sustainable development appraisal of their strategies and several examples of good practice were identified. There is scope in the future for the strategies themselves to better reflect this wider work and analysis on sustainable development issues.

6. THE EXTERNAL CONSISTENCY OF THE STRATEGIES

Introduction

The evaluation considered the extent to which the RDA Strategies are complementary to, and help set out an overarching strategic framework for other regional and sub regional strategies (external consistency).

The RESs and other strategies of RDAs are also required to be broadly consistent with national policy. There should be integration with the RES and other strategies in other regions, both in terms of cross-boundary issues, and also to ensure that proposals collectively help raise national economic competitiveness and are not at the expense of other regions.

The RESs sit within a wider framework of other regional strategies. The RES is intended to provide the overarching regional framework for policy and action in relation to economic development, and it is therefore important that it is largely consistent with, or complementary to, other relevant regional strategies. The most important other regional strategy exercise is **Regional Planning Guidance (RPG)**, which is intended to provide the overall spatial development framework for the region and also include.

At the time that the RDAs were developing their strategies, the nature of the wider regional strategic framework was rapidly evolving and many regional strategy exercises were at only an embryonic stage. A major issue was the relative timing of the various strategy development processes, which varied across the regions. In most cases (with the exception of RPG), the RES preceded other documents, making an assessment of direct external consistency of the RESs difficult, and to some extent inappropriate.

Main specific findings

Integration between the RESs and RPG. In almost all regions there is a broad level of complementarity between the RPG and the RES. The extent of detail in which RPG is considered in the RES varies significantly. To an extent this reflects the differences between the regions in terms of the relative timing of the two strategy development processes. For instance, in regions such as Yorkshire and the Humber, the timescale for developing the RES was closely aligned to the early consultation on the review of RPG, and a common set of objectives were developed for the two documents. Other RDAs were less fortunate. In the South East the RDA was faced with a draft RPG, several important aspects of which were contested at the Public Examination at the same time that the RES was being produced.

Integration between the RESs and other regional strategies. In general, the RESs outlined a broad policy framework on which the future development of strategies such as *Regional Frameworks for Sustainable Development (RFSD)* and *Regional Cultural Strategies (RCS)* could usefully build. The RESs were also generally consistent with existing strategies such as *Regional Competitiveness Strategies* and the *England Rural Development Plan*. Clearly, when the RESs are reviewed and updated, they will need to have regard to a much better developed wider framework of regional strategies.

Consideration of the overall regional strategic framework. A common finding from the research is that there is significant confusion amongst partners about the details of this wider framework of regional Strategies and the role of the RDAs within it. Some RESs (such as in the East Midlands, South West, and Yorkshire and the Humber) provide a detailed and clear contextual overview of the wider strategic framework. This was considered by partners as extremely useful and informative, and is a feature that other RDAs should consider incorporating in their RESs.

Integration between the RESs and relevant sub-regional strategies. In most regions, the RDA has played a positive and proactive role in clarifying and strengthening sub-regional partnership structures. Despite this, most RESs do not clearly outline the roles of sub-regional

partnerships and their relationships with the RDA. It is therefore unclear to what extent sub-regional partnerships are expected to take a direct implementation role or a more strategic role of engaging partners and setting out broad sub-regional strategic priorities. There is also little recognition of the variability amongst sub-regional partnerships in their regions in terms of their capacity, the engagement of various stakeholder groups, or expertise and experience in specific policy areas.

There is variable coverage of issues and priorities in relation to Structural Funds regional programmes although, in general, levels of cooperation have been positive. In practice, in several regions there has been evidence of close joint working between the RDA, GO and Structural Funds Partnerships in developing synergies through the processes of preparation, baseline research, and the identification of the main priorities in the RES and the Single Programming Documents.

There is a need for more detailed consideration of inter-regional strategic priorities and raising national economic performance. Most of the RESs make brief reference to the need to work across regional boundaries and with other RDAs to address inter-regional issues. However beyond this, inter-regional issues are not considered in detail. In several regions, partners indicated that 'on the ground' inter-regional working by RDAs was developing slowly and in an ad-hoc fashion. In many regions, there was a lack of adequate background research and analysis on inter-regional economic trends to underpin the RES, and where this did exist, full use was not generally made of the available material. In some areas, proposals for inter-regional cooperation in relation to inward investment are well developed.

In the South East and East of England, the RESs make reference to the importance of London and stress the need for joint working on issues that cut across regional boundaries – such as the Thames Gateway. However, this only amounts to brief recognition of the relevance of London. The issues and nature of the inter-relationships between the South East and London are not explored in sufficient detail. In general, the RESs do not provide the emphasis and coverage on London issues that is merited by the capital's economic importance to the economies of surrounding regions.

7. IMPLEMENTATION AND ACTION PLANS

Introduction

The production of the RESs was followed by a more detailed stage of action planning which involved the RDAs engaging with relevant partners to pursue the implementation of the RES through specific Action Plans. An Action Plan may be defined as a detailed statement of how a higher order strategic objective outlined in the RES is to be delivered in practice.

At the time when the research was undertaken in Summer 2000, RDAs were still in the process of producing or finalising Action Plans and there was no consistent documentary output. It was possible however, to compare the approaches which the RDAs were adopting based on the available documentary sources and by gauging the views of regional stakeholders and those directly involved in the process.

Main findings in relation to the evaluation criteria

In general RDAs have developed Action Plans that broadly meet the evaluation criteria and provide a sound basis for implementation of the Regional Economic Strategies. The Action Plans generally demonstrated:

- a consistent relationship with the policies of the RES, although in some cases inclusion in the RES of more specific details of the broad approach to implementation would have assisted in providing a clearer link with the Action Plans;

- reflection of appropriate partner involvement and commitment – despite, in several regions, problems in this area in relation to earlier drafts;
- specification of main programmes and the roles of partners, recognising the need to develop integration between different programmes – some RDAs have developed ‘crosscutting’ Action Plans (which are relevant to the all RDA programmes) to this effect;
- details of main timescales and milestones for implementation;
- an outline, where appropriate, of the of lead roles in delivery and the specific roles of the RDA – where there was an absence of partner consensus on details for implementation, it was counter-productive to outline lead roles;
- identification of the main actions and areas of priority; and
- specification in only general (and in most cases, non-quantifiable) terms of main inputs and outcomes of actions – this reflected an uncertain and underdeveloped wider context for RDA funding, organisational roles, and monitoring and evaluation.

Main general findings

Given the varying regional circumstances in which RDAs operate it is evident that there was no single blueprint as to how to address the post strategy phase and RDAs have developed Action Plans in different ways and at varying paces. It was clear that the various steps in the RDA policy process from strategy preparation through action planning to monitoring and evaluation are critically interrelated.

A main finding is that it is essential that format and level of detail of Action Plans reflected the levels of partner consensus and the nature of mechanisms for inter-agency working inherited by the RDA and developed through the RES process. Several RDAs attempted to produce documents that included too much detail too soon. In response, these RDAs have subsequently developed more successful, pragmatic and evolving approaches. Two main approaches were identified:

- **Pragmatic approach.** Where RDAs developed Action Plans to include detail of actions and specific roles and leadership to the extent to which partner consensus permitted. This meant proceeding at a cautious pace in some policy areas. This approach was most appropriate in regions where regional partnership working and partner consensus on roles and priorities for delivery were underdeveloped in comparison to other regions.
- **Strategic approach.** Where the RES included a high level of detail in terms of actions and the framework for implementation that commanded partner support, this provided a sound basis for moving to detailed action plans at an earlier stage. This approach was only appropriate in regions where inter-agency cooperation and consensus on delivery frameworks were well established.

This demonstrates the importance of RDAs continuing to develop a tailored ‘fitness for purpose’ approach to Action Plans to reflect varying objectives, organisational roles, and levels of consensus on delivery mechanisms between regions, sub-regions and policy fields.

More detailed and clear government guidance on the roles, timescales and resolution of ambiguities in action plans would be helpful, although it is essential that this is not too prescriptive and does not hinder RDAs' flexibility to developed tailored approaches. ‘Guidance’ on Action Plans from central government was limited, with no consistent approach across different government departments. Comparatively little attention was given to the question of preparation of RDA action plans in the various guidance which was issued by government. In the course of the study a number of RDAs and partners commented upon the absence of a clear and comprehensive statement of the nature, purpose and timetabling of action plans in the context of the wider role and functions of RDAs.

The RDAs faced constraints in relation to the level of detail and specificity that it was appropriate to include in Action Plans. Because the RESs focussed mainly on broad visions and objectives, rather than detailed priorities and frameworks for delivery, in many regions there was little detail or agreed priorities for implementation on which the RDAs could build. Inclusion of greater detail and more specific information will be appropriate as RDAs move towards a more stable and flexible funding regime, ambiguities of organisational roles are resolved, and monitoring and evaluation frameworks are developed. Some RDAs need to ensure that there is improved integration between various Action Plans, including those relating to specific policy areas, crosscutting themes, and sub-regions. Presentation of all Action Plans in a single document has proved useful.

8. MONITORING AND EVALUATION OF RDA STRATEGIES

Introduction

The Statutory Guidance to RDAs highlighted the importance of the development of relevant procedures so that central government and regional partners could monitor and evaluate RDA progress and achievements. Central government recognised that developing an overall approach towards monitoring and evaluation would necessarily take time.

The basis for monitoring and evaluation are sets of regional indicators - quantitative data that are collected to chart change over time and monitor progress towards achieving strategic objectives – and targets for improvements in performance over a given time period. Statutory guidance to RDAs proposed in the first phase a set of core indicators recognising that each region would have different priorities, but there would be common overarching aims. The Statutory Guidance recommended the preparation of two types of core indicators:

- **Core ‘State of the Region’ Indicators** - to provide economic, social and environmental context for the strategy. They covered the five statutory purposes of RDAs; and
- **‘RDA Activity’ Indicators** - to measure the RDAs' achievement directly by reporting aggregated programme outputs including jobs created / safeguarded.

Clearly the RDAs faced early pressures in developing monitoring and evaluation frameworks. There were significant variations in the quality and availability of relevant data in terms of main policy areas, and different regions and sub-regions. At the time of the research for the study, the monitoring and evaluation frameworks were generally at early stages of development and the situation varied between regions. The assessment therefore focussed on emerging issues, and aspects of the approaches adopted by RDAs.

Main findings

In general, RDAs successfully met the requirements of the evaluation criteria and statutory guidance in relation to monitoring and evaluation. The monitoring and evaluation frameworks set out in the RESs reflected the basic requirements of statutory guidance. Understandably given the time constraints, this only represented a starting point with scope for further development of more detailed frameworks.

In terms of the **process of developing the monitoring and evaluation frameworks** the RDAs did not start from a common position. There was a varying regional inheritance of data, research and experience of collaborative working in monitoring and evaluation. RDAs adopted a pragmatic and appropriate step-by-step approach to addressing these difficulties. In most regions, the RDA, in conjunction with partners, have established *Regional Observatories* or *Intelligence Units* to take the lead in regional monitoring and data collection.

In terms of **‘State of the Region’ indicators**, in some regions there was considered to be an over-reliance on the use of GDP per head as the primary ‘State of the Region’ indicator.

Other RDAs have developed a 'basket of indicators' approach to provide a more complete assessment. In several cases the targets specified by RDAs were considered overly aspirational, and unlikely to be achieved within the foreseeable future. This criticism generally applied to some RDAs' aspirations for growth in GDP and large improvements in positions in the 'league table' of European regions. Benchmarking of performance against other regions was seen as a potentially useful technique, although there was a need for this to be developed further, and, in some cases, use of more appropriate comparator regions.

Development of **RDA Activity indicators** was at an early stage. The main emerging issues identified were the need to: minimise potential ambiguities and inconsistencies across different regions and programmes; avoid double counting; and to ensure maximum integration of these indicators within the wider RDA Corporate Planning process.

9. CONCLUSIONS

The extent to which the strategies met the requirements of Guidance and the evaluation criteria

In general terms, the RDAs fulfilled the requirements of Statutory and Non-Statutory Guidance on the content of the Regional Economic Strategies and Action Plans, and in most areas, satisfactorily met the terms of the evaluation criteria for this study.

The RDAs faced challenging timescales and organisational issues at the time that they were producing the RESs and Action Plans. Within this context, the RESs and Action Plans can be considered to successfully meet most of the basic requirements of the evaluation criteria set out for this study, particularly in the main areas set out below.

- In most regions the RESs commanded the support and commitment of the majority of partner organisations, and were recognised to provide a clear over-arching vision and framework for taking forward economic development and regeneration within the region.
- There was generally comprehensive coverage of all the main policy areas specified in the Guidance (and outlined in the evaluation criteria). Although often, specific policy areas were considered to varying degrees of detail.
- In most regions, the background research and baseline analysis undertaken to inform the production of the RES, represented a fair attempt to develop a robust and comprehensive analytical basis for the RES within the limited timescale available.
- In general, the visions and broad objectives of the RESs were appropriate (if not particularly distinctive) to their regions, and reflected the analysis upon which they were based.
- No examples were noted of serious inconsistencies with other regional strategies. In many regions the RDA produced the RES in the context of an uncertain and under-developed wider framework of other regional strategies. Consideration of inter-regional and cross-boundary issues was generally under-developed in most of the RESs.
- Following initial problems in some regions, a 'fitness for purpose' approach to Action Plans has since been developed – the timescales and formats for the documents are appropriate to the specific regions, RESs, and varied RDA roles in different policy areas. As such, the Action Plans provide a sound basis for implementation of the RESs.
- The interim monitoring and evaluation frameworks generally met the requirements of Guidance in terms of core indicators, although there were some concerns that over-aspirational targets had been set. Most RDAs have built on this early work to work closely with partners to further develop these frameworks.

Whilst the RESs generally met the basic requirements of Guidance and the evaluation criteria, it was **considered that there were some specific shortcomings and weaknesses in the strategies** in several of the regions. Clearly the RDAs faced challenging timescales, and a difficult organisational and partnership working context at the time that they produced their RESs. Whilst recognising this context, it was considered that there were some specific shortcomings common to several of the RESs, and these are outlined below.

- In general, it was widely considered there was scope for the strategies to demonstrate greater regional distinctiveness. There needed to be greater and more critical consideration of regional and sub-regional characteristics and trends when applying national policy priorities to regional circumstances.
- There was generally a lack of spatial specificity and awareness in the RESs, particularly in respect of intra-regional differences. There was not sufficient consideration of how regional objectives and programmes needed to be shaped and applied with regard to sub-regional factors.
- There was potential for the RESs to more closely reflect and demonstrate clearer linkages with the background analysis. There was scope for greater consideration of underlying causal factors for regional economic performance and change, rather than the effects, as highlighted by headline indicators.
- Whilst the RESs demonstrated comprehensive coverage of main policy areas, there was scope for further analysis and discussion of the critical inter-relationships between different thematic and crosscutting policy areas.
- Several of the RESs did not include any detailed consideration of the specific actions and framework for implementation. This contributed to the confusion and problems faced by some RDAs in the subsequent development of Action Plans.
- A clear finding relevant to the content, visions, and monitoring and evaluation of the RESs, was that targets and objectives tended to be overly aspirational. Many partners questioned how realistic and achievable the strategies were within the foreseeable future.

The role of government guidance and national policy

In several policy areas RDAs have faced a difficult and challenging task of developing integration between different regional strategies and programmes. This has stemmed from a need to improve coordination at national level between different Government departments, programmes and agencies. Also, timescales specified by Government for the production of the RESs and some specific Action Plans were considered inappropriate, arbitrary, and often inconsistent with the timetable of other relevant policy initiatives.

One way in which Central Government could assist is to ensure that there is a clear and integrated framework of national policy and formal guidance to support the work of RDAs and assist in the development of RESs and Action Plans. Guidance from government on the coverage and content of the RESs should reflect and emphasise the importance of RDAs developing distinct regional responses to main priorities, and a critical and tailored application of national policy to regional and sub-regional circumstances. It is important that guidance does not assume a 'one size fits all' approach and that National policies and programmes can be simply 'rolled out' in the regions in similar formats.

It is important that government addresses shortcomings in the current guidance and continues to resolve uncertainties ambiguities and inconsistencies (that stem from national policy) of organisational roles and responsibilities in particular policy areas.

There is a need for more clear guidance on the process for developing Action Plans, although this should not compromise the ability of RDAs to develop tailored and flexible formats and timescales to reflect varying regional circumstances.

The context for the review on updating of the strategies

As the RESs are reviewed and updated, the RDAs will be far better placed to deliver more sophisticated, detailed and integrated Strategy documents. In general the RESs can be considered to be clear and robust documents, and generally as specific and detailed as can be expected given the challenging context within which they were produced. As they review and update their RESs the RDAs will be far better placed to produce more detailed, specific and sophisticated documents. It will be important that these reflect and harness the significant recent changes and developments in the wider policy context.

10. RECOMMENDATIONS AND ISSUES FOR FUTURE CONSIDERATION

Introduction

Drawing on the conclusions of the study, there are several important issues and areas for action for consideration for the future review and revision of the RESs, and the further development of Action Plans and frameworks for monitoring and evaluation.

When RDAs come to review and update their RESs they will face **a far more favourable organisational context and timescales** for the production of the new documents.

RDAs will be working from the basis of a strategy document on which there is likely to be general partner consensus on the vision, and main themes and objectives. RDAs will also be able to adopt longer and more flexible and appropriate timescales for reviewing and updating the RESs and Action Plans. There is likely to be a more comprehensive and better quality of background research and analysis on which to draw. There will also be a better-developed and clearer framework of other regional strategies, and more up to date Regional Planning Guidance. RDAs' experience and competencies will be better developed in all areas.

Since the time that the RESs were produced and this evaluation was undertaken, there have been a series of important policy, funding and organisational developments in relation to RDAs. RDAs will have 'single pot' funding with vastly increased flexibility in terms of project funding and programmes. This will be an important move away from the fragmented and compartmentalised nature of separate programmes and funding streams. There will be more clear and established organisational structures in relation to various policy fields, particularly in the areas of skills and business support.

RDAs will be operating in the context of evolving and changing relationships with other regional organisations. The Regional Chambers will be better placed, and better resourced, to undertake a scrutiny role in relation to the work and strategies of RDAs. The development of mechanisms and policy for ensuring greater integration and strategic coordination of mainstream and area-based programmes at the local and district levels.

Consideration of main policy fields

RDAs and Government should focus on how the RESs can better develop and more clearly outline linkages and integration between main policy and crosscutting themes.

With the move towards 'single pot' funding for RDAs, it will be important (and easier) for RDAs to consider the main linkages and areas for integration between policy fields to outline more integrated policy responses and projects. RDAs will be far better placed to address a wide range of issues (such as regeneration, skills, competitiveness, land and property) in respect of particular projects and area and policy priorities.

RDAs will be better placed to consider crosscutting issues and themes (such as social inclusion, sustainable development, rural development, race and equalities). RDAs will

benefit from further guidance from government, better-developed partnership relationships, and improved awareness and competencies in these areas.

In areas such as skills and business support, the establishment of new structures such as Learning and Skills Councils and the Small Business Service will provide a more clear and effective institutional structure for development and implementation of policies and projects in relation to the RESs.

In some policy areas, there is need for clarification by government of main institutional roles and relationships. In particular, there remains widespread confusion on roles and responsibilities in relation to rural development - despite recent changes in departmental structures and responsibilities. government should also seek to ensure policy is integrated between Departments at the national level.

Background research that underpins the RESs and Action Plans

RDAs should develop a more sophisticated and comprehensive base of background research to underpin the review and updating of the RESs, utilising more generous timescales and recent work at the regional and sub-regional levels.

The establishment and development of RDA monitoring and evaluation frameworks and mechanisms such as Regional Observatories will yield a more detailed, comprehensive and better quality data and intelligence on regional trends and performance. RDAs should build on the inter-regional cooperation that has been developed, to undertake more detailed analysis and consideration of cross-boundary issues.

There is an opportunity to address in more detail some of the under-developed aspects in the first stage of background research, including: issues and trends in relation to the social economy, race and equalities, and the environment; the importance of the public sector and mainstream public expenditure; analysis of underlying causal factors for regional change; and consideration of qualitative information, such as business confidence and perceptions.

Internal consistency

A major priority for RDAs as they review and update their RESs is to develop greater regional distinctiveness in the visions, objectives and policies adopted.

This should be based on a more critical approach to the application of national policy at the regional and sub-regional levels, and inclusion of greater spatial specificity in the RESs and supporting analyses. There should be more clear and better-developed linkages between the RESs and the supporting analysis of regional strengths and weaknesses.

The RESs should demonstrate greater spatial awareness and specificity, based on appropriate background research and increased recognition of intra-regional differences. When considering the application of national policy at the regional or sub-regional level, RDAs should assess the relevant spatial issues and geographical factors within the region.

The policies and priorities in the RESs need to better reflect the existing economic structure and nature of businesses within their regions. The RESs should focus to a greater extent on underlying causal factors for economic change and barriers to success. This will help better identify the most appropriate and cost-effective policy interventions. There should be an appropriate balance between realistic and achievable targets and objectives in the short to medium term and more aspirational long-term targets.

The strategies should be more clearly linked and draw on, to a greater extent, supporting background research. Inclusion within or alongside the RES of a summary of background research (in the form of 'State of the Region' reports) would be helpful in this respect.

External consistency

As they are reviewed and updated, the RESs should reflect recent developments in the wider framework of other regional Strategies, as well as changing organisational roles and relationships at the regional and local levels.

There is an increasing emphasis in national policy on the importance of developing better integration and coordination between policies and programmes of different organisations at both the regional and local levels. RDAs have already responded to this by helping develop frameworks for ensuring integration between the various regional strategies and introducing mechanisms for improved coordination of projects and programmes at the local level. RDAs and Government will need to consider how best to support, relate to, and work through Local Strategic Partnerships.

RDAs should continue to work with other main regional organisations to ensure integration and complementarity between the main regional strategies. A priority in the updating of the RESs will be to ensure they reflect, and make reference to, developments in the wider regional strategic framework. It is particularly important that the RESs build on, and are consistent with, the spatial development framework as outlined by RPG.

There should be far greater consideration of inter-regional and cross-boundary issues and priorities. In particular, the work and strategies of the Mayor and strategic bodies for London will help enable a better consideration of the inter-relationships between London and its surrounding regions.

Action Plans

RDAs should continue to adopt flexible and tailored approaches to developing Action Plans to reflect specific regional circumstances, based on more detailed consideration in the RESs of action and delivery frameworks.

RDAs should continue to develop approaches to Action Plans with timescales, formats and levels of detail that reflect regional circumstances and the level of partner consensus in different policy areas. RDAs should be better placed to include in the RESs more detailed specification of subsequent actions and frameworks for implementation. This will greatly assist in the development of the Action Plans that will follow. RDAs should continue to consider how Action Plans can best be presented to demonstrate the linkages and integration between different documents, including thematic Action Plans, those for main crosscutting theses, and sub-regional delivery plans.

Central government should provide more clear guidance on the process and requirements for the production of Action Plans. It is important that this focuses on providing clarity to RDAs, particularly where lead roles and organisational responsibilities are unclear. It is vital that guidance does not impair the flexibility of RDAs to develop appropriate and varied timescales, formats and levels of detail appropriate to regional circumstances. Government should also ensure that any timescales specified for Action Plans are appropriate to the work of the RDAs, policy and funding cycles and organisational changes on the ground.

Monitoring and evaluation frameworks

Government and RDAs should continue to work together to assess how monitoring and evaluation frameworks can be developed to build on the positive work so far.

As the monitoring and evaluation frameworks are developed, RDAs and Government should consider how a broad range of indicators can be adopted to ensure a fully comprehensive and informative assessment of regional performance. Several RDAs have led the way by developing a 'basket of indicators' approach. RDAs should ensure that realistic and achievable short to medium term targets are included in the RESs, with an appropriate balance with more aspirational long-term targets.

To enable robust comparisons, RDAs and Government should consider how to ensure consistency across different regions and programmes in the definition and use of indicators. This should identify how potential for double-counting can be minimized, how definitions can be harmonised across programmes, and the implications of 'single pot' funding and programmes for the development of 'RDA Activity' indicators.

MAIN REPORT

1. INTRODUCTION AND CONTEXT FOR THE RESEARCH

1.1 Objectives of the research

This study is an evaluation of the content of the first Regional Economic Strategies (RESs)¹ prepared by the Regional Development Agencies (RDAs) in the period to Autumn 1999, and the Action Plans prepared in the period to Summer 2000. The exercise had two, inter-related, objectives:

- an evaluation of the rigour and appropriateness of the proposals contained within the RESs and Action Plans, both from an intra-regional perspective and from an inter-regional and national perspective; and
- the identification of best practice and transferable lessons for the RDAs in relation to the content of, and context for, the RESs and Action Plans.

In addressing these objectives, the research had regard to a number of areas of assessment, including:

- the extent to which the content of RES and Action Plans comply with statutory and non-statutory Guidance;
- the extent to which the RDAs, in producing the RESs and Action Plans, had a sufficient evidence base from which to formulate the Strategies;
- the extent to which the RESs and Action Plans are appropriate and “internally consistent” with the regional context, and contain proposals that are realistic with respect to regional needs and opportunities;
- the extent to which the RESs make adequate and practical provision for monitoring and evaluation; and
- the extent of complementarity and “external consistency” with other relevant regional and national policy frameworks and the activities of other local, regional and inter-regional stakeholders, including Regional Chambers² and the degree to which RESs provide an enhanced strategic focus to the worth of these organisations.

1.2 Parameters for the research

This evaluation is of the *content* of the RESs and Action Plans, and did not intend to evaluate directly the *processes* for their production. However, whilst not the direct focus of the study, these wider process and organisational issues were important contextual considerations. These issues are considered briefly in section 1.4 below.

¹ The abbreviation, RES is used throughout this report, to refer to the Regional Strategies prepared by the Regional Development Agencies. In practice a variety of terms were used by the RDAs (Regional Strategy, Regional Economic Development Strategy etc). The term RES has become recognised shorthand, and is used to prevent confusion with strategies prepared by other regional bodies.

² The term Regional Chamber is used throughout the report to refer to the representative bodies designated under the 1998 Regional Development Agencies Act. Subsequently some of those bodies have adopted the title Regional Assembly.

Another DETR research project has assessed the methods and processes undertaken by RDAs to develop partnership working and stakeholder engagement in the production of their RESs and Action Plans, and the study report was published in February 2000.³

The study considered the RESs and Action Plans of the RDAs in the eight regions of England excluding London (where the RDA was formed in June 2000, under different legislation to the other RDAs).

A fairly broad view was adopted about what constituted a RES and Action Plan (see section 1.3.2). In general, the RES document(s) and supporting background documents (such as background research) were considered for the purposes of the evaluation.

There was a far less clear documentary basis for evaluating the Action Plans (see section 1.3 below). In general, the documents that were available at the time of research were assessed. Although these were often limited, and in several regions consisted of drafts for consultation, or even internal working drafts.

In most regions, there was little or no documentation (other than what was in the RES) on the monitoring and evaluation framework. For the purposes of the research, the relevant sections of the RES were considered, and the discussions with RDAs considered the future development of frameworks of targets and indicators.

1.3 Timing of the research

The research was undertaken mainly in the spring and summer of 2000. This timing for the research posed some important issues and challenges, and these are outlined below.

- The RESs had been published in autumn 2000, and therefore provided a clear and fairly consistent set of documents for evaluation. However it should be stressed that the RESs were produced in a short timescale whilst RDAs were very much in a start-up phase. At the time of the research, RDAs were focussed on developing Action Plans and delivering their programmes. As such, several RDAs and partners questioned the appropriateness of the timing of this evaluation.
- In contrast, the frameworks of RDA Action Plans were, in many regions, only at an interim stage of development, and still subject to discussion with partners. These Action Plans underwent significant change and development at the same time that the research was undertaken, and therefore in several regions it was difficult to obtain a clear documentary basis for the evaluation.
- RDA monitoring and evaluation frameworks (beyond the limited set of indicators specified in Government Guidance) were at an even earlier stage of development. Whilst RDAs had undertaken thinking and discussion on the development of frameworks of targets and indicators, there was generally little documentation available.
- The research was undertaken at a time when, in most regions, several other regional strategies (other than the RES) were being developed and reviewed. The roles of principle regional organisations such as Government Offices (GOs) and Regional Chambers were also undergoing change.

The research was also undertaken in a rapidly evolving policy context. Announcements on increased resources and the move to 'single pot' funding for RDAs were made as a result of *Spending Review 2000*. There was also the general election and subsequent changes in Whitehall in May 2001, at a time when the study report was still undergoing consideration and refinement.

³ *Strategy Development and Partnership Working in the RDAs*, DETR, February 2001.

1.4 Context for the research

1.4.1 The processes for strategy development and partnership working

In considering the content of Regional Economic Strategies (RESs) and Action Plans, it is important to recognise the particular organisational context and challenges experienced by RDAs in relation to strategy development. These are outlined below.

The RDAs inherited very different patterns of regional working and institutional relationships. In some cases there was virtually no previous history of regional development activity or sense of regional identity, whilst in other regions there was already established momentum around the development of regional structures and collaboration in determining regional priorities.

High expectations. RDAs were established in the context of significant publicity and high expectations amongst many partners. There was however, little understanding of the powers, roles and responsibilities of RDAs in different policy areas or what requirements had been placed upon them in terms of preparing and implementing a RES.

Challenging timescales. The RDAs were immediately faced with the pressure to produce their Strategies within around six to eight months from their establishment. The major focus of management effort and staff time was initially placed on strategy development.

The need to build consensus. The preparation of the RES itself was as much a political task as a technical one. The process of strategy development necessitated the establishment of effective partnership working and to build consensus wherever possible on main regional development issues and priorities.

In several policy fields, particularly where there was no previous history of strong partnership working at the regional level, partners needed time to reach agreement on content and policy, or necessary technical background studies were not yet complete. It clearly would not have been beneficial to their long-term partnership relationships for RDAs to impose a consensus on what were often longstanding and controversial issues.

1.4.2 The format of the RESs

It is also important to note that the RESs were published in a number of different formats. Some were single volume documents, which incorporated a summary of the analysis on which the RES was based and the initial Action Plans, as well as presenting the formal Strategy document itself. In other cases the RES was a multi-volume affair.

In this sense, it was necessary to undertake research on the whole family of RDA documents, including documents in support of the RES or Action Plans. Strategic Guidance from the then DETR (see Chapter 2) implies that the RES should include both detailed analysis of regional issues and strengths and weaknesses as well as the Strategy itself. However, in practice this would have resulted in very long, inaccessible and unwieldy documents. An analogy can be drawn with the current round of European Single Programming Documents, which in some cases run to several hundred pages.

As a consequence this study takes a wide definition of the RES to include supporting information and studies. The analysis was focussed not only on the final 'product' of the RESs, but also took into account on the context, processes, and rationale that underpinned the development of the RESs. It was therefore appropriate to adopt a broad definition of the range of documents that constituted and were directly related to the RESs.

1.5 Research method

1.5.1 Overview of research method

The study examined the content of the RDA RESs and Action Plans in each of the regions. Following a review of existing literature, a consistent research method was adopted in each region. The following main stages of research are outlined below, and described in more detail in the following sections.

- A consistent set of evaluation criteria were developed as the basis for the evaluation – the relevant criteria are outlined at the start of each chapter in the report (chapters 3-8) and are also included together in Annex A. This was based on the requirements for the RESs and Action Plans outlined in the RDA Act and the Statutory and Non-Statutory Guidance. A reasoned qualitative assessment was undertaken of the extent to which the RESs and Action Plans met these criteria, taking into account the different contexts in each region. The aim was to identify the main findings, issues, and areas of good practice as well as areas for improvement. The study did not set out to ‘score’ the RESs and Action Plans in each region against the criteria (it was not considered appropriate or feasible to do so).
- A desk-based assessment was undertaken against the evaluation criteria of each of the RESs and supporting documents.
- The relevant Action Plan documents were reviewed. In some cases these were published drafts, whilst in other regions only working drafts of the documents were available.
- Semi structured interviews were held with senior staff in each RDA and Government Office (GO) for the Region to discuss issues and initial findings emerging from the desk-based assessment.
- Further discussions were held with a range of partner organisations in each region to confirm and explore further issues and findings resulting from the desk-based assessment.

1.5.2 Rationale for the research method

This method allowed for issues and initial findings from the evaluation of documentary sources to be clarified, confirmed, contextualised and explored further through discussions with RDAs and relevant partner organisations. This enabled the evidence and the eventual conclusions to be validated through discussion with a wide range of stakeholders.

The evaluation criteria formed the basis for the review of documentation and a checklist for the subsequent discussions with RDAs and partners. The evaluation criteria were chosen to incorporate the requirements of the Statutory and Non-Statutory Guidance to RDAs and also to reflect good practice in the development of other strategies (such as Regional Planning Guidance, or the Single Programming Documents for EU funding programmes). The intention was not to develop evaluation criteria that could form the basis for quantitative measurement or ‘scoring’ of the RESs and Action Plans. Rather, as well as to assess compliance with Guidance (which was itself deliberately non-prescriptive), the criteria were also chosen to highlight the more general issues, strengths, weaknesses and problems (which were not necessarily of RDAs’ own making) in relation to the RESs and Action Plans.

The interviews with RDAs and GOs were vital in contextualising and exploring further issues and points that were raised from the preceding desk-based review of the documentation. This enabled the assessment of the content of the RESs and Action Plans to be considered in the context of the processes, issues, and challenges in relation to their production. It also enabled RDAs to offer a candid reflection on the content of the RESs and how they intended to address areas and issues, which they felt were under-developed in the documents themselves.

Interviews and group discussions with partners, offered the opportunity to triangulate the findings and initial conclusions from the desk-based assessments and interviews with RDAs and GOs. The interviews were also seen as important because these partners often constituted a prime audience for the RESs and Action Plans and would be instrumental in helping implement the documents in partnership with the RDA.

1.5.3 The application of the evaluation criteria

The application of and undertaking of assessments against the evaluation criteria was based on a number of main factors and principles.

The assessment took into account the circumstances ‘on the ground’ that RDAs faced when producing their and Action Plans. The assessment included consideration of the limitations on what RDAs could reasonably be expected to achieve given the challenging timescales, and the organisational and partnership working contexts within which they were operating. The interviews with RDAs provided useful information as to the specific (and not always obvious) difficulties and challenges they faced.

Whilst it was recognised that different RDAs inherited different starting points, the overall assessment of the RESs took into account comparisons with other regions examples and best practice. For instance, some RESs included features or a level of detail in some areas that was not present in other regions where it could have reasonably be expected to be so.

The views of partners were taken into account, although these were assessed against the desk-based evaluation, the interviews with the RDAs and the analysis of what RDAs could have reasonably be expected to achieve. Often partner expectations were unreasonable or unrealistic. Partners’ views were particularly valuable when they highlighted positive and successful aspects and approaches of the Strategy documents.

The assessments drew on the relevant members’ of the study team knowledge of the regions, to inform a judgement of the appropriateness and salience of the RESs.

In some areas, whilst the Strategies met the basic requirements of the Statutory and Non-Statutory Guidance as well as the evaluation criteria, it was considered that they could also have reasonably been expected to develop some aspects or points in more detail. These areas are highlighted in the report, and in particular Chapter 9.

1.5.4 The evaluation criteria

The central element of the research methodology was the development and application of the evaluation criteria. There were considerable variations between regions in terms of the approach adopted by RDAs to the preparation of the RESs and Action Plans. It was therefore important to develop and deploy evaluation criteria that were robust and sufficiently flexible in order to allow for both regional and national assessments to be conducted.

In summary, the criteria were developed in relation to the following research and evaluation issues:

- the extent to which the content of the RES reflects the requirements specified in the legislation and guidance;
- the scope and quality of the evidence base and the extent to which the RES (that is the RES itself and supporting documents) is based on sound analysis;
- the extent to which the content of the RES reflects and addresses baseline conditions and the regional context – internal consistency;
- the extent to which the RES is complementary to other regional and sub-regional strategies – external consistency;

- the scope and content of arrangements for monitoring and evaluation; and
- the approach adopted in relation to the preparation and content of Action Plans.

Many of the issues that were dealt with during the course of the research are inter-related. This implies that a number of issues had to be considered as crosscutting topics rather than as specific, restricted matters that were isolated from other areas of policy, process or activity.

The criteria were also used to help to guide the desk analysis and semi-structured interviews conducted with GOs, RDAs and regional stakeholders.

The research approach was designed in order to make the best possible use of the existing knowledge of the regional assessors; to conduct regional investigations that made the best possible use of the limited resources available to the research team; and to attempt to maintain the highest possible level of consistency and objectivity.

1.5.5 The interviews with RDAs and Government Offices

These interviews were critical in understanding the nature and rationale for the processes and approaches adopted by the RDAs. The interviews were used to clarify and explore further points arising from the initial desk-based review of the RES. As such the discussions focussed in detail on a range of specific issues (drawn from the full list of research questions) in each region.

In general the meetings with RDAs were useful and constructive. RDAs generally discussed openly the positive aspects of the strategy development process as well as things that might have been done differently.

The interviews with RDAs generally involved the Director of Strategy or another member of the Strategy team. The interviews with Government Offices generally involved a relevant Director and / or members of the RDA sponsorship team.

The interviews with Government Offices were useful for triangulating and providing confirmation or an alternative perspective on the views of the RDAs, as well as drawing on the experience and expertise of Government Office officials. Notes were made of the main points arising from the interviews, and these provided an important input into the final notes on the evaluation of the RESs and Action Plans.

1.5.6 Interviews with partners

Interviews were held with partners to triangulate the findings from the desk-based assessment and views of the RDAs and Government Offices.

Due to the limited timescales for undertaking the research, the interviews took a variety of formats. In most cases one-to-one semi-structured interviews were undertaken, although in some cases a wider range of individuals were present and the sessions took the format of a semi-structured group discussion.

A series of research questions based on the evaluation criteria formed the basis for the discussions (see Annex A). In practice, it was not practical or appropriate to cover this full list of questions, and the discussions focussed on main points arising from the desk-based evaluation and additional points raised by the interviewees. At all times, the views of partners were assessed within the context of the circumstances and difficulties RDAs faced in the process of developing the RES and Action Plans.

A number of factors influenced the selection of the range of partner organisations to be interviewed. In most cases, interviews were held with a representative of the Regional Chamber. Beyond this, interviewees were selected to reflect the particular issues and draw on recognised expertise within the region. The interviews intended to involve individuals who had been closely involved in the strategy development process and had detailed knowledge of

the RES and the main relevant issues within the region. Where possible, guidance was sought from the relevant Government Office on appropriate individuals and organisations to be interviewed.

Across the regions, the list of interviewees included an appropriate balance between the following types of organisations:

- Regional Chamber;
- Regional Planning Body;
- Regional LGA;
- CBI / Chamber of Commerce / other business representative;
- Regional Voluntary Sector Organisation;
- TECs;
- Local Authorities (Economic Development Department);
- Statutory Agencies i.e. Environment Agency;
- Roundtable / Forum for Sustainable Development; and
- Sub-Regional Partnerships.

The intention was to involve a full range of partner organisations and stakeholder interests across the regions. Within each region, the focus was more on exploring the relevant issues and identifying the organisations relevant to the main points and issues arising from the desk-based evaluation. Notes were made on the main points from the discussions, and these provided an input into the full notes on the evaluation of the RESs and Action Plans.

1.6 This report

The chapters of the report reflect the overall structure of the evaluation criteria adopted. The report structure is set out below.

- Chapter 3 provides an overview of the basic content and coverage of the RESs in relation to the requirements of Guidance in relation to the specific policy fields (e.g. competitiveness, regeneration, rural development). The chapter assesses the extent to which the RESs address the complete range of main policy areas and objectives outlined in the Guidance, and considers issues in relation to the different approaches adopted to various policy fields.
- Chapter 4 reviews the background analysis and research base from which the RESs were developed. The chapter assesses the extent to which these analyses and baseline assessments provided a robust and informed framework of intelligence to inform the RESs.
- Chapter 5 considers the extent of internal consistency - that is the extent to which the content of RES reflects and is appropriate to the distinct nature and economic characteristics of the region, and the background analysis undertaken
- Chapter 6 considers external consistency - the extent of and issues in relation to integration with the emerging framework other regional and sub-regional strategies. At the time that the RESs were produced, these various different regional strategies (i.e. other than the RES) were at different stages of development in different regions

- Chapter 7 considers emerging issues in relation to the content of the series of Action Plans produced by RDAs. It should be noted that at the time of the research, Action Plans were generally still being developed, and were at different stages of development in different regions.
- Chapter 8 considers the provision in RES, for the outline framework for monitoring and evaluation. At the time of the research, the monitoring and evaluation frameworks in most regions were still at early stages of development, and RDAs were undertaking work to develop a full set of indicators and mechanisms for monitoring and evaluation.
- Chapter 9 provides a summary of the main findings from the research.
- Chapter 10 outlines issues for consideration and recommendations for the future review, updating and revision of the RDA Strategies and Action Plans.

The main text is also supported by a series of annexes, as follows:

- Annex A lists the evaluation criteria and research questions used in the research;
- Annex B lists the organisations that participated in the research; and
- Annex C provides details of Action Plans as at July 2000.

2. BACKGROUND

2.1 The rationale for RDAs

For many years it was claimed that the English regions were relatively disadvantaged, when compared with Scotland and Wales, in terms of the organisation and operation of regional planning and economic development. This relative disadvantage was considered to originate from the absence of territorial governance and administrative mechanisms for the design and implementation of regional economic development policy. This situation began to change in the mid 1990s due to a number of organisational and political developments that established a more substantial base of regional competence. These initiatives included:

- the creation of integrated regional offices (now known as Government Offices for the Regions or GOs) in April 1994;
- the reformulation, revitalisation and establishment of regional conferences of local authorities;
- the development of wider regional partnership organisations;
- the further refinement of the regional partnership organisations associated with the European Union Structural Funds programmes for regional development;
- the creation or extension of regional political structures at European, national and regional levels; and
- the introduction of new policies and tasks at regional level.

The difficulties experienced in the English regions had been the subject of considerable debate since the early 1980s and a number of policy proposals had been developed by the Labour Party. Prior to the 1997 General Election, these proposals were subject to review, which included a major examination of the options for the creation of Regional Development Agencies conducted by a Regional Policy Commission set up by John Prescott. The report of this Commission, 'Renewing the Regions'⁴, recommended that regional development agencies should be established, but was less explicit about the powers, functions and institutional arrangements associated with the agencies.

Following the election of the Labour Government in 1997, an 'Issues Paper' was published by the then Department of the Environment, Transport and the Regions (DETR)⁵, which emphasised the need to create RDAs in order to provide for effective, properly co-ordinated regional economic development, to underpin wider regeneration, and to enable the English regions to improve their competitiveness. Following consultation, a White Paper, entitled 'Building Partnerships for Prosperity'⁶, was published which set out the Government's proposals for the establishment of RDAs.

The four principles for the establishment of RDAs.

The Government's approach to establishing the RDAs, set out in the White Paper, was based on four principles, that:

- power should not be centralised in Whitehall, but that local, regional and national structures are needed for decision making and for action to put those decisions into effect;

⁴ Renewing the Regions. Regional Policy Commission, 1996

⁵ 'Issues Paper' on RDAs. DETR, June 1997

⁶ Building Partnerships for Prosperity. Sustainable growth, competitiveness and employment in the English Regions, DETR, December 1997

- regional structures must be based firmly on partnership, with each local or regional interest being able to contribute effectively towards an integrated and coherent strategic programme which commands general support;
- issues should not be tackled in isolation, but that much greater integration and co-ordination of effort is necessary to deal with the pressing problems of economic and social decay and to promote the successful regional economies vital to our future prosperity; and
- that some regional tasks, such as economic development and spatial planning, need clear leadership and the experience in action which the business community can contribute; but that these must also look to a wider circle of partner organisations and to the views of communities through their elected representatives.

This principle of widening and strengthening stakeholder engagement was developed further in the White Paper, including a proposal to establish Regional Chambers. The Regional Chambers provide a mechanism for undertaking scrutiny of the RESs. Their membership includes representatives from local authorities, the private sector, voluntary and community groups, environmental organisations, and bodies from the arts and culture sectors.

2.2 The nature and purpose of RDAs

The RDAs were established as non-departmental public bodies under the 1998 Regional Development Agencies Act⁷. Section 4(1) of the Act defined the five statutory purposes of a RDA. These were to:

- further the economic development and the regeneration of its area;
- promote business efficiency, investment and competitiveness in its area;
- promote employment in its area;
- enhance the development and application of skills relevant to employment in its area; and
- contribute to the achievement of sustainable development in the United Kingdom where it is relevant to its area to do so.

In addition to these five purposes, section 4(2) of the 1998 Act also specified that:

“A regional development agency’s purposes apply as much in relation to the rural parts of its area as in relation to the non-rural parts of its area”.

2.3 Guidance on RDA Strategies and Action Plans

Considerable emphasis was placed in the 1998 Act on the need for each RDA to prepare a Regional Strategy. Section 7(1) of the 1998 Act required each RDA to “formulate, and keep under review, a Strategy in relation to its purposes”, whilst section 7(2) notes that the Secretary of State may give a RDA guidance and directions with respect to “the matters to be covered by the Strategy, the issues to be taken into account in formulating the Strategy, the Strategy to be adopted in relation to any matter, and the updating of the Strategy”.

A range of subsequent Guidance covering the requirements for the RESs and Action Plans was provided to RDAs, and this is outlined below.

- **Statutory Guidance⁸**. In line with the purposes of a RDA as set out in section 4 of the 1998 Act, the content and coverage of a RES was specified in Statutory Guidance. This

⁷ Regional Development Agencies Act 1998. HMSO

⁸ Regional Development Agencies ‘Regional Strategies DETR, April 1999

specification both indicated the general scope and coverage expected, and provided more detailed guidance on the particular areas and aspects to be included.

- **Non-Statutory Guidance**⁹. Many of the items presented in Statutory Guidance were further elaborated in Supplementary (non-statutory) Guidance. Supplementary Guidance provided a further indication of policy areas to be addressed by RDAs and the RESs, as well as the discretion that the Government wished to see RDAs exercise.
- **Departmental guidance on specific Action Plans.** Non-statutory guidance was provided by individual government departments on specific the Action Plans / delivery plans: skills; innovation; business development and inward investment.

The main themes and implications for the preparation of the Strategies and Action Plans are set out in the section below.

Box 2.1: Content and Coverage of the RES – Main themes and requirements specified in Statutory and Non-Statutory Guidance¹⁰

A RES should:

- include a clear analysis of the regional economy and of the social and environmental conditions which influence it;
- highlight the strengths and weaknesses which the region needs to build on and to remedy, and identify any barriers to regional growth;
- identify priorities for action and identify who will be responsible for delivering particular elements of the Strategy;
- indicate how to improve the competitiveness and productivity of businesses in the region, and of the region itself as a location for mobile investment projects;
- indicate how to progress the regeneration of the region;
- indicate how it will address the region's skills needs, to ensure that they meet the demands of a dynamic and growing economy;
- include an appraisal of the contribution the Strategy will make to sustainable development
- identify the areas or communities in which there are significant levels of deprivation, inequality or social exclusion;
- include proposals for developing strategic sites identified through the planning process which meet business needs;
- identify any clusters of business which are, or have the potential to be, of regional economic importance;
- take account of the particular features of the region's rural areas; and
- provide a context for the agency's more detailed action plans.

2.4 Main themes in the preparation of the RESs and Action Plans

The various Guidance for RDAs outlined requirements and recommendations on the content of the RESs and Action Plans, as well as on the processes and principles of partnership

⁹ Supplementary Guidance to Regional Development Agencies, DETR April 1999

¹⁰ NB. This list is a summary of the main themes and requirements prepared by the consultants – not a direct quotation.

working to be adopted in the production of the RESs and Action Plans. A principle and intention of the Guidance was not to provide an overly prescriptive framework and to offer reasonable scope for developing regionally distinctive policies and approaches. The Guidance did not outline specific formats for the RESs, Action Plans, or background analysis. This was reflected in the variety of approaches adopted in different regions.

2.4.1 The 1998 RDA Act and Statutory Guidance.

The 1998 Act and the Statutory Guidance issued to RDAs highlighted a number of important themes, which needed to be addressed, in the RES. The Statutory Guidance specified that the fundamental purpose of a RES was to *“improve economic performance and enhance the region’s competitiveness, addressing market failures which prevent sustainable economic development, regeneration and business growth”*.

Given that the statutory purposes covered a broad spectrum of activity, this required RDAs to take an integrated approach to regional economic issues. It was emphasised that they had to tackle not only business competitiveness, but also the underlying problems of unemployment and skills shortages as well as aspects of social exclusion and physical decay. An important aim of a RES was to join up and develop links between these latter areas, to ensure an integrated and cohesive approach to pursuing sustainable economic growth and development.

More specifically, Statutory Guidance stated that RDA Strategies were to provide:

- a regional framework for economic development, skills and regeneration which would ensure better strategic focus for and co-ordination of activity in the region whether by the agency or by other regional, sub-regional or local organisations;
- a framework for the delivery of national and European programmes which could also influence the development of Government policy; and
- the basis for detailed action plans for the agency’s own work, setting the wider aims and objectives for its annual corporate plan”.

The Guidance also covered a number of main themes, which are outlined briefly below.

Partnership working. The Statutory Guidance emphasised that the success and effectiveness of a RDA Strategy would depend in a large measure on the degree of support it commanded in the region. To that end RDAs were *“to proceed through dialogue, working in an open and transparent way, so as to develop a Strategy and agreed priorities for action which recognise the principle of subsidiarity, and will provide a focus for all economic development and regeneration work in the region”*. RDAs were required to consult widely with Government and other interests nationally and within the region – including the designated Regional Chamber as required under the 1998 Act.

The relationship with Government. In formulating their Strategies, RDAs were to have regard to all relevant statements of Government policy and to any separate guidance that may be issued under the 1998 Act. The Government Offices for the regions (GOs) are formally responsible for Government sponsorship of RDAs. As such the GOs were to provide the focus for an ongoing dialogue between Central Government and RDAs as the Strategies developed and to ensure that the RESs enhanced and supported national policies and programmes.

The inter-relationship with Regional Planning Guidance. The RES also had to be consistent with the long-term spatial context for the region as set out in Regional Planning Guidance. In most regions RPG was being reviewed and developed by regional planning bodies at the same time as the RDAs were preparing RESs (although the timescales for the RPG process varied between regions). Statutory Guidance emphasised the need for *“constructive and collaborative working”* and *“a shared understanding of issues, objectives*

and opportunities”. It was also important that the relevant regional planning bodies should take into account the RES.

Building on existing work and strategies at the regional level. Statutory Guidance recognised that work was also already being undertaken by a wide range of other organisations and partnerships aimed at “identifying regional needs and developing regional policies to address them.” RDAs would therefore need to take account of and build on this work. Government Offices had already been involved with regional partners in developing frameworks for improving regional competitiveness, regeneration and the allocation of funds from the Single Regeneration Budget, business support, innovation and technology, and exports. As well as taking into account the work of government departments, agencies and their policies and programmes, RDAs had also to take account of the strategic work that would continue to be developed at the regional, sub-regional and local levels by other groups and organisations. Statutory Guidance also emphasised the importance of engaging with local authorities as democratic representative bodies in strategy preparation and implementation.

Delivery. The RES documents were required to identify priorities for action and who would be responsible for delivering particular elements of the strategies. Statutory Guidance indicated that a RES should provide a context for Action Plans, including those that central Government Departments had specifically requested RDAs to prepare on skills, mobile investment, and innovation and technology. Non-statutory Departmental Guidance was provided for these Action Plans.

2.4.2 Non-Statutory Guidance

Non-Statutory Guidance was issued to RDAs, and was intended to provide assistance and information on how they might execute the policies and programmes inherited from central Government and engage with programmes managed by government departments and agencies at regional level. The topics covered in Non-Statutory Guidance included: regeneration, competitiveness, sustainable development, rural policy, equal opportunities, and working with the voluntary and community sectors. The main elements of guidance for these issues are summarised below.

Regeneration. Non-Statutory Guidance emphasised the important role that RDAs could perform “by looking at regions as a whole” and through integrating “social and physical regeneration and economic development, in a sustainable way”. It was also suggested that RDAs should identify those elements of regeneration Strategies that need to be settled at regional level, as against those devolved to local partnerships in which local communities should play a key role. In addition, it was emphasised that regeneration was strongly linked to the Government’s wider policies to address social exclusion and hence there was a need for most regeneration resources to go to areas with the greatest deprivation.

Competitiveness. Non-Statutory Guidance emphasised the role that RDAs could play in helping to deliver the Competitiveness White Paper¹¹. In particular it set out the number of important policy themes where RDAs could play a major role such as enterprise and innovation, creating and exploiting knowledge, people and skills, information and communications technologies, best practice, sectoral partnerships, and clusters and business networks. The RESs were also expected to provide a local context for DTI national programmes. Government Offices were required to ensure that Regional Selective Assistance cases, support for business start-ups, TEC strategic plans, and Business Link business plans reflected and supported RDA priorities and RESs. More specifically, RDAs were requested to focus on four activities to promote competitiveness:

- to ensure that the relevant regional innovation action plan was an integral component of the RES and to facilitate the co-ordination of relevant government programmes;

¹¹ *Our Competitive Future – Building the Knowledge Driven Economy* DTI, 1998.

- to further develop and maintain inward investment strategies and operational plans, in liaison with local partners, including an agreed regional International Investor Development Programme of ‘aftercare’ services for existing inward investors;
- to ensure coherent and effective business support, including a review of business support services and the development with national and local partners of an agreed broad framework for business support in the region; and
- to promote the development of regional supply chains both directly and through collaboration with the relevant Regional Supply Office.

Skills. Non-Statutory Guidance indicated that RDAs had a “key role to play in helping to deliver ... a national culture of high skills” and that they should consider skills, education and training issues in the production of their RESs. In particular, Supplementary Guidance on skills emphasised two issues for RDAs in the preparation of their Strategies:

- the need to prepare regional skills action plans tailored to the particular needs of regions; and
- the need to develop criteria, procedures and management arrangements for the operation of the Skills Development Fund, including the Rapid Response Fund.

Sustainable development. Supplementary Guidance saw sustainable development as informing the actions and decisions taken by the RDAs in pursuing their economic objectives. One way in which this could be achieved was by RDAs playing a leading role with other regional partners in developing a regional framework for the UK Strategy for Sustainable Development. In addition, the RDAs were expected to act in accordance with policies for sustainable development through RPG, land use Development Plans and Local Transport Plans. It was also suggested that RDAs should also take account of other regional and local plans that contribute to sustainable development including Biodiversity Action Plans, the Environment Agency’s Local Environmental Action Plans and Local Agenda 21 Strategies.

Rural issues. Statutory Guidance on the preparation of RDA Strategies stated that RDAs “should take account of the particular features of the region’s rural areas” and emphasised “*the need to work closely with rural partners both to ensure that the needs of rural people are factored into their Strategies and to ensure that their Strategies take account of agricultural, environmental and structural policies*”. The sub-regional strategic activities of RDAs were seen as one means of taking forward issues related to rural areas, including the tailoring of RES objectives to locally significant factors, the promotion of the ownership of the RES by local organisations, and the provision of a basis for the more detailed co-ordination of the plans and programmes of local partners.

Equal opportunities. Non-Statutory Guidance stated that the RDAs were expected “*to assess how their work is likely to affect different groups and take action to ensure that they are taken into account from the beginning of the policy development process and during its subsequent implementation and evaluation*”. In particular, the RDAs were encouraged to appraise their Strategies in terms of equal treatment, to apply the policy appraisal process across the breadth of their functions and to take advantage of expertise on equal opportunities issues that exist in specialist organisations.

The voluntary and community sectors. Non-Statutory Guidance indicated that it was the intention of Government to encourage the extension of existing policy commitments on relations with the voluntary and community sector to public bodies, including the RDAs. The

RDAs were asked to consider the distinctive needs and interests of community groups and of Black and minority ethnic organisations in the preparation of their strategies.

3. OVERVIEW OF THE CONTENT AND COVERAGE OF THE RDA STRATEGIES

3.1 Introduction

The first stage of the research involved an assessment of the extent to which the basic content and coverage of the Regional Economic Strategies (RESs), in terms of main policy areas, matched the requirements set out in the 1998 Act and in Statutory and Non-Statutory Guidance. As such this selection sets the scene for evaluation study as a whole.

3.1.1 Evaluation criteria

The evaluation criteria on the content and coverage of the Strategies are set out in Box 3.1 below. It should be noted that it was not considered difficult for the RESs to meet their Statutory requirements in terms of basis coverage of different policy areas. The presence of coverage or a mention in the RES of a specific policy area or topic does not necessarily apply that the issue is addressed as a sufficiently mainstream area of the strategy, or that an appropriate or realistic approach is always specified.

The discussions with partners and RDAs as part of the research, was important in contextualising and exploring the wider issues in relation to the coverage of specific policy areas and the different approaches adopted in the RESs in different regions.

Box 3.1. Evaluation Criteria: Content and Coverage of the Strategy

The Strategy should meet the requirements of statutory guidance in terms of content. To do this should:

- highlight the priority strengths and weaknesses which the region needs to build on and to remedy and identify any barriers to economic growth;
- indicate how to improve the competitiveness and productivity of businesses in the region, and of the region itself as a location for mobile investment projects;
- indicate how to progress the regeneration of the region (having special regard to the coalfields areas);
- indicate how to address the region's skills needs, to ensure that they meet the demands of a dynamic and growing regional economy;
- include proposals for developing strategic sites identified through the planning process which meet business needs and, if considered appropriate propose that additional sites be brought forward through the planning process;
- identify any of the clusters of businesses which in policy terms are, or have the potential to be, of regional economic importance;
- provide a policy context (in terms of indicating priority issues/areas) for the agency's more detailed actions plans, including those which Departments have specifically invited the agency to develop on skills, mobile investment, and innovation and technology.
- Provide a broad indication of timescales over which priorities will be achieved.
- Acknowledge and indicate the roles of partners in delivery / implementation

3.1.2 Format and Structure of the RESs

A variety of formats and structures were adopted for the RESs. In some cases the RES was a single document, although often with supporting background material. In other cases, the RES was in several volumes published together in a 'pack' as a collection of documents.

Whilst the structure of the RES documents themselves varied, they generally included:

- a Chairman's foreword;
- a vision for the region;
- a brief analysis of the issues and opportunities for the region, sometimes this was in the form of a SWOT analysis;
- an introduction to the RDA, to outline its main roles, purposes, methods of working, and partner relationships;
- thematic sections for specific policy areas and objectives, such as skills, business competitiveness, innovation and knowledge-based industries, social inclusion, infrastructure, urban regeneration, rural development etc.; and
- details of the framework for implementation and monitoring.

The RESs varied significantly in terms of the level of detail and specificity included on particular RDA policies, initiatives and actions.

Background or supporting material varied between regions. It generally included:

- a 'State of the Region' document outlining the background socio economic analysis undertaken to support the RES – in some case this was not published but summarised in the RES;
- a report on the process for developing the strategy, including the consultation mechanisms adopted; and
- any sustainable development appraisals of the RES that had been undertaken.

3.1.3 This chapter

The main findings in relation to the evaluation of the content and coverage of the RESs are considered under the 8 main policy area headings as follows:

- competitiveness, innovation and businesses productivity;
- clusters;
- regeneration;
- skills;
- strategic sites;
- rural issues;
- social inclusion and equal opportunities; and
- sustainable development.

3.2 Competitiveness and business productivity

Much of the content of the RES documents focus on issues of competitiveness and business productivity, and this policy area forms a main theme for many of the RESs.

This emphasis was evident in a number of ways: in the analysis of the baseline position; in the aims, mission, objectives and themes contained in the RES; in the priority areas for policy development and action; through other items of content, such as the '100 day targets' specified in the East Midlands RES and in various other aspects.

The following examples illustrate how improving economic and business competitiveness is set out as a central objective in many of the RESs.

- In the **Yorkshire and Humber RES** for example, the vision emphasises the need to promote a culture of enterprise and creativity and then develops these aspects of Strategy through three (of six) objectives – to grow the region’s businesses, to achieve high business birth and survival rates and to attract and retain more investment. These strands of policy can then be traced through the specification of deliverables, policy instruments, targets and operational responsibilities, to the list of priority actions and, subsequently, the content of Action Plans.
- In the **South West RES** the mission specifies the need to “improve the competitive position” of the region and this is then elaborated through the specification of objectives, including improving business competitiveness, and the identification of ‘strategic drivers’ that provide the basis for determining priorities and areas of action.
- The **East of England RES** sets out a vision that states that the region should be “renowned for its knowledge base, the creativity and enterprise of its people”. This vision is translated through various statements of strategic priority, including “world class business” themes, into proposals for implementation and outline action plans.
- The **West Midlands RES** places emphasis on a range of business development initiatives and actions, including the promotion of best practice in relation to supply chain issues. Main elements of the Strategy are being taken forward by Business Growth Task Groups.

As expected, the RES documents clearly meet their Statutory requirements in terms of coverage and treatment of this issue. Despite this, a number of caveats and further observations need to be made, and these are outlined below.

Whilst a main theme, the content of the RESs on business competitiveness issues tend to focus on general priorities rather than specific details and spatial priorities for action.

From the desk-based analysis, and the discussion at interviews undertaken as part of the research, the following observations around these issues were made:

- almost inevitably some of the objectives / aims / policies are expressed in general terms and that this reflects the difficulties of establishing priorities in a short timescale;
- the level of detail possible in a RES is restricted and, in any case, the strategies often appear to be promotional, or in some cases ‘aspirational’ documents that generally appear to have attempted to ensure the various sub-regional and sectoral interests within a region are accommodated;
- the RES documents do not always prioritise the key issues and areas for immediate action, although in some regions the need for ‘early wins’ is identified;
- however, in general, RDAs considered that much of the detail on these matters would be best dealt with in the subsequent Action Plans and through further co-operation with other regional and local partners.

Many partners indicated that the RESs had over-stated the importance and potential of new and high technology industries relative to their region’s existing industrial structures, and the conditions required for by business growth and investment in this sector. Several partners commented on the balance between the various elements of the competitiveness / productivity / mobile investment agenda, with for example some regional stakeholders arguing that their RES has placed too much emphasis on inward investment and new and high technology industries.

In some regions, it was considered this emphasis was disproportionate in relation to existing sectoral and employment structures. As a result, there was an under appreciation of the importance and potential (including potential to develop knowledge-based products and processes) of existing indigenous 'traditional' industries. It was also considered that some RESs did not demonstrate evidence of a realistic or robust assessment of the necessary underlying conditions for high technology business growth and investment, such as university and defence research activity, suitable development sites, skill requirements etc.

Unclear causal links between analysis of the economy and the rest of the Strategy. In several of the RESs the strategic aim of improving the performance of the regional economy provides a foundation for the rest of the Strategy; however the casual links between such analysis and the priorities for action are not always clear.

3.3 Cluster development

Reflecting the importance attached to cluster development in Guidance and wider DTI policy¹², many of the Strategies devote considerable attention as to how general business competitiveness priorities translate into specific policies for cluster development.

3.3.1 Examples of approaches to cluster development

The cluster model, whilst used as a common conceptual framework, was interpreted in a number of different ways in the Strategies, as indicated below.

- In the **South East** RES the Enterprise Hub concept provides a flexible approach to cluster development (see Box 3.2 below) with a number of suggestions related to the promotion of new clusters and the further enhancement of existing clusters.
- In the **North East** RES the clusters were seen as 'technological platforms' for future growth with a focus on the development of activities already present in the region, for example, offshore fabrication and medical instrument production.
- In the **East Midlands** RES a number of cluster-related initiatives were proposed that both developed existing strengths of the region's economic base, as well as promoting new areas of potential.
- The **East of England** RES identifies 8 specific key sectors, including ICT and life sciences; media and cultural industries; financial and business services; agriculture and food processing; tourism, leisure and heritage; automotive and high technology manufacture and advanced engineering; and transport gateways. All of which were identified through reasonably detailed baseline analysis. The Strategy then focuses on ICT and life sciences in the Cambridge sub-region as the main priority.
- The **Yorkshire and the Humber** baseline economic analysis identified 12 sectors that were selected in view of their high growth potential in the region, but suggests that only the RDA should take six of these forward over the next two years. These six are now being selected.

Box 3.2. Example of Approach to Cluster Development in the South East – Enterprise Hubs

The SEEDA Strategy sets out proposals to create a regional network of 25 to 30 'Enterprise Hubs' over the next five years. The aim and purpose of the initiative is that:

"Hubs will provide a focal point for the pursuit of innovation and entrepreneurial activity and support a facilitated network of successful business people. The purpose of an enterprise hub is to be a catalyst

¹² As outlined in the Competitiveness White Paper, *Our Competitive Future - Building the Knowledge Driven Economy* (Cm 4176), December 1998; and the DTI & DfEE White Paper on Enterprise, Skills and Innovation, *Opportunity for All in a World of Change*.

and then facilitate action, drawing together the relevant bodies and encouraging them to commit resources and implement specific initiatives”.

Enterprise Hubs are intended to break down the barriers to business growth by improving entrepreneurial access to technology, research and innovation; improving access to investment; and facilitating business-to-business networks and knowledge transfer. Each Hub will be led by a local community of entrepreneurs and run by a Hub Director. Each will provide incubator space for new business, strong links with venture capitalists, an affiliated university or commercial research facility, and agreed Strategies with the Small Business Service and Learning and Skills Council.

3.3.2 Main findings / observations

Regional approaches to cluster development vary significantly and are at early stages of development. The varying ways outlined above in which cluster policy is treated demonstrate some general points in relation to the different conceptual considerations adopted by RDAs and reflected in the RESs in defining the notion of clusters within regions

- First, there is still an active debate on the definitions, concept and practice of cluster development and different approaches are still emerging to policy interventions at the regional level.
- Second, there are many ways of viewing the role of clusters in regional development: as a central organising concept, as a policy instrument, as a delivery mechanism, etc; and these varying approaches can result in the adoption of different methods of cluster development.
- Third, not all regions or sub-regions have an equal number of existing or potential clusters, and some clusters exhibit a higher degree of spatial concentration than others.
- Fourth, in most regions, at the time of the production of the RESs very little background research had been undertaken on clusters or potential clusters – a significant exception was in the South East. Since then, several RDAs in conjunction with partners have undertaken detailed assessments and mapping exercises, and important work has also been undertaken at the national level.

In some RESs there tended to be a lack of spatial specificity in relation to proposals for cluster development. One criticism of several of the RES was that the proposals for cluster development did not recognise in sufficient detail the importance of specific and unique local factors to their creation. The impression given by the RES is that clusters are a feature that could be ‘rolled out’ in a number of locations across a region. This general approach is hardly surprising, given the constraints imposed on RDAs in terms of time and the need to build consensus amongst interests from different sub-regional areas. Several RDAs, including Advantage West Midlands, have subsequently developed geographically specific proposals for clusters.

In several regions it was felt there needed to be more recognition and proposals for building on existing clusters – including those involving ‘traditional’ industries. As indicated in the previous section, many partners felt that RDAs over-emphasised the importance and potential of new ‘high-technology’ industries. It was felt there needed to be greater consideration in the Strategies of the importance of more ‘traditional’ industries, which may also demonstrate propensity to cluster.

This is surprising, because in some regions, the background analysis of existing sectors and clusters (this is considered in detail in section 4.3.1 of this report) was generally considered reasonably strong, although the strength of this analysis was not always reflected in the policies in the RESs themselves. In other regions, there was little evidence of detailed and robust background analysis of sectors, their propensity to cluster, and the wider underlying conditions for cluster development.

3.4 Regeneration

3.4.1 Introduction

Regeneration is central to a number of aspects of the RESs and emerges not only in both aspects of regeneration suggested in non-statutory Guidance – community regeneration and the regeneration of land and property – but also in other guises. Regeneration is also an important area for direct implementation by RDAs through a number of significant main programmes under their control – notably through the Single Regeneration Budget (SRB) and the Land and Property programme.

Regeneration is also an area where, due to the wide range of different programmes and area-based initiatives and partner organisations involved, there is significant need and scope for the RDAs to play a lead role in developing a more integrated and coherent approach. Indeed, the transfer to RDAs of both the Land and Property programme (formerly run by English Partnerships) and the SRB fund provided an opportunity for RDAs to deliver improved integration between the physical, neighbourhood renewal, and social elements of regeneration.

3.4.2 Examples of approaches to regeneration

The various facets of regeneration emerge in a number of ways in the RESs, reflecting the different priorities in the regions and the aspirations of both the RDAs and their regional partners. For example:

- In the **North East** RES, regeneration is seen in terms of a broad regional renaissance. However, despite the emphasis placed on such matters in the RES, other partners were not entirely convinced that the links were made sufficiently strongly between economic development and issues and priorities for social inclusion and wider regeneration priorities.
- The **South East** RES provides a set of clear and detailed proposals on how SEEDA intends to progress the regeneration of the region. One of the weaknesses identified by some parties is the absence of spatial detail at sub-regional and local level which runs the risk of failing to identify pockets of deprivation in what are otherwise generally prosperous areas. SEEDA have taken forward a number of projects in relation to *Area Investment Frameworks* to provide an overarching strategic framework for taking forward area-based investment in specific regeneration areas.
- In the **West Midlands** RES the idea of Regeneration Zones is proposed; three geographic areas will be designated as Regeneration Zones where an integrated approach across different programmes and policies will be developed to target regeneration priorities in a more joined-up manner.

3.4.3 Main findings / observations

Integration of social and physical regeneration. Several partners commented on the need for RDAs and their RESs to better outline how the social and physical aspects of regeneration could be better integrated. Several of the Strategies outlined a primarily physical approach to regeneration. Issues in relation to social inclusion were discussed elsewhere in the document. In these cases, some partners were concerned that an opportunity had been missed to outline a more detailed framework for taking forward the various aspects of regeneration and specific programmes in a more integrated manner.

Area-based framework approaches. In several regions, following publication of the RESs, RDAs have developed area-based strategic frameworks and mechanisms for improving coordination of regeneration activity. The intention is that there is better integration of the different area-based and mainstream funding programmes to address regeneration priorities

more effectively. Examples include the AWM Regeneration Zones, and SEEDA Area Investment Framework initiatives.

Coalfield areas. An item of particular emphasis in both Statutory and Non-Statutory Guidance is the preparation of regeneration proposals for coalfield areas. In those regions with coalfield communities this theme has been the subject of specific attention, one illustration of this is the East Midlands ‘Coalfield Alliance’ Strategy, whilst another is the emphasis on the regeneration of the South Yorkshire coalfield area. The RESs clearly meet the requirements in this area set out in Statutory Guidance.

Different partner expectations. Regeneration, including the regeneration content of the Strategies, is an issue that is of common concern to most regional partners and stakeholders. It is hardly surprising, therefore, that whilst most partners support the regeneration content of Strategies, there are variations in terms of the emphasis given to particular matters and the priority accorded to the different aspects of regeneration policy. One comment is that regeneration could and should have been taken as a ‘cross-cutting’ theme that relates to all aspects of the RESs. This, for instance, might entail ensuring other sections of the strategy (for example, skills, competitiveness, transport and infrastructure) address adequately regeneration priorities.

3.5 Skills

All of the Strategies devote considerable space to the issue of skills improvement and, indeed, one of the documents places particular emphasis on the people element through its title: *“East Midlands Prosperity Through East Midlands People”*. In general terms, all of the Strategies identify the need to improve the skills base as an essential pre-condition for economic success.

3.5.1 Examples of approaches to skills issues

In most of the Strategies, the analysis of strengths and weaknesses highlighted an inadequate skills base as a barrier to progress that must be eliminated. Building on this analysis, most RESs contain specific objectives and policies/priorities related to skills improvement. This can be seen in the following examples.

- In the **South East** RES a main weakness that was identified was “major shortages in basic key skills”, and this weakness is addressed through a number of programmes for the region, including “World Class learning” and “World Class workforce”; draft action plans for each of these programmes accompany the RES. One criticism of the approach adopted by SEEDA is that whilst sub-regional skills issues were discussed in the State of the Region report, the RES itself does not outline how the skills agenda differs and how this should be addressed in different parts of the region.
- In the **North West** “Investing in People” is one of the four key themes developed in the RES and the approach adopted to achieve this objective is to both develop the skills theme as a central element of the RES itself, and, in parallel, to develop a separate but linked Learning and Skills Strategy (which was launched in October 1999). This twin-track approach commanded the support of regional partners and stakeholders, although some of the partners have identified the need to develop further the assessment and to link the training needs of the region with the detail of RES and the processes of implementation.

3.5.2 Main findings / observations

Changing institutional framework. Overall, and accepting that the RESs were proposed in advance of major changes in the design and delivery of training and other skills-related services at regional level (especially the introduction of Learning and Skills Councils), the RESs do deal with the skills agenda in an adequate manner. In most cases skills and training is considered as a core theme that is relevant to other aspects of the RES.

Recognition of the limitations of RDA powers and resources in the areas of skills. There is little recognition or explicit reference in the Strategy documents of the limitations of RDA direct powers and resources in the area of skills, particularly in relation to other bodies. Some partners indicated that this was potentially misleading in that it implied a leadership and direct implementation role for RDAs in relation to skills, rather than the more facilitating and catalytic role necessitated by the realities of their powers and resources.

Emphasis on national targets. In some regions such as the North East, although there was general support for the ideas on skills included in the RES, some partners considered that there was too much emphasis on the delivery of national targets. Whilst this was to an extent helpful, it was felt there needed to be greater emphasis on what needed to be done within the region in order to achieve the aims advanced in the vision.

The RES as the first stage in policy development at the regional level on skills. As in the case of other key issues, the skills priorities outlined in the RESs represent the start of the process of policy development rather than a finished product. This is especially the case with regard to skills given the considerable changes in the institutional structures for skills and training. Also, in some regions partners indicated that very few of the staff initially transferred to RDAs had high levels of specific experience and expertise in skills issues.

3.6 Strategic sites

3.6.1 Main general themes / observations

All of the RESs, with only two exceptions, contain a discussion of strategic sites. The RESs that addressed the issue provide generally the same level of detail on strategic sites. However, these also recognised the need for further interaction with the regional planning and development plan process, and the need for the provision of further detail in the action plans and other implementation documents on sector-specific and sub-regional issues.

Other **main themes** that emerge from the consideration of strategic sites in the RESs are outlined below.

Inward investment. Many of the RESs pay particular attention to the needs of potential overseas inward investors and major indigenous inward investors, and thus successfully outline how RDA land and property and inward investment marketing and case handling activities can be successfully integrated in relation to major inward investment opportunities.

Brownfield development. Most of the RESs attach significant importance to the use of brownfield land and existing premises as priorities for development, thus reflecting the agenda and requirements of Central Government.

Sub-regional issues and differences. Several RESs outline the need to recognise sub-regional variations and needs in relation to site development. Although in some regions, including the South East or East of England, the RES failed to outline the significant differences between sub-regions in their capacity to accommodate major physical development.

Links with transport and communications infrastructure. The RESs generally successfully indicate and reflect the importance of the relationship between site provision and the availability of transport and communications infrastructure and/or the need for additional infrastructure.

Links with the wider strategic framework, particularly Regional Planning Guidance (RPG). The links between the production of the RESs and the RPG process emerged in the interviews as a major theme. In the research interviews conducted, partners emphasised the importance of a consistent approach to strategic sites in both the RESs and RPG, and several

RDAs outlined the importance of keeping the topic under review. Chapter 6 of this report considers in more detail the issue of consistency between the RESs and RPG.

A general conclusion from the research is that, with two exceptions, the RESs generally address strategic sites issues adequately given the constraints RDAs faced in terms of time and the evolving nature of the wider regional land-use planning strategic framework. In the RESs for the South East and East of England there is not a detailed consideration of sites and this was identified as a weakness in the RES (see below).

3.6.2 More detailed / region-specific issues

More detailed and specific issues that emerge in individual RESs can also be identified. Inevitably, some of these issues are particular to an individual region; examples include:

- In the **East of England** RES strategic sites are not considered in detail. This partly reflects the decision of EEDA not to play a leading role in inward investment given the retention of a separate body, the East of England Investment Agency. However the RES does discuss issues of urban renaissance and brownfield and greenfield site development.
- In the **South East** RES strategic sites are not identified. SEEDA indicated the uncertainties at the time in relation to the consideration of the draft RPG9¹³ as a reason for this. Despite this, there is no broad geographical analysis of how constraints on available property and opportunities for development vary across the region. The high cost of, and access to, land and property is mentioned as a major issue in the analysis sections of the RES, though the development of brownfield land is, however, identified as a regeneration priority.
- By way of contrast, in the **North East** a large number of potential strategic sites are identified in the RES, together with a range of other land and property issues;
- In the **East Midlands** the airport is seen as a location of particular importance and special emphasis is placed on this site as a catalyst for regional economic development;
- In the **North West** partners expressed concern that the selection of strategic sites had paid insufficient attention to the requirements of sustainable development;
- In **Yorkshire and Humber** RES a sub-regional approach to strategic sites is adopted in relation to the proposal to extend the Dearne Valley Development Zone.

3.7 Rural development

3.7.1 General approaches

The coverage of rural issues is variable in terms of both the scope and depth of coverage.

In some Strategies there is no specific attempt to deal with rural matters separate from urban issues. This was done with good intentions by RDAs that were concerned about compartmentalising rural issues in a separate chapter.

It should be noted that the Strategies were prepared prior to the publication of the Rural White Paper, and more recently rural development has emerged as a higher priority for RDAs (partly due to the economic effects of Foot and Mouth Disease).

Examples of the broad approaches in the RESs to rural issues are outlined below.

¹³ RPG9 is the Regional Planning Guidance for the South East (covering an area comprising the South East, London, and the three counties of Bedfordshire, Hertfordshire, and Essex). Draft RPG9 was subject to Public Examination at the time SEEDA were producing the RES, and was subsequently published by the Secretary of State in March 2001. For future rounds, separate RPGs will be produced for the South East and East of England regions.

- In the **North East** RES it is argued that the Strategy applies as much to the rural areas of the North East as to the urban areas, and to some extent the Strategy provides indication how priorities will affect rural and urban areas in different ways.
- In the **South West**, there was criticism from partners that the RES does not adequately address rural issues as a sufficiently specific and distinct priority for action. At the time of producing the Strategy, SWRDA considered rural development as a ‘cross-cutting’ issue relevant to all strategic priorities. Also, the RES contains a section on strengthening links between rural and urban areas.
- In the **East of England**, the treatment of rural issues was regarded by partners as somewhat general, providing little clear direction on how the issue will be taken forward.
- The **Yorkshire and the Humber** RES includes aims specifically relating to rural areas, including the need to help rural business and to enhance the function of market towns as centres of rural enterprise.
- In the **West Midlands**, the RES identifies the need and priorities for supporting links between urban and rural areas.

3.7.2 Main finding / observations

The need to develop further regional priorities for rural development. In general the transfer of former Rural Development Commission staff to the RDAs, and the consideration by RDAs of rural issues within the wider framework for regional economic development, was seen as very positive. However, in a number of regions, for example, the South West, North East and the North West, comments from some partners demonstrated a concern that the regional strategic framework for rural development was comparatively underdeveloped.

The wider regional strategic framework for rural development. RDAs, GOs and some partners indicated that at the time of the production of the RESs, the wider regional policy framework for rural development was uncertain and confusing. It was felt that the details of respective roles, responsibilities and programmes of different organisations (such as RDAs, GOs, the regional offices of the then MAFF, the Countryside Agency, and the Regional tourist Boards) were poorly defined and overlapped. This hampered the ability of RDAs to provide clear strategic leadership in this area.¹⁴

3.8 Social inclusion and equal opportunities

Social inclusion and equal opportunities are inter-related issues that are important themes, not only for regeneration initiatives, but also for several other policy areas relevant to RDAs.

There is a considerable degree of variation between Strategies in terms of the coverage of social inclusion and equal opportunities issues.

- In the **North East** Strategy, there is only relatively limited mention of these issues in the Strategy itself, although one of the fundamental stated purposes of the Strategy is to overcome social exclusion through the provision of educational opportunity.
- By way of contrast, while there is less explicit consideration of the full range of equal opportunities and social inclusion issues in the **Yorkshire and the Humber** RES, a

¹⁴ It should be noted that there have been significant changes in the policy context since the research was undertaken (not least due to the publication of the Rural White Paper, and in 2001, Foot & Mouth Disease and changes in Whitehall. Recent work commissioned by the eight RDAs has sought to help clarify roles and responsibilities and has outlined a more active role for RDAs in the field of rural development: *RDAs and Rural Development: Priorities for Action*, Centre for Rural Economy, University of Newcastle with Arup Economics and Planning, on behalf of England’s RDAs, September 2001.

number of detailed policy proposals are presented, including that of providing an initiative to aid social entrepreneurs from minority groups and the promotion of community-based regeneration.

- In the **West Midlands** RES, the need to place emphasis on the promotion of equal opportunities was identified as a key priority, with the establishment of an Equality of Opportunity Forum to develop appropriate networks, agree priorities and build on proven approaches. The Strategy asserts that tackling social inclusion must be one of the region's highest priorities in order to take advantage of new economic opportunities. However, there was little detailed analysis of the specific issues involved or explanation of how this was to be accomplished except with respect to regeneration.

Whilst partners considered that the RESs had attempted to address aspects of social exclusion and equal opportunities in the analysis, there was some concern that the detailed content of RESs was insufficient, especially in relation to the particular needs of disadvantaged communities. Some partners however, suggested that social inclusion and equal opportunities issues were topics that were better dealt with in other regional strategies rather than in the RES.

3.9 Sustainable development

The main observations in relation to consideration of sustainable development issues in the RESs are set out below.

Regional variation in approaches. In relation to sustainable development, variation in approaches across regions is once again evident. There are different levels of emphasis in the RESs regarding sustainable development concerns. Also a variety of broad definitions of Sustainable Development were adopted. Some RDAs adopted a narrow definition based mainly on environmental issues, whereas others outlined a broader and more holistic definition based on social and economic, as well as environmental, issues.

For instance, in the **North East** sustainable development was an important aspect of analysis, but in the RES itself sustainability is not as central to the content of the Strategy as it might have been given the earlier emphasis in the pre-Strategy phase.

By way of contrast, in the **South West** the RES highlights the potential that exists in terms of the environmental sector of economic activity, which, alongside the outstanding quality of the region's natural and built environment, give the region the prospect of a real competitive advantage.

Sustainable development assessments and monitoring criteria. A second aspect of sustainable development is the extent to which the RES, as a whole, has been assessed against sustainable development criteria (this issue is discussed in more detail in Chapter 8 of this report on monitoring and evaluation). In general, all RDAs have undertaken a sustainable development appraisal of the RES, and are also considering how best to develop a series of indicators to assess the sustainable development impacts of the implementation of the RES and Action Plans.

Sustainable development in its wider sense – beyond purely environmental issues. A third issue relates to the role of sustainable development in a wider sense. For instance, in the **Yorkshire and the Humber** RES there is less explicit detailed consideration of the environmental situation, although the need for example to improve degraded environments and the need for a sustainable regional planning framework are identified. In the event it was the Regional Planning Guidance process in Yorkshire and the Humber that led to the identification of the need for further dialogue in relation to sustainable tourism, greenfield

development and brownfield policy, and a joint environmental assessment of both RES and RPG extended the relationship between the Strategies.

3.10 Summary of main findings

Overall the Strategies succeeded in providing a basic coverage of the requirements of Statutory and Non-Statutory Guidance.

There are one or two areas that merited less attention and this can be explained by the fact that they were policy areas that were not previously considered central to regional economic development, hence the relative lack of data and professional competences. In no way does this mean RDAs regarded these policy areas as having less significance than others. Rather more time, background analysis and clarification of the wider organisational context was needed to build capacity and to take forward policy development with partners.

A general observation was that the main policy themes tended to be presented as separate areas of action, and there was scope for the RESs to identify to a far greater extent the main linkages and inter-relationships between policy areas.

A legitimate criticism of the RES was that they tended to present a somewhat fragmented and compartmentalised approach to policy areas which was not always appropriate to complex and multi-faceted problems and issues. In fairness to RDAs, the funding arrangements for RDAs, the framework of RDA programmes and associated departmental guidance, and the nature of Statutory and Non-Statutory Guidance tended to imply a fragmented approach.

Other more **specific findings** were as follows:

- **Coverage of areas specified by Guidance.** The majority of RES provide coverage of the areas of content specified in the legislation and guidance.
- **Competitiveness** policies are emphasised in most RESs, but the level of detail on how aspirations are to be developed and delivered varies considerably between the RESs.
- The emphasis given to **regeneration** in the RESs is a reflection of the importance of this topic to the entire span of RDA policies; various approaches and Strategies are proposed. The strategies only outline to a limited extent how various aspects of regeneration and programmes can be integrated more effectively. Despite this, subsequent work by the RDAs has led to the development of sophisticated and innovative strategic area-based frameworks for taking forward regeneration.
- **Skills** issues are also emphasised in the RESs and, in general, those matters that are within the competence of RDAs are sufficiently developed, although there is a need to develop policy in this area in light of emerging clarity in institutional arrangements. Also RDAs need to more explicitly recognise the limitations of their direct powers and resources in this area.
- Reflecting both the inheritance of the RDAs and the continuing importance of the topic, **strategic sites** issues figure prominently in most RESs.
- Particular emphasis is placed on **cluster development** policies in RESs, however, considerable variations are evident in the interpretation of cluster theory and practice.
- **Rural policies** are better developed in some RESs than in others; this reflects in part the significance of the rural agenda in different regions.
- **Social inclusion and equal opportunities** issues are covered in the RESs, although often in insufficient detail.

- Equally, **sustainable development** – defined by most RESs as environmental policy – is frequently underdeveloped, although it should be recognised that partnership working and RDA expertise are in early stages of development in this area.

Overall, the level of detail provided with regard to content varies considerably, with some RESs providing little more than a mention of a particular item of content or offering a lowest common denominator statement. Sub-regional detail is not present in all RESs.

This variation in detail reflects both the emphasis that is placed by a RDA on a particular item and, in some cases, the presence of other actors in a region who act as the lead body on certain items of policy and implementation. Also, in several cases, there was not sufficient time prior to the publication of the RESs for RDAs to agree detailed approaches, roles and responsibilities in respect of some issues – hence the outlining in the RES of a general approach. An absence of detail in a RES does not necessarily indicate that a matter is ignored in a region, rather, it may suggest that it is dealt with in another strategy or was to be further developed as part of the Action Plan process.

4. RESEARCH AND BASELINE ANALYSIS UNDERTAKEN TO UNDERPIN STRATEGIES

4.1 Introduction

This section considers the research base from which the RES were produced. This is to establish the extent to which the RESs and Action Plans are based on a comprehensive, up to date and accurate analysis of regional conditions.

It should be recognised that the extent to which an original or comprehensive analysis of regional conditions could be conducted was constrained by the challenging timescale set by Government for the production of the strategies. Opportunities for comprehensive analysis were clearly limited. There was an assumption that RDAs would draw on and add value to existing available data, analysis and strategies, as well as the knowledge of their staff and partner organisations.

The main evaluation criteria were designed to assess the extent to which the RDA was perceived to have developed a clear, region specific understanding of the underlying strengths and weaknesses of the economy.

Box 4.1. Evaluation Criteria: Extent to which the Strategy is based on sound analysis

Criteria: The Strategy (and supporting analysis) should demonstrate a clear understanding of the regions needs and opportunities. In particular it should:

- demonstrate a clear, region-specific understanding of the underlying strengths and weaknesses of the economy and economic sectors in the region;
- identify existing economic clusters (both sectoral and geographic) and their significance to the regional economy;
- be based on a comprehensive analysis of socio-economic conditions, (and in particular the economic and social needs of residents in the region), making the best use of available data;
- for key weaknesses or opportunities, take the analysis further in order to understand the underlying drivers of change, and regional competitiveness and comparative advantage;
- provide and be based on a complementary analysis of the expected changes in the national and international economy and how these trends and their underlying causes are likely to influence development in the region over the next few years;
- provide an appraisal of the environmental situation in the region;
- identify the particular features of the region's rural areas including the effects of sparsity of population, small settlements and a narrow economic base; relative inaccessibility, remoteness and peripherality, and the role of land-based industries (such as agriculture and forestry) and countryside conservation priorities;
- provide an appraisal of equal opportunity/inclusion issues;
- have included a sub-regional analysis of the above, particularly in regions where socio-economic conditions differ significantly within the region.

4.2 Overview of evaluation findings

Overall, the RDA strategies were underpinned by a reasonably coherent analysis task the view of the regional economy. Most RDAs were also thought to have been effective in their use of existing material. In some regions the comparatively underdeveloped nature of existing background research and reports on the regional economy posed a major challenge (e.g. in the South West, South East and East of England).

Notwithstanding the constraints in terms of the available timescales, regional economic research was regarded as one of the stronger aspects of regional strategy preparation. Many RESs were also praised for having developed a clear and coherent framework of analysis that reflected regional economic circumstances.

Analyses of issues such as social inclusion, equal opportunities and the environmental situation were considerably weaker and it has proved difficult to identify any specific existing analysis on which the RESs were based. Most RDAs seem to have relied on existing knowledge or officer perceptions of the issues involved. There were some exceptions, such as SWRDA's "Context" report, which led on environmental conditions. However, in the case of equal opportunity issues there tended to be only limited analysis. Similarly the analysis of each regions' environmental baseline within the regions received little substantive consideration.

RDAs adopted varied approaches to collecting and presenting background research. Some of the RDAs produced separate baseline or contextual papers to support the RESs. These were inevitably of variable style, quality and detail with some focusing on headline indicators, others a more detailed economic analysis. In other cases the collation of information was more informal. This should not necessarily be taken as a criticism but more as a reflection of circumstances – many of the unpublished analyses were comprehensive. There appeared to be little interest amongst partners in published background research. With a view to future revisions and updating of the RESs better practice does however suggest that baseline studies should be published.

4.3 Specific findings in relation to the evaluation criteria

Specific findings in relation to the evaluation criteria are given below.

4.3.1 The extent to which the analysis identified appropriate strengths and weaknesses in the regional economy, including the definition of economic sectors.

All of the RESs focus on the principal characteristics, trends and processes of change within their respective regional economies. The approach varies between individual RESs, but all are underpinned by an analysis of the broad economic parameters of the individual regions. The key points may be considered as follows.

Firstly, **the individual RESs made use of established data, studies and policy analysis already in place in the region.** The extent to which this occurred varied between regions, but mostly the RDAs were clearly aware of the need to capture work in progress.

- The **North East** is a good example of where research was at the very core of preparing the strategy. Preparatory work was undertaken prior to the formal formation of the RDA, in order to provide a preliminary economic assessment of the North East. This led to further phases of research which dovetailed into the comprehensive consultation exercise undertaken and which was then synthesised into the RES. The scale of this work is shown by the number of earlier regional plans and strategies that had an impact on the research process. There were 61 previous plans and strategies in total, 8 associated with EU programmes, 14 related to UK programmes, 23 regionally-based and 16 sub-regional documents. This provided a considerable momentum to the RDA's subsequent strategy development and it was held that the analysis based on this evidence was robust and provided the basis for both the RES and subsequent Action Plans.
- In **Yorkshire and the Humber**, the production of the RES was preceded by a wide-ranging consultation exercise comprising three stages. As part of this process, a 'State of the Region' report was produced to provide key baseline information, including the benchmarking of the region against a range of indicators. There was also evidence of

close cooperation and sharing of background research between both the RES and RPG processes (this is discussed in further detail in Chapter 6).

- In the **West Midlands**, the RES and Action Plans make use of existing regional research and policy material, with the Regional Innovation Strategy and earlier Regional Competitiveness Frameworks having a particular influence. The RES also incorporates an analysis of the dynamic factors and processes affecting the region, and was supported by a more detailed analysis of the region set out in the 'Region Today' report.

Secondly, the extent to which new analyses were undertaken to **identify the appropriate strengths of regional economies:**

- In the **North West** basic background information was provided by an Economic Baseline report which captured the principal characteristics of the region. These were defined as its mass, scale and diversity. The analysis clearly identified the strengths of the region: a potential capacity for innovation; new investment and successful businesses; a critical mass of economic activity with specialist expertise and skilled labour; and economic diversity that encompassed cultural aspects as well as in terms of urban and rural environments.
- In the **East of England**, the underlying strengths of the region's economy were appropriately identified, mostly in terms of the strong research and development base and the presence of a number of key sectors including, for example, agriculture and food processing, automotive manufacturing, financial and business services, high tech manufacturing, information and communications technology, pharmaceuticals and biotech manufacturing, and transport gateways.
- In the **South East**, a *State of the Region* report was published alongside the RES. The region-wide analysis in the *State of the Region* report outlines a concise overview of the economic performance of the region and its underlying factors, building on the previous work in the region. The document identified underlying drivers and causal factors for economic change. It also provided a clear, comprehensive and coherent overview of the evolution and state of the regional economy, sub-regional economic performance and characteristics, and profiles of the main sectors..

Overall the analyses reflected the diversity of regional economies and provided a snapshot of the changes taking place by drawing on existing evidence. However, **a tendency was evident to overstate the strategic strengths of the regional economy.** An example of this was in the South West where the analysis was not considered to be based on a balanced and realistic assessment of economic sectors, but instead only success stories were emphasised in the RES.

Whilst regional weaknesses were identified, these were generally analysed and presented in a less balanced manner.

- In the **North West**, the regional economic weaknesses were less clearly identified than the advocacy of the associated strengths. The principal weaknesses were linked to the significant contrasts within the region as manifested by buoyant economic vibrant areas, which sometimes are geographically located alongside those areas in need of regeneration.
- In the **East of England**, the weaknesses of the economy are explicitly focused on issues, which it was suggested could be addressed by the RDA. The identified weaknesses included the need for better management of the expansion of fast growing high technology activity in Cambridge and elsewhere. However, more traditional weaknesses were also identified including mixed results for education and skills; the failure to realise the region's potential with respect to attracting inward investment; the lack of public sector financial support mechanisms; and the lack of a clear identity or sense of place for the East of England.

There was also **an emphasis on the identification and analysis of existing sectors and clusters** in the individual Strategies, though the approach did vary between regions.

- The **North East** analysis, for example, included an assessment of economic clusters, and this built on the earlier work undertaken by the Regional Competitiveness Project. This had identified three specific clusters in the manufacturing sector based on the way in which goods were produced.
- In the **North West**, the analysis identified economic growth sectors, both emerging and existing, and their significance to the regional economy. The growth sectors identified built on earlier consultation though geographic clusters were not identified to the same extent.
- The **South East** analysis identifies a series of clusters in the region. Further details of these, and the causes for their success, were set out in the sub-regional analysis. The analysis of the issues facing specific sectors was cross-referenced with the sub-regional profiles, and this provided details of the specific sub-regional issues for each of the main sectors.

4.3.2 **The extent to which the analyses investigated issues of regional competitiveness.**

The related issue of regional competitiveness was also dealt with in different ways by the various RDAs, and in most cases this comprised a reasonably detailed analysis. The stronger approaches comprise a balanced and realistic analysis and detailed consideration of the underlying causes and drivers of change in terms of competitiveness, rather than just the effects as measured by key indicators.

- In the **South West**, for example, there were comparisons of the South West with other parts of the UK in terms of measures such as levels and growth of GDP, employment and population and educational attainment. However, there could have been rather more analysis of the reasons for and significance of the differences between different parts of the UK. In terms of inter-regional comparisons, the South West is benchmarked against selected European regions, but it is not clear that these are always appropriate comparators.
- In the **North East** the analysis claims to have developed a sophisticated understanding of what are the drivers of change for the North Eastern economy. Specific drivers are identified, although there is some degree of overlap between them, and a degree of restating the same point. Moreover, the knowledge economy and “science-based” technologies are essentially the same driver, suggesting perhaps a superficial conception of the dominant economic trends.
- The approach in the **North West** was to provide a complementary analysis of possible changes in the national and international economy, and demonstrates how these trends are likely to influence development in the region.

4.3.3 **The extent to which the analyses provided an appraisal of the environmental situation in the region and addressed sustainable development issues.**

Most of the RESs include a brief consideration of the environmental situation in the region. This is often outlined in the analysis of regional issues or the SWOT analysis towards the start of the document. The quality of the environment is generally outlined as fundamental to wider economic and social well-being. It is seen as particularly important in helping attract investment and tourism. In the **South West** RES the environment is outlined as a ‘key driver’ for the region.

There was variation in the approaches to sustainable development in the analyses to support individual RESs. In general terms the analyses were partial and in most cases a limited definition was applied to sustainable development as referring mainly only to environmental issues.

- In the **North East**, for example, sustainable development was identified as an important aspect of the context for the RES, and this was reflected in the efforts made to establish a broader social, political, economic and environmental analytical perspective for the strategy.
- In the **South West** there was a good appraisal of the environmental situation in the region, and the RES outlines the importance of the linkages between environmental quality and the attractiveness of the region as a place to live, visit and to invest in.
- In the preparatory work for the **East of England** RES, a working group was established to examine and analyse sustainable development defined in terms of environmental, social and economic factors, and the published output of the group provided a set of useful, general sustainable development principles.

4.3.4 The extent to which there is an analysis of equal opportunity and social inclusion issues

Variation in approach was again evident here. Analysis of issues of inclusion, equal opportunity and deprivation were often conflated. Data analysis was generally rather partial with a tendency to concentrate rather unimaginatively on (the then) DETR indicators of deprivation, rather than indicators or underlying drivers of inequality or exclusion.

- In the **North West**, for example, there was an appraisal of equal opportunity and inclusion issues, but the emphasis given to these aspects seemed to have been relatively slight. For instance, not all aspects of equal opportunities issues were covered in the same detail. There also seemed to have been no substantive analysis of either ethnicity, or equal opportunity, issues. .
- In the **South East**, an analysis of deprivation was conducted at a sub-regional level. Given the sometimes highly localised nature of deprivation in the region, it would have been helpful for this analysis to have been undertaken at a more local level. The analysis did not explicitly address equal opportunity and inclusion issues wider than those of deprivation, and stakeholders suggested that there is scope for more detailed analysis of the inclusion issues related to improving the employability of the long-term unemployed residents of the region.

4.3.5 The extent to which a sub-regional analysis was undertaken.

All RDAs undertook a sub-regional analysis to some degree, but several RDAs faced with the need to produce a RES within a highly diverse region seemed to have found it difficult to undertake a coherent and meaningful baseline analysis.

- In the **North East**, given the nature of the region with two conurbations and two largely rural and mining counties, sub-regional approaches were clearly relevant. The analysis reflected this.
- In the **East of England**, the regional economic and strategic analysis placed emphasis on the extent of the very differing demographic, social and economic characteristics across the region. These were usefully identified through profiles of each of the constituent counties. This comprised a relatively robust analysis for the RES, although in general terms there was scope for greater consistency, comprehensiveness and specificity in the

information presented. Stakeholders suggested that further detail and substantiation would have been desirable.

- The background analysis that underpinned the **Yorkshire and Humber RES Strategy** included a sub-regional element that was well regarded by stakeholders. This explicit sub-regional analysis was partially the result of the existence of long-standing economic development forums at the sub-regional level that had previously undertaken work on this.

4.4 Summary of main findings

The main findings in relation to the background research and baseline analysis for the Strategies are outlined below.

- **Existing research base.** The analysis that underpinned the RDA Strategies drew to a considerable extent on existing and on-going research in the different regions. This was inevitable given the time constraints for the production of the RESs. The quality and extent of previous regional economic research prior to the formation of RDAs varied significantly between regions.
- **Comprehensiveness of coverage.** In general the background research and analysis undertaken and presented by RDAs was comprehensive in coverage. However the depth and emphasis of analysis varied between regions, and within regions, in terms of the level of detail provided in relation to individual issues.
- **Consideration of strengths and weaknesses.** The research base for the RESs incorporated a consideration of regional strengths and weaknesses although this was often presented in an unbalanced manner.
- **Analysis of regional competitiveness.** The analysis in relation to regional competitiveness was generally comprehensive. In some regions there was detailed consideration of the underlying causal effects for business competitiveness and this was considered a strong aspect of the background work. Elsewhere the lack of such analysis was seen as an important area for further development in the future.
- **Sustainable development.** Several RESs failed to combine their commitment to sustainable development with explicit analysis and understanding in relation to the environmental situation in a region.
- **Social inclusion and equal opportunities.** Commitment to issues of social inclusion and equal opportunities figured highly in many of the RESs, but this was generally not matched with detailed analysis or an assessment of the potential to deliver improvements.
- **Sub-regional analysis.** All of the RDA Strategies incorporated a sub-regional analysis to some degree, though this varied considerably in terms of the emphasis placed on sub-regional issues within the RESs.
- **The need for further development of baseline analysis.** Although in overall terms regional stakeholders considered that the analysis conducted did provide an adequate basis for the preparation of the RESs, there is also evidence that certain of the analyses, or aspects of the analyses, were somewhat lacking in depth. To an extent this was inevitable given the constraints imposed on RDAs in terms of time and, in some cases, the limited existing research available to draw upon. Partners indicated the importance of RDAs and other partners continuing to develop a more comprehensive assessment of relevant regional trends and issues. This is considered in more detail in Chapter 8.

5. THE INTERNAL CONSISTENCY OF RDA STRATEGIES

5.1 Introduction

For the purpose of this study, the term ‘internal consistency’ refers to the extent to which the proposals set down within the RESs and Action Plans reflected and were consistent with, the regional context. That is, that the proposals reflected underlying regional conditions, strengths and weaknesses identified in the background analysis. In drawing up the evaluation criteria it was judged that internal consistency was achieved when:

- the vision, objectives and direction of the Strategy reflected the analysis and were realistic with respect to the specific and identified needs and opportunities of the region as revealed by data and partners’ views;
- the Strategy reflected both existing economic sectors as well as developing a realistic view of the potential to develop new forms of economic activity;
- the needs and opportunities of specific sub regions were acknowledged and addressed as well as those for the region as a whole; and
- the RES was accompanied by an appraisal of the contribution it will make to sustainable development in the form of a separate sustainable development appraisal.

Box 5.1. Evaluation criteria: The extent to which the content of the RES and Action Plans reflect the regional context (Internal Consistency)

The Strategy should reflect and address the specific strengths and weaknesses identified through the analysis of the economy as well as the analysis of social and environmental conditions. This means that:

- the overall relationship between the regional analysis and the proposed vision, priorities and actions should transparent and reflect an explicit or implicit SWOT analysis;
- the vision and objectives of the Strategy should reflect the specific and identified needs and opportunities of the region;
- the Strategy should seek to build on existing economic sectors as well as developing a realistic view of the potential to develop new forms of economic activity;
- the priority attached to particular actions should reflect the overall level of need and opportunity identified through regional analysis;
- the coverage of the Strategy should address the purposes of the Agency set out in Section 4 of the Act with respect to addressing identified needs and opportunities. This includes:
 - to further the economic development and regeneration of the region,
 - to promote business efficiency, investment and competitiveness in its area,
 - to promote employment in its area; and
 - to contribute to the achievement of sustainable development where it is relevant in its area to do so
- the needs and opportunities of specific sub regions should be acknowledged and addressed as well as those for the region as a whole.

The Strategy should also be accompanied by a post hoc appraisal of the contribution the Strategy will make to sustainable development in the form of a Separate Sustainable Development appraisal. In line with the Guidance and the principles of sustainable development this should consider how the RES will foster:

- high and stable levels of economic growth and employment;
- social progress which recognises the needs of everyone (including all social & ethnic groups);
- effective protection of the environment and prudent use of natural resources;
- integration of economic, social and environmental objectives.

5.2 Appropriateness of the vision and objectives

5.2.1 Background

The vision and objectives of each RES were expected to establish the overall approach of the Strategy and the added value that each RDA would deliver. A summary of RDA visions is outlined in Box 5.2 overleaf. Based on discussions with partners it was also clearly apparent that at the early stages of Strategy development it was the visions that captured most partner attention and set the subsequent tone of partner perceptions of Strategy content.

The wording of many of the visions is known to have been the subject of vigorous partner debate with the result that alongside regional needs and opportunities, the form of many is an indication of local or regional stakeholder ownership of and engagement in the strategy development process. For instance, environmental organisations in several regions drew attention to their success in getting ‘environment’ or ‘sustainability’ included in the wording of the vision, as did business organisations where the RES has a strong emphasis on growth.

5.2.2 Main findings / observations in relation to the visions in the RESs

In practice, it is difficult to argue that any of the visions fail to reflect their regional circumstances, but, as noted above, few are sufficiently regionally specific or distinctive.

The specific targets embodied within some visions were regarded as useful in providing a specific focus for the RDA, although these were often considered to be over-ambitious. Partners were often sceptical about proposals to achieve a major improvement in the ‘league table’ position of regions given the likely magnitude of resources, and necessary step change in existing performance required for the targets to be realised.

- The **East of England** RES acknowledges that the achievement of the ambition to become one of the top twenty European regions would require growth across the region to average 3.8% per annum over the period to 2010, considerably more than has been achieved in the recent or longer term past.
- The **South East** vision is to be one of the top 10 regions in Europe. This again seems ambitious given that it is currently ranked 23rd. Moreover, the region excludes the main urban engine of growth – London (which is ranked 7th) and includes some areas that traditionally perform poorly in economic terms, such as East Kent.
- In the **East Midlands**, the RES stated that “by 2010, the East Midlands will be one of Europe’s top 20 regions”. This was considered a highly ambitious or unrealistic target for the foreseeable future.

Other visions embodying a slightly broader approach can be judged as more realistic with respect to existing conditions. In some cases this was due to an absence of specific quantifiable targets in the vision. Examples of visions, which are realistic and better related to their regions include:

- the **Yorkshire and Humber** vision of a “prosperous region” which has “a culture of enterprise and creativity” and “is self-reliant”; and
- The **South West** vision which stresses the need to combine “people and place” drawing especially on the region’s attractive environment which, as a key marketing theme for the region, then runs throughout the RES.

Of course, the visions provide only a broad overview of where RDAs intend to take their respective regions and, therefore, it is also necessary to consider how these are translated into specific strategic priorities and objectives within the RES itself.

Box 5.2. Summary of RDA Visions

RDA	SUMMARY OF VISION
AWM	“Within 10 years, the West Midlands will be recognised as a premier European location in which to live, work, invest and to visit, regarded internationally as world class, and the most successful region in creating wealth to benefit everyone who lives in the area”
EEDA	“To make the East of England a world- class economy, renowned for its knowledge base, the creativity and enterprise of it people and the quality of life of all who live and work here”. To move into the top 20 of European Regions by the year 2010 (estimated by the RES to require growth in GDP of 3.8% per annum)
<i>emda</i>	“By 2010, the East Midlands will be one of Europe’s top 20 regions. It will be a place where people will want to live, work and invest, because of: <ul style="list-style-type: none"> • Our vibrant economy • Our healthy, safe, diverse and inclusive communities • Our quality environment
NWDA	<ul style="list-style-type: none"> • Attracts and retains the skilled and talented • Brings everyone into the mainstream of community life • Nurtures its environment, heritage and culture • Kindles, creativity, innovation and competitiveness • Transforms its image • Strengthens its infrastructure • And is naturally on the shortlist for new investment
ONE	“By 2010, the North East of England is a vibrant, self reliant and outward looking Region with the aspiration, ambition and confidence to unlock the potential of all of its people” [Additionally it is suggested by 2010 North East that]: <ul style="list-style-type: none"> • Companies are competing in global markets, bringing jobs and wealth to the region • is a more entrepreneurial society with a diverse mix of new and developing businesses in the region • offers a strong ‘can do’ commitment to education and skills excellence • is one of Europe’s premier learning regions. Attracting global investors who will use the region’s world class resources to put knowledge into business • is a more outward looking Region with excellent international air and rail services and expanding ports. The Region boasts a premier portfolio of premises and sites and high quality public transport and road networks • rural and urban communities are far more reliant and socially inclusive • a true renaissance is underway in the North East’s villages, towns and cities • is promoting equality of opportunity and choice as a key factor in the region’s sustainable prosperity • will be a more sustainable society
SEEDA	“the South East has the potential to be a World Class Region. A successful South East will also stimulate wealth creation in neighbouring regions and hence across the country. We should be one of the top 10 regions in Europe – perhaps the world.”
SWRDA	“ the Vision of the South West of England is of a region where people and place combine as a springboard for success” “To improve the competitive position of the South West of England within the EU and internationally in order to increase sustainable prosperity for the region and all its people”
Yorkshire Forward	“Yorkshire and Humber will be a world-class, prosperous region that: <ul style="list-style-type: none"> • is sustainable • has empowered partnerships and communities • has a culture of enterprise and creativity • is self reliant • has ladders of opportunity for all • has a strong, positive identity”.

At the broad level of the visions the overall underlying development approach outlined is generally similar with a strong emphasis on ‘knowledge-driven’ economic growth. The generality of this approach means that in practice it is often difficult to identify whether or not regional needs and opportunities have really been taken into account and differences between regions are relatively subtle.

In regions where there was a clear consensus about the area’s problems, or where there were existing successes (e.g. a strong economic driver) to build upon, a specific emphasis is apparent. For instance:

- As noted above, the **South West** RES places a strong emphasis on the value of its region’s environment;
- The **North East** RES puts a strong emphasis on developing the region’s higher education sector; and
- the **East of England** RES puts much emphasis on the developing further the success of the Cambridge sub-region in research and technology based sectors.

5.2.3 Main findings / observations in terms of the overall content of the RESs

The main overall finding was that most of the RESs tended to primarily reflect national policy priorities with not enough emphasis on the distinct and particular characteristics and issues specific to their region. A lack of regional distinctiveness was a common (and generally legitimate) criticism of many of the Strategies. Many of the RESs are very similar in their priorities and emphasis.

This is partly a reflection of the general consensus-building approach adopted. The challenging aspects of the strategy development *process* (the short timescales and the need to build consensus in regions with differing track-records of regional partnership working) led to an inevitable ‘watering down’ of the *product* – the RES documents themselves. Whilst some partner criticised this as a ‘lowest common denominator’ approach, most RDAs stressed the importance of setting out a broad range of proposals around which strong regional consensus could be built.

Strategy development was necessarily a political rather than technocratic development process. In this respect, the RESs also reflected a series of ‘political settlements’ between different interests groups in the region (e.g. business, environmental) as a result of meaningful and constructive dialogue and partnership between these groups at the regional level, often for the first time. Experience also suggests that the ‘technocratic’ approach (e.g. undertaking background research, economic forecasting) progressed in parallel with the wider political processes of partnership and consensus building. In practical terms the interaction between the two processes varied between regions and was often limited - partly due to the timescales involved.

In some regions consensus and partner involvement was developed around baseline analysis documents. In these cases, there was a positive effect of strengthening stakeholder engagement in the early stages of the strategy development process, as well as enhancing the quality and range of perspectives within the background analysis.

Despite these considerations, a severe weakness of the Strategies in general was that they did not tend to fully recognise, outline and respond to the issues and opportunities specific to their regions. In terms of issues that were present in all regions, the Strategies did not sufficiently consider the particular regional dimensions and priorities.

Most RDAs undertook an analysis of strengths and weaknesses (often in the form of a SWOT analysis), and the views of stakeholders confirmed the value of these assessments as a mechanism for bringing together a wide range of information, including more qualitative information fed into the process by partners. In combination with the results of

consultation, these analyses were also regarded as a useful mechanism that allowed RDAs to understand the specific circumstances within which their Strategies were being developed.

Beyond the SWOT analyses, the RESs did not sufficiently consider and identify the main underlying causal links and drivers for change *specific to their region* in terms of the regional economy. Whilst the RESs did to some extent reflect and present the main trends in terms of regional economic performance these tended to comprise the effects rather than underlying causes of regional economic performance. Exceptions to this, were in the **East Midlands** and **North East**. These included issues such as sectoral structure, extent and location of R&D activity, rates of new firm formation and business growth and supply-side constraints in terms of property or labour markets.

Issues in relation to variations in the ‘economic coherence’ of different regions. Some regions, such as the North East, clearly had a very particular set of known problems that had to be addressed. But others, such as the East of England or South West, were clearly less coherent ‘economic’ regions with only a limited pre-existing consensus about the appropriate regional strategic approach.

Overall the relative lack of spatial specificity and prioritisation that exists in most of the RES documents called into question the value and influence of many of the baseline studies, although of course these may be of value over the longer term. However, a widespread view was that, particularly given the timescale available for preparation, This was clearly evident in terms of the content of the RESs themselves, which often failed to fully reflect and do justice to the background analysis.

In many cases, therefore, the development of the RES was rightly considered as an important catalyst for significant strengthening of regional partnership working although as a result of the need to build consensus, difficult decisions on priorities were not always directly addressed. The strategy development process was clearly successful in building consensus in the regions, however the downside of the priority attached to building consensus was that the RESs were often considered to adopt a very general approach rather than directly address difficult decisions on regional and spatial priorities.

5.3 Sub-regional issues

Regional Economic Strategies were expected to reflect both regional and sub-regional needs and opportunities. In practice this was clearly a challenge in those regions that are characterised by a high degree of sub-regional diversity, such as the South West, South East and East of England.

This high degree of sub-regional diversity was typically (although not always) identified through baseline analysis. For instance, the summary report of the baseline analysis in the East of England concludes: “the East of England’s size and diversity makes it difficult to generalise about its characteristics” and this finding also appears appropriate to other regions.

In essence, whether or not good sub-regional data were available, most of the RDAs found it difficult to reflect sub-regional diversity in the RESs. As regional bodies the RDAs have attempted to reflect internal diversity through a regional approach and most RESs lack a clear spatial dimension. In many respects this is understandable given the obvious desirability of not duplicating existing sub-regional work, but the need to subsume diverse conditions on the ground into simple policy statements has also been a further contributor to the perceived blandness of some of the RES.

Where there is great sub-regional or local diversity in conditions, some RDAs promoted a distinctive approach through a specific unifying concept or approach to economic development that could be adopted to local circumstances. An example is in the **South**

East RES, which promotes “Enterprise Hubs”, a concept that is capable of being applied flexibly to reflect local circumstances (see Box 3.2).

In other cases the approach to sub-regional issues has been criticised by partners who claim that some of the resulting Strategies do not reflect the needs or opportunities of specific sub-regions, or are perceived to be focused on one part of a region only. An example is the **East of England RES** which acknowledges the issues associated with most sub-regions but much of the resulting strategic focus is on the opportunities evident in the Cambridge sub-region. This drew criticism from several of EEDA’s partners.

Interviews with a number of RDA officers also suggested that many would have liked to be more sub-regionally focused, especially in terms of priorities, but were unable to because of the political realities and aspirations of existing partnerships. The response to the East of England RES is especially interesting because it provides an example of the difficulties in reconciling region-wide partnership working with a prioritised and focused strategy. In this case partner reaction is slightly surprising given that most partners agreed that the Cambridge sub region posed one of the most important issues for the region as a whole, a view that was also confirmed by the baseline research.

5.4 Infrastructure issues

RDAs have generally not yet directly addressed difficult choices between different sub-regions as the location for major infrastructure investment – although in many cases it has not been appropriate to do so until further work has been completed. RDAs and partners recognised the need for difficult decisions to be made in terms of competing sub-regional interests in terms of priorities for major infrastructure investments and flagship projects. Issues in relation to choices on leading regional airports and ports were raised in several regions including the North East, the South West and the South East. In all cases, RDAs found it difficult to achieve any consensus on priorities, reflecting a range of issues including local opposition to expansion and/or competition between airports within the region.

In many of these cases, partners recognised that it would have been inappropriate for RDAs to make decisions that would have preceded or pre-judged the outcome of the Regional Planning Guidance process and / or major studies on options for infrastructure investment (such as regional airports studies or multi-modal studies).

Within the context of these difficulties in making clear choices on investment priorities partners in several regions considered the general regional issues in relation to airports and ports to have not received sufficient appreciation in the RES documents.

Airports and related industries were also thought by partners to be issues of considerable importance in terms of regional development but, although acknowledged, such issues are generally neglected by the RESs most notably in the South East and East of England regions, but also in other regions such as the North East, North West and South West.

In the **East of England**, the issue of **ports** was thought to be neglected, despite rapid growth in amount of goods handled and the potential value of these developments for the future prosperity of the coastal towns and other peripheral areas of the region.

5.5 Clusters

Guidance to RDAs and Government thinking more generally puts stress on the concept of clusters as a mechanism for maximising development potential and regional benefit and this is reflected in the presence of cluster policies in most RESs. Section 3.2 of this report outlines the range of approaches in the RESs to cluster development.

In only a few cases were the concept of clusters explored in any great detail. As noted previously in section 3.2 of this report, most of these relate to ‘high-technology or ‘knowledge-based industries’ - although the specific characteristics of what is meant in these cases are rather vague and in policy terms. Beyond this, the main focus is on sectoral clusters mostly identified through baseline analysis of SIC based statistics.

Some **prioritisation in terms of cluster development** is desirable if RDA resources are not to be spread too thinly. Examples of a targeted approach to cluster development include the RESs for the East of England and Yorkshire and the Humber, both of which identify key sectors, and the SEEDA Enterprise Hub initiative (see Section 3.2).

In some regions the approach on clusters in the RESs was constrained by insufficient background analysis. As has been indicated in Section x.x of this report, the quality of the background analysis on clusters varied significantly between regions, with extensive and detailed analysis in some regions, but only limited work in others. In several regions, partners indicated that the approach to cluster development by the RDA did not demonstrate a detailed understanding of the nature of the region’s economic base or the propensity and likelihood of businesses in specific sectors (including ‘traditional industries’) to cluster. It was also considered that there was insufficient analysis of the underlying conditions and causal factors for cluster development. It was felt that this led to an overly general, unspecific, and in some cases, over-optimistic approach in the RES.

The RESs also demonstrate **little spatial specificity in proposals for cluster development**, despite the fact that (by definition) specific clusters generally develop in specific geographical areas at the sub-regional (rather than regional) level. In the regions where there was considered to be detailed background analysis in relation to clusters, it was felt that there was scope for this to have been built on more effectively to outline a more detailed and spatially and sectorally targeted approach in the RES.

A common criticism from partners was that there was too much consideration of ‘new high technology’ industries in relation to cluster development, and **insufficient consideration of the potential for clustering and development of knowledge-based development of ‘traditional’ industries.**

5.6 Sustainable development appraisals

All of the RDAs have undertaken or are undertaking a sustainable development appraisal of their Strategies and several examples of good practice were identified.

These are outlined below.

- In **Yorkshire and the Humber**, the joint environmental assessment of the RES and RPG was considered very positive. In order to reinforce the process of collaboration and joint working between RES and RPG (which included the Regional Transport Strategy), consultants were asked to undertake a joint sustainability appraisal of the two Strategies, which were launched together at the end of July 1999. The two appraisals were published in October 1999 and they utilise a common analytical method and framework of analysis. Each of the documents also contains a section that identifies the scope of interaction between RES and RPG, highlighting, in the context of sustainable development, where potential conflicts may lie and where synergies exist.
- In the **East Midlands** the use of the Integrated Regional Strategy framework to deal with environmental and other sustainability matters developed a wide-ranging and useful assessment and consideration of sustainable development issues in the RES (see section 6.2 for a detailed outline of the Integrated Regional Strategy initiative). Partners and the RDA indicated that the process had been valuable and informative for all involved.

- In the **South West**, SWRDA have worked closely with *Sustainability South West* to agree a framework for future sustainable development appraisal of not only the RES but also the RDA Action Plans (known as *Frameworks for Action*).
- In the **North West**, the Regional Framework for Sustainable Development (RFSD) was published at an earlier stage than in most other regions and this has been used as the basis for the joint sustainable development appraisal of the RES, RPG and major SRB bids. The active involvement of NWDA was considered very positive.

The major weaknesses in this area have been under-developed links between background work on sustainable development and the Strategies themselves, and the application of an overly narrow (primarily environmental) definition of sustainable development. The importance of equal opportunities was often under-appreciated, with weak analysis and a failure to embed these issues into the mainstream RDA proposals and programmes. Analysis was also needed at earlier stages of RES preparation so as to identify the specific challenges in terms of, for example, access of women and ethnic minorities to education, training and the labour market, even though in many cases good data were already available.

5.7 Summary of main findings

- **The main finding is that, overall, the RESs are not sufficiently regionally distinct and in many cases there was a tendency to ‘shadow’ national analysis and policy, rather than to reflect specific regional or sub-regional needs and opportunities.** This approach is disappointing in that it tends to undermine the advantages of regional institutions and RESs.
- **The content of the Strategies reflected political factors and the need to produce a document that major partners could sign up to, rather than a more technocratic examination of regional needs and opportunities.** Because of the need to achieve consensus, RDAs found it difficult to prioritise actions and / or introduce any geographic focus to their RESs. This means that few RESs provide a clear framework for decision-making and major or controversial issues are often neglected. The resulting RESs therefore also have a tendency to blandness and rhetoric. This reflects the realities and some of the weaknesses of a partnership and consensus building approach.
- **The Strategies did not place sufficient emphasis on the underlying causal factors and drivers of change in terms of the regional economies.**
- **Most of the visions, or overall statements of aspiration, contained in the RESs reflect the analysis upon which they are based and are reasonably realistic.** However, some aspects of certain vision statements are over ambitious, taking into account RDAs current role and budgets particularly those requiring a step change in regional performance.
- **The sectoral focus of most RESs tends to emphasise new sectors of economic activity and the role of traditional sectors is down played,** even though good data and analysis were often available to inform the RESs.
- **The incorporation and process of sustainable development appraisal was generally seen as a positive** in terms of informing the development and implementation of the RESs.

6. EXTERNAL CONSISTENCY

6.1 Introduction

This chapter discusses the issue of the extent to which the RDA Strategies are complementary to, and help set out an overarching strategic framework for other regional and sub regional strategies (external consistency).

Box 6.1. Evaluation criteria: The extent to which the RDA Strategy is complementary to other regional and sub regional Strategies (External Consistency)

Consistency with other regional and sub-regional Strategies. The RES should work within and alongside the framework provided by Regional Planning Guidance (RPG) and the Regional Transport Strategy (RTS) and other regional and sub-regional policy frameworks and local authority development plans. In particular:

- there should be evidence of a constructive and collaborative relationship between the RDA, the regional planning bodies and the GOs in the production of both RPG, RTS and the RES;
- where practical in terms of timescale, the Strategy preparation process (and RDAs) will have provided an important input to the preparation of RPG and RTS;
- the RDA Strategy and RPG/RTS preparation processes should have enabled a shared understanding of regional issues, objectives and opportunities to be developed;
- the RDA Strategy and final RPG/RTS Strategies should provide a compatible basis for securing the management of regional change and access;
- the RDA Strategy should be proposing to act in accordance with the final RPG and RTS (issued by the S of S) and policies in development plans and local transport plans;
- the Strategy should take account of other regional and local plans, which contribute to sustainable development;
- the Strategy should be complementary/consistent with other regional and sub regional Strategies or strategic work that was available within the timescale of its preparation.

Consistency with aims and proposals to raise national economic performance and strategic priorities in other regions. The Strategy should be aimed at raising national economic performance and raising regional competitiveness, but should not be generally be directed to actions at the expense of other regions. In particular:

- there should be evidence of inter-regional working in the RES and Action Plan process;
- the Strategy should acknowledge existing inter-regional economic relationships and the role that other regions may play in their own development;
- there should be proposals for inter-regional co-operation and inter-regional co-ordination of policy and actions, particularly where there are strong inter regional linkages.

The extent to which the RESs build on relevant previous work in a region. The Strategy should take forward the strategic work that has previously been developed or co-ordinated by the Government Offices or other agencies. In particular it should:

- provide a strategic framework for the allocation of funds from the Single Regeneration Budget, i.e. indicate how SRB will be used to support the policy objectives and priorities of the RES;
- provide a strategic framework for the English Partnerships' work in relation to land and property regeneration; i.e. how work will be support the policy objectives and priorities of the RES;
- reflect and build on regional competitiveness Strategies;
- reflect and build on strategic plans for rural development areas prepared by the Rural Development Commission and its local partners;
- reflect and take forward the work of TECs, the Employment Service, colleges and universities, National Training Organisations and other regional partners to address skills needs.

6.1.1 Background – other regional strategies

The RESs and other strategies of RDAs are also required to be broadly consistent with National policy. There should be integration with the RES and other strategies in other regions, both in terms of cross-boundary issues, and also to ensure that proposals collectively help raise national economic competitiveness and are not at the expense of other regions.

The RESs sit within a wider framework of other regional strategies. The RES is intended to provide the overarching regional framework for policy and action in relation to economic development, and it is therefore important that it is largely consistent with, or complementary to, other relevant regional strategies.

The overall clarity and consistency of this wider regional strategic framework has implications on the extent to which strategic organisations such as RDAs can undertake effective leadership, coordination and integration of policies and programmes across their regions. The main regional strategy exercises (other than the RES) are outlined below.

The most important other regional strategy exercise is *Regional Planning Guidance (RPG)*, which is intended to provide the overall spatial development framework for the region and also include *Regional Transport Strategies (RTS)*.

Other important regional strategy exercises that have been introduced in recent years include *Regional Frameworks for Sustainable Development (RFSD)* and *Regional Cultural Strategies (RCS)*.

Other relevant Regional Strategies include: the *Regional Competitiveness Strategies* (previously produced by Government Offices for the Regions); *Regional Housing Statements*; and the *England Rural Development Plan*. In some regions, formal regional strategic coordination exercises have been pursued in areas such as innovation, social inclusion, and regeneration.

6.1.2 The evolving regional strategic framework - the challenge for RDAs in preparing the RESs

This rapidly emerging and evolving framework of wider regional strategies posed significant challenges and difficulties for RDAs in ensuring external consistency of their RESs. It is important to understand the nature, and difficulties of the RDAs' task in this area at the time they produced the RESs, and in particular the points outlined below.

- The nature of the wider regional strategic framework was rapidly emerging with many regional strategy exercises at only an embryonic stage. In many cases the RES preceded publication of other regional strategies and the emerging nature or content of these documents was unclear.
- The sheer quantity and range of regional strategic exercises (many of them has been introduced relatively recently and by different government departments) has posed significant challenges for RDAs and other regional bodies in undertaking effective regional strategic coordination. Many RDAs and partners involved in discussions in relation to this research have complained of 'strategy overload'.
- A major issue in terms of consistency of the RES with other regional strategies is the relative timing of the various strategy development processes, which varied across the regions. In most cases (with the exception of RPG), the RES preceded other documents, making an assessment of direct external consistency of the RESs difficult, and to some extent inappropriate.

6.1.3 Regional planning guidance and regional transport strategies

In each region, RPG provides the long term (15 - 20 year) planning framework for the development of the region, and the RDA is required to work within and alongside this

framework in preparing the RES. The Regional Planning Body (RPB) will need to draw on the RDAs work in order to identify areas where land needs to be released for economic development or where policies facilitating regeneration need to be focused.

The current round of RPG is being developed under new arrangements outlined in PPG11¹⁵. The RPB is responsible for producing the draft RPG, which is then subject to a Public Examination. Previously, the Government Office was responsible for the draft RPG with the Local Authority led Regional Planning Conference providing contributions and advice. It is intended that the Regional Chambers will undertake the role of the RPB in producing draft RPG, although in some regions the old Regional Planning Conference has produced the draft with their role to be superseded by the Chamber for future rounds of RPG.

PPG11 also outlines, in theory, a widening of scope and content of RPG to incorporate a Regional Transport Strategy and to form a comprehensive spatial strategy for the region. The Government has indicated that there is a non-hierarchical relationship between RES and RPG although the Cabinet Office PIU *Reaching Out* Report¹⁶ has recommended that the issue needs to be re-assessed.

6.2 Integration between the RES and RPG

The issues in each region in relation to complementarity between the RES and RPG vary significantly as a result of factors such as the relative timing of the two processes and the nature of the main regional planning issues. These main issues / findings in each region are outlined in Box 6.7.

All the RESs outline the context of the RPG and RTS although the extent and detail of this is varied. In some cases, such as the South West or Yorkshire and Humber (see fig 6.3), there is fairly detailed discussion of RPG priorities and a clear indication is provided of how the proposals in the RES are complementary to these. The South East RES adopts the same underlying principals as those of the RPG. In the East Midlands, the RES outlines the framework of the Integrated Regional Strategy Initiative in order to ensure consistency between the regional Strategies, including the RES and RPG. In the North East and East of England the RESs focus on setting out proposals in relation to the future review of RPG. In other regions, the discussion of the issues is in less detail, and a more comprehensive contextual overview of the content of RPG and timescales for its review would be helpful.

In almost all regions there is, therefore, a broad level of complementarity between the RPG and the RES. The extent of detail in which RPG is considered in the RES varies significantly. To an extent this reflects the differences between the regions in terms of the relative timing of the two strategy development processes.

In one region it was felt by partners that there was risk of ultimate inconsistency between the two documents. It was felt that this risk of emerging inconsistency was due to the fact that the RDA and Regional Planning Body had failed to establish a sufficiently close working relationship. It was also felt there were major policy issues that were yet to be resolved, such as the appropriate balance between promoting growth and ensuring sustainable development. A closer, senior level dialogue and partnership working relationship between the RDA and RPB was seen as necessary.

¹⁵ *Planning Policy Guidance Note 11, Regional Planning*, DETR, October 2000.

¹⁶ *Reaching Out: The Role of Central Government at Regional and Local Level*, Cabinet Office Performance and Innovation Unit, February 2000.

Box 6.2. Issues in each region in relation to complementarity between the RES and RPG	
Region	Issues / evidence in relation to complementarity between the RES and RPG
East of England	<ul style="list-style-type: none"> Capacity issues and constraints in the three RPG9 counties not explicitly addressed The RES recognises the importance of EEDA's relationship with statutory Planning bodies and EEDA's engagement in developing future arrangements for a single RPG for the region Synergy and consistency between RES and RPG6 on issue of Cambridge sub-region and implicit consistency with RPG on household growth through aim to raise productivity of existing residents General, underdeveloped spatial aspect of RES makes assessment of consistency difficult. Evidence of productive EEDA engagement in RPG6 preparation process
East Midlands	<ul style="list-style-type: none"> The RES and the RPG are recognised by EMDA as two of the four main complementary and interlocking elements (economic and spatial) of the <i>Integrated Regional Strategy</i> framework led by Regional Assembly The IRS initiative provides a framework for complementarity between the RES and RPG and also demonstrates evidence of engagement by emda in the RPG process The RES emphasises the importance of consistency with the RPG in outlining priorities for strategic sites
North East	<ul style="list-style-type: none"> Very brief contextual overview of RPG in section of RES on transport, infrastructure and property Evidence from interviews and focus groups of recent close dialogue between ONE, ANEC and GONE, and that ONE are keen that the RES development process influence the development of draft RPG Interviews revealed some concern in the region as to the extent to which the two Strategies will be complementary
North West	<ul style="list-style-type: none"> Detailed and comprehensive section on Issues for Regional Planning RES outlines factors and proposals for consideration in current review of RPG (i.e. update of the concept of the Mersey Belt / incorporation of concept of 'Southern Crescent') RES outlines that NWDA will further explore these proposals with the Assembly, GONW, NAW and WDA The RES is explicitly consistent with the RPG in outlining priorities for strategic sites
South East	<ul style="list-style-type: none"> The final consultation draft of the RPG (in place when SEEDA was formed) was highly contested with the subsequent panel report rejecting many of its main features The RES states it adopts the same fundamental starting points as the draft RPG. Evidence of robust and extensive engagement by SEEDA in preparation of draft RPG and subsequent Public Examination although contested nature of draft RPG and Panel Report makes assessment of consistency difficult. Underdeveloped spatial dimension of RES means that issues such as sites, capacity for growth and relative economic strength of areas are not explicitly addressed. Strategy does not fully address the difficult challenges of achieving sustainable economic growth in such a crowded region.
South West	<ul style="list-style-type: none"> High level of consistency between RES and RPG – same sectors for development and similar SWOT analysis Good contextual section in RES outlining relevance of draft RPG and main RPG policies Evidence of close and productive engagement by SWERDA in RPG process
West Midlands	<ul style="list-style-type: none"> RES outlines context of RPG and examples of consistency with RES and states that AWM will have major input to the forthcoming review of RPG High degree of explicit consistency between RES proposals and RPG
Yorkshire & the Humber	<ul style="list-style-type: none"> RES states, "it will be essential to ensure that this Strategy is consistent with, and complements, the developing RPG and RTS." A table is included outlining how strategic themes in the draft RPG are covered in the RES and demonstrating a high degree of complementarity The RES outlines proposals on transport to be tackled through the RTS and also recognises the importance of the Government review of Air Services in the North of England Evidence of complementarity of process – joint launch of RPG and RES consultation processes

Fig 6.3. Example from the Regional Economic Strategy for Yorkshire & Humber – demonstrates how the strategic themes in the draft RPG are covered in the RES

REGIONAL PLANNING GUIDANCE THEME	KEY AREAS OF COVERAGE IN REGIONAL ECONOMIC STRATEGY
Economic regeneration and growth	Develop sustainable strategic and development zones, including strategic sites, Humber Trade Zone, Dearne Valley Development Zone and market towns as centres of rural enterprise
Conserving and enhancing social capital	Community-based regeneration of city and town centres, developing sustainable neighbourhoods, regional cultural Strategy, improving education, learning and skills
Urban renaissance	Community-based regeneration of city and town centres, developing sustainable neighbourhoods
Conserving and enhancing natural resources	Conserve and enhance the region's environmental assets, improve use of public transport and increase use of Information Communication Technologies (reducing the need to travel)

In some regions, the RES was produced in the context of an uncertain and contested draft RPG. In these regions a broad degree of regional consensus had not been reached on draft RPG documents, with several organisations and interest groups (including the RDA) making representations at the Public Examination. In these cases, clearly there was uncertainty as to the details of the emerging final RPG. The most severe case was the South East (RPG9), where the Panel Report recommended major changes to the draft. In these cases, the RES sensibly focused on outlining the need for consistency with the broad underlying principles of the RPG rather than the RPG in detail – and making more detailed representations on the RPG through the official consultation and Public Examination processes.

In several regions, the RES was produced at the early stages of the RPG preparation process. In regions such as the West Midlands or North West, the RES was produced at only the start of (the far more lengthy) RPG review process, thus making it difficult for detailed consideration to be given to RPG issues, other than outlining ideas and proposals for consideration in the RPG review.

Some RESs do not fully address the very difficult issues of constraints on capacity for growth. In relevant regions such as the South East, East of England and South West, the RESs do not provide a detailed consideration of the challenge of achieving sustainable economic growth in congested areas with land-use planning constraints. In several of these cases the existing or emerging RPG and planning policy framework indicates there is very limited capacity for further growth. In this respect, it could be argued that these RES do not directly address the fundamental (and difficult) decisions facing their regions. Participants in the interviews and focus groups stressed, however, that it would be very difficult politically for RDAs to explicitly state that there was no capacity for growth in some areas of their region.

All the RESs outline the importance of investment in transport infrastructure, and the importance of the strategic framework of the RTS. In this respect the RESs provide an important input into the developments of the RTSs, which have generally lagged behind the RESs in terms of timescales.

6.3 Integration between the RESs and other regional strategies

As has been indicated in the introduction to this section, the differing timescales of regional Strategies make it difficult and, in some cases inappropriate, to provide an assessment of the direct consistency of the *content* of the RESs with other regional strategies. As a result, this section is fairly brief.

There are important issues that were raised by the research regarding *processes* for strategy development and relevant aspects of inter-agency working by RDAs. These issues are covered extensively in a parallel DETR (now DTLR) research report¹⁷, and are not within the remit of this study, which is concerned with outputs (the RES and Action Plan documents themselves) rather than process. The therefore limited findings relevant to this study are outlined below.

Regional Sustainable Development Frameworks. Consideration of the sustainable development strategic framework is variable. Most Strategies outline the importance of sustainable development and include proposals for a sustainable development appraisal of the Strategy. There is recognition in some Strategies of the important future role of the Regional Sustainable Development Framework (RSDF) and evidence that the RDA intends to engage closely with its production. The RESs were produced prior to the development of the RSDFs (many of which are still in their early stages) and an assessment of complementarity is therefore not possible.

Regional Cultural Strategies. Many of the RESs outline the importance of the arts and culture sectors and cultural industries. It is clear that partners in these sectors are working to become increasingly engaged with regional organisations and broad regional strategic policy. Most RESs, however, fail to directly make reference to the importance of joint-working with the RCC and the importance of broad strategic-fit between the RES and the RCS. Although at the time of the production of the RESs, most RCCs had only been recently formed (and several were not at that stage operational) and the emerging RCSs were unclear.

Rural development strategies. Several RESs outline priorities for rural development, although in general only limited reference is made to relevant wider strategic documents such as the England Rural Development Plan. It should be noted however, that the framework of strategic documents and departmental and organisational roles and responsibilities in relation to rural development is far from clear. Many partners indicated that the rural development sections of some RESs (and the work of some RDAs more generally) had been very positive in moving towards greater clarification of the regional frameworks for strategy and action in relation to rural development.

Other regional strategies (e.g. regional housing statements, regional regeneration frameworks, or regional competitiveness Strategies). Whilst the RESs either supplant other regional Strategies or are otherwise implicitly consistent with them, there is generally, little direct reference to these in the RESs.

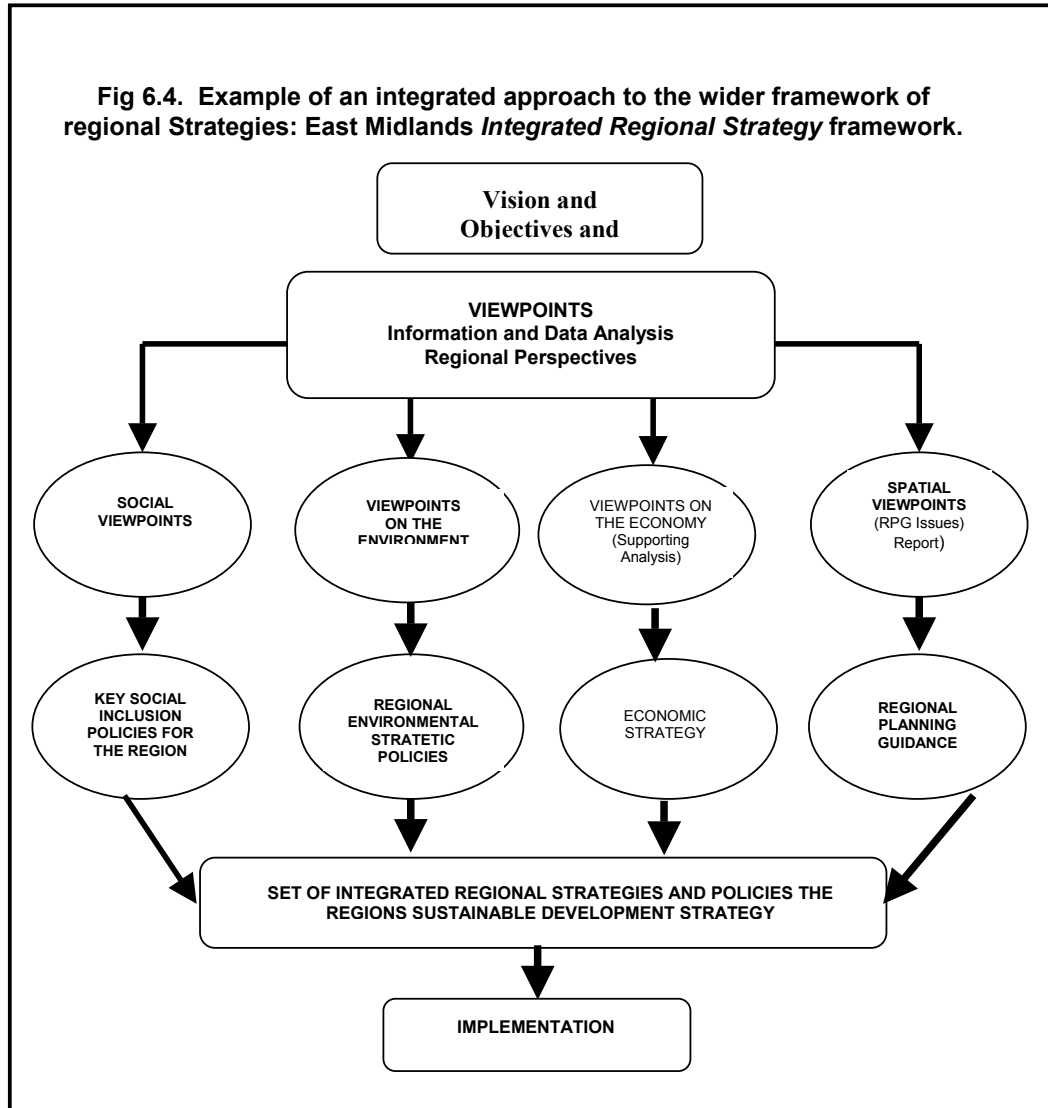
6.4 Consideration of the overall regional strategic framework

A common finding from the research is that there is significant confusion amongst partners about the details of this wider framework of regional Strategies and the role of the RDAs within it.

Some RESs provide a detailed and clear contextual overview of the wider strategic framework, which have been considered by partners as extremely useful and informative. Examples include the RESs in the East Midlands, South West and Yorkshire and Humber. These contextual sections as well as important in providing explicit recognition of the nature, challenges and limitations of the RDAs' role in relation to regional strategic coordination.

¹⁷ *Strategy Development and Partnership Working in the RDAs*, DETR, February 2001.

The most sophisticated and successful attempt at drawing together the various regional Strategy exercises is in the East Midlands. The East Midlands Integrated Regional Strategy provides the basis for a clear and integrated regional strategic framework both in terms of the complementarity of the various Strategies themselves and also in recognising the importance of RDA engagement in other regional Strategy exercises (see Box 6.4).



RESs in some other regions make limited mention of some of the other relevant regional strategies, such as RPG. However this is not generally done in a consistent or comprehensive manner throughout the document. In most regions, the this wider framework of regional strategies (other than the RES) is at an early stage of development, and this makes an assessment of external consistency difficult. It would, however, be helpful for some RDAs to outline more clearly and in more detail the context of the wider regional strategic framework as the basis for their proposals.

6.5 Integration between the RESs and relevant sub-regional Strategies

6.5.1 Strategies of sub-regional partnerships

The appreciation in the RESs of the wider strategic framework at the sub-regional level is also variable.

In most regions, the RDA has played a positive and proactive role in clarifying and strengthening sub-regional partnership structures. In some RESs, such as the North East or South East, there is evidence of close involvement of sub-regional organisations in outlining profiles and priorities for their sub-region. In addition, in the North East and South West common sub-regional ‘maps’ have been adopted for a range of planning and implementation functions.

In general, the RDAs have played a positive and proactive role in clarifying sub-regional partnership boundaries, building new partnerships where none existed previously, and extending the capacity of existing sub-regional partnerships. In some regions where there was general consensus on sub-regional boundaries, these are clearly set out in the RES. In other regions where the issue has proved more contentious (such as the East Midlands), the RDA has adopted a more cautious approach of helping to clarify and restructure the network of sub-regional partnerships over a longer period through a process of consultation with partners.

There has been a general move towards ‘co-terminosity’ for sub-regional partnerships and other strategic organisations. In several regions – such as the North East - co-terminosity has been established between clearly recognised sub-regional areas and boundaries for the local Learning and Skills Councils(LSCs)

Most RESs do not clearly outline the roles of sub-regional partnerships and their relationships with the RDA – resulting in a degree of ambiguity. It is therefore unclear to what extent sub-regional partnerships are expected to take a direct implementation role or a more strategic role of engaging partners and setting out broad sub-regional strategic priorities.

The RESs do not generally consider issues in relation to the capacity and resources of sub-regional partnerships. One area for concern is that the resources and the capacity of many are limited and often not always commensurate with the roles indicated for them by the RDA. The RESs include little recognition of the variability amongst sub-regional partnerships in their regions in terms of their capacity, the engagement of various stakeholder groups, or expertise and experience in specific policy areas.

The underdeveloped level of spatial specificity in many of the RESs could potentially hinder the effectiveness of RDA action at the sub-regional level, particularly in areas where sub-regional characteristics and priorities differ markedly. In this respect, the strategies do not maximise the potential of building on the existing strategy work of sub-regional organisations. In several cases participants in the research indicated that they felt that the RESs themselves did not do justice to the quality of the sub-regional analysis in the background research, for example, in the North East or South East.

As indicated in the previous chapter, the regional strategic role of RDAs will, in some cases require difficult and contentious choices to be made between competing sub-regional interests. This relates to both large regional infrastructure projects (such as airports or ports) and general issues of spatial priorities and capacity/constraints for growth and regeneration (see section 5.4 of this report).

In most of the RESs it is unclear exactly how future sub-regional strategies and Action Plans to be developed by sub-regional partnerships will dovetail with the RES and Action Plans. The exact nature of the RDA engagement with sub-regional partnerships is also unclear. In most regions, sub-regional partnerships are producing new sub-regional strategies or reviewing existing ones in the light of the RES. Participants in the research did, however, emphasise the importance of a two-way inter-relationship between the RDA/RES and

the sub-regional partnerships/sub-regional strategies. Whilst, there is recognition that strategies at the sub-regional level must fit within the wider strategic framework provided by the RES and other regional strategies, partners also felt that RDAs needed to build more effectively on existing work, capacity and identification of strategic priorities at the sub-regional level.

In most of the RESs there is very little or no mention of the strategic economic development framework outlined by local authorities.

6.5.2 EU Structural Funds programmes

There is variable coverage of issues and priorities in relation to Structural Funds regional programmes although, in general, levels of cooperation have been positive.

Several RESs fail to outline the basic contextual details of the main programmes and programme areas in their region.

In practice, in several regions there has been evidence of close joint-working between the RDA, GO and Structural Funds Partnerships in developing synergies through the processes of preparation, baseline research, and the identification of the main priorities in the RES and the Single Programming Documents. This is not always clear from the RES documents themselves, although this largely reflects the fact that at the time of the production of the RESs the priorities were to develop synergies and consistency in terms of *process*.

In some regions, partners commented that the opportunities and potential for cooperation and synergy between the two processes had yet to be fully realised. Yet, partners stated the importance of close joint-working between RDAs, GOs and the Structural Funds partnerships, and development of expertise in European programmes within RDAs.

Continuing priorities will be to ensure consistency between Action Plans and the Structural Fund Programme Complement documents and consistency in terms of the monitoring and evaluation processes for the RESs and the Structural Funds programmes

6.6 Integration between the RESs and the other specific programme documents

Whilst there is reference to main policy and funding programmes throughout several of the RESs, these are not outlined in a structured or comprehensive manner. In general, the RESs do not indicate clearly which programmes will be administered or implemented by the RDAs and those where others will take a lead role. It is therefore generally unclear which are the most important partners in specific policy areas, and where and how the RDA needs to work with and through other bodies.

The skills sections of some of the RESs lack detail in outlining the full range of relevant programmes and organisations. Most of the RESs fail to explicitly recognise or convey the fact that in this policy area the RDAs' direct powers and resources are small in comparison with those at the disposal of other bodies.

In terms of regeneration, there is generally not a detailed overview of area-based programmes that do not fall under the control of the RDA. Potential synergies with SRB or the RDA's land and property programmes are therefore underdeveloped. As indicated in section 3.3 of this report, since publication of the RESs, several RDAs have responded to the need to spearhead a more cross-cutting and integrated approach to regeneration funding and have developed a variety of innovative mechanisms to develop improved synergies between various initiatives and programmes.

The move away from the majority of funding for RDAs being associated with specific programmes, to a 'single pot' form of funding will offer greater flexibility and discretion for

RDA. This will, in theory, enable RDAs to better complement the work of other organisations, and address strategic priorities in a more integrated manner.

6.7 Consistency with inter-regional strategic priorities and raising national economic performance

6.7.1 General points

Most of the RESs make brief reference to the need to work across regional boundaries, and with other RDAs, to address inter-regional issues. Examples of reference to inter-regional issues are outlined below.

- In the **South East** and **East of England**, the RESs make reference to the importance of London and stress the need for joint-working on issues that cut across regional boundaries – such as the Thames Gateway. However, this only amounts to brief recognition of the relevance of London. The issues and nature of the inter-relationships between the South East and London are not explored in sufficient detail. In general, the RESs do not provide the emphasis and coverage on London issues that is merited by the capital's economic importance to the South East and East of England.
- The 'Implementation' section of the **South West** RES outlines four main axes for the development of approaches to dealing with cross-boundary issues.
- The 'Infrastructure' section of the **North West** RES outlines the importance of several strategic transport projects to improve links with neighbouring regions. The 'Southern Crescent' concept embraces other regions.
- The **East Midlands** RES identifies proximity to several other regions as a locational strength. Cross-boundary working and links with other RDAs is also outlined as an important priority in delivering the strategy.
- The **North East** RES outlines 'Inward Investment' as an area where joint-working with other regions will continue.

Beyond the examples outlined above, little further mention is made in the RESs of inter-regional issues. Throughout all the RES documents inter-regional issues are not discussed in sufficient detail. In the cases where specific geographical or thematic priorities for co-operation across boundaries are set out, few details are provided as to the specific actions or mechanisms for taking this forward. For instance, there is only limited recognition of the potential for sub-regional partnerships that cut across sub-regional boundaries.

In several regions, partners who participated in the research, indicated that 'on the ground' inter-regional working by RDAs was developing – but only very slowly, and tended to be on a project-specific basis in the absence of an adequate strategic understanding of the broad set of cross-boundary issues. In many regions, there was a lack of adequate background research and analysis on inter-regional economic trends to underpin the RES, and where this did exist, full use was not generally made of the available material.

In some areas, proposals for inter-regional cooperation in relation to inward investment are well developed. This reflects and builds on the existing cooperation between the regions developed by the previous Regional Development Organisations¹⁸ – particularly in relation to networks of overseas offices.

¹⁸ Regional organisations responsible for promotion of inward investment and handling specific inward investment and aftercare enquiries. These organisations received funding from partners in the region (including the private sector) as well as the then Invest In Britain Bureau of DTI.

6.7.2 The inter-relationship between London, the South East and East of England regions

Both the South East and East of England RESs failed to consider the importance of London to their regions in sufficient detail in either the background research or Strategies. Insufficient consideration is given to the fact that London exports a large proportion of its GDP to neighbouring regions (it is estimated as much as 15%), the extent of in-commuting to London, or the fact that proximity to the capital is a major factor in the locational decisions of many companies based in the South East and East of England. There is insufficient coverage of major regional infrastructure projects such as east-west or north-south rail routes.

Whilst both the EEDA and SEEDA strategies make brief reference to the Thames Gateway as a major regeneration project, the extent of the opportunity provided by this area (much of it within London) is not fully conveyed or discussed. Since the publication of their strategies, SEEDA and EEDA along with the LDA have formed the *Thames Gateway Operating Committee* to improve co-operation and joint-working on Thames Gateway issues. More recently, the Government has formed a Ministerial-led *Thames Gateway Strategic Partnership* (which includes SEEDA, EEDA and the LDA) to develop an integrated and more coherent approach across Government departments, RDAs, and other relevant regional sub-regional organisations¹⁹.

The absence, until recently, of a RDA for London has made it very difficult for EEDA and SEEDA to develop specific proposals for cross-boundary working in relation to London. Despite this the shadow organisation to the LDA (the London Development Partnership) was in place as a shadow structure since April 1999, and prominent organisations and London wide partnerships (such as London First, the London Pride Partnership, the London Planning Advisory Committee) existed long before then. Current and previous rounds of RPG9 also included London and three counties in the East of England Region (Hertfordshire, Bedfordshire and Essex), and there has been associated inter-regional working.

SEEDA and EEDA indicated that the short timescales for the development of the RESs, and the uncertain and evolving status of the 'shadow' structures and 'strategies' in London (prior to the formation of the GLA proper) caused difficulties in considering issues in relation to the capital. There was also a desire amongst Board members to establish the distinct identities of the South East and the (new) East of England regions, and it was felt that too much association with London would be unhelpful in this respect. It could also be argued that, partly due to the staff pressures associated with the establishment of the new strategic bodies for London, existing strategic partnerships and agencies in London did not engage actively in the development of strategies in neighbouring regions.

6.7.3 Priorities for raising national economic performance

There is little discussion in any of the RESs of the roles of their region in the wider context of the UK economy and the potential for positive spin-offs to other regions. This would have been a particularly appropriate issue for discussion in the case of the South East and East of England. An important issue is how the knowledge and expertise from research activities, and growth in these regions, can be harnessed to benefit other regions. This would have been relevant in the cases where there is little capacity for further growth in crowded parts of these regions or in the areas where some forms of business activity are unviable due to supply-side constraints and the resultant property and wage costs.

As outlined in previous sections, proposals in the RESs to raise regional economic performance in terms of GDP per head and European 'league table' rankings are highly ambitious and in some cases unrealistic within a short to medium term timespan. Taken

¹⁹ These have since been superseded by the formation of the DTLR Thames Gateway Strategic Executive.

together these targets would amount to an overall target for national growth economic growth that would be unrealistic or unsustainable.

Several partners indicated that there was an element of tension between the perceived economic needs of some regions and Government fiscal policy, although this was not evident in the final drafts of the RES documents. In one region, this issues was outlined in an earlier draft of the RES, and more recently some RDAs have adopted a critical approach to commenting on and seeking to influence Government fiscal policy.

6.8 Summary of main findings

- **As the RDAs review and update the Regional Economic Strategies it will become increasingly important that they focus on ensuring consistency with the developing wider regional strategic framework.**
- **Consistency is particularly important in relation to the continued development in several regions of RPG.** In the South West, South East (including the three East of England Counties), Yorkshire and the Humber and East Midlands the RPG will be finalised over the next 2 years. In the North West, West Midlands, and the North East the main principles and detail of the drafts will become far clearer. Most RESs currently demonstrate as much consistency with the RPG as can be expected given the current stage of the RPG process, and / or show evidence of strong RDA participation in the RPG process and the development of a shared understanding of regional priorities.
- **Many of the most important current issues in relation to the external consistency of the RESs are process rather than content issues.** The wider framework of other regional strategies is generally still under development, and in many cases these other regional strategy exercises are in their early stages of development. It is therefore vital that the RDAs engage in the production of these strategies to ensure consistency with the RES.
- **It is important that RDAs' partners also develop an improved awareness and understanding of the details of the various relevant regional strategy exercises as well as the roles and responsibilities of the main regional strategic organisations.** Several RESs provide a useful overview of the wider regional policy and strategic context. In others, this basic contextual overview is not provided, with the result that the RES is implicitly presented as the dominant regional strategy rather than as a key element within a wider framework of strategies. There is a need for the RESs to outline in a more structured and comprehensive manner the relevant main programmes and policy initiatives. This will help raise awareness of the nature of the wider framework of regional strategies.
- **There are examples of best practice in relation to the RES explicitly developing or endorsing a wider framework of regional strategic priorities and mechanisms for co-operation.** The two most advanced examples of this are the East Midlands Integrated Regional Strategy initiative, and the development of the Yorkshire and Humber Regional Concordat for the preparation of RES and RPG.
- **The RESs generally fail to discuss in sufficient detail the impact and potential impacts of, and opportunities presented by, other regions.** This manifests itself in a lack of consideration of background research undertaken for the RESs. For some issues, and in some regions and sub-regions, there needs to be some specific and up to date research undertaken on cross-boundary issues. It is clear that in the challenging timescale for producing the RESs, RDAs had little opportunity to engage with their counterparts in other regions to develop proposals for cross-boundary working

7. IMPLEMENTATION AND ACTION PLANS

7.1 Introduction

The production of the RESs was followed by a more detailed stage of action planning which involved the RDAs engaging with relevant partners to pursue the implementation of the RES through specific Action Plans. An Action Plan may be defined as a detailed statement of how a higher order strategic objective outlined in the RES is to be delivered in practice.

Box 7.1. Evaluation Criteria: Action Plans

Action plans should provide a clear framework for undertaking targeted, realistic and sustainable regeneration/economic development initiatives with partners. This means that they should:

- demonstrate a transparent relationship with the policies and priorities of the RES and be consistent with the broad thrust of other regional and sub regional policy;
- demonstrate relevant partner involvement in their formation and partner commitment;
- identify the actions that are proposed and the priority issues/areas of emphasis;
- specify the delivery mechanisms involved, including the role of partners and specific funding sources, including SRB and the Land and Property Programmes;
- set out the broad timescale for implementation including preferably dates for achievement of key milestones;
- identify relevant leadership of actions, including the extent to which the RDA will take a lead, influencing or advisory role;
- where possible identify specific financial inputs, outputs, outcomes and impacts of actions.

At the time when the research was undertaken in Summer 2000, RDAs were still in the process of producing or finalising Action Plans and **there was no consistent documentary output upon which to design a comparative analytical framework.** It was possible however, to compare the approaches which the RDAs were adopting based on the available documentary sources and by gauging the views of regional stakeholders and those directly involved in the process.

An assessment of the content of RDA Action Plans must also consider a number of important factors in relation to the action plan process. Different approaches and timescales were adopted in different regions. Guidance and advice from Central Government also varied depending on the Government Department and Action Plan involved. In many areas extremely limited or no specific Guidance was provided by Government. The processes of developing Action Plans and securing widespread partner support and commitment were vitally important, probably more so than the content of the documents themselves. quality of partnership working.

Some specific points in relation to this context for the production of Action Plans are outlined in the section below.

7.2 The context for the production of Action Plans

It is important to understand some general points and the context and particular difficulties faced by RDAs in producing Action Plans.

Given the varying regional circumstances in which RDAs operate it is evident that there was no single blueprint as to how to address the post strategy phase and RDAs have developed Action Plans in different ways and at varying paces. It is possible to identify common issues and highlight best practice responses. In doing so it becomes evident that the

various steps in the RDA policy process from strategy preparation through action planning to monitoring and evaluation are critically interrelated.

‘Guidance’ on Action Plans from central government²⁰ was limited, with no consistent approach across different government departments. Comparatively little attention was given to the question of preparation of RDA action plans in the various guidance which was issued by government. In the course of the study a number of RDAs and partners commented upon the absence of a clear and comprehensive statement of the nature, purpose and timetabling of action plans in the context of the wider role and functions of RDAs.

Initially there was some confusion as to precisely what action plans were required, the timetables for producing these plans and how Government Departments and Government Offices would engage in the process. The types of Action Plans can be distinguished between the ‘core action’ plans required by Government Departments (outlined in Box 7.2 below), and those developed by RDAs to reflect the specific priorities set out in their RES documents. There was no central co-ordination of this process, with departments issuing their own separate guidance.

Box 7.2. Overview of Core Action Plans

Skills Action Plan. A framework for the preparation of Skills Action Plans was set out in the DETR’s Supplementary Guidance to RDAs supplemented by detailed guidance issued by DFEE. The draft plans were submitted in October 1999. They were revised following feedback from the DFEE, which carried out bilateral meetings with GOs and RDAs to discuss the implementation of the Skills Action Plans.

Innovation Action Plan. The DTI did not set any specific deadline for the completion of Innovation Action Plans given that the RDAs would be building on the work already undertaken by regional partners and the Government Offices in preparing the EU funded Regional Innovation Strategies and/or Regional Technology Plans. The RDAs were asked to take over responsibility for these Strategies and plans to ensure their further development and implementation would be integrated with the content of the RES documents. DTI met with RDA enterprise contacts during Autumn 2000 by which time all had produced plans. However at this point they were at varying stages of development - some still at draft stage but others well developed and undergoing a first formal revision.

Business Support Action Plan. All the RDAs were required to submit a review of business support in their region by March 2000 with the aim of moving towards an action plan involving the RDA, local partners and the Small Business Service. The DTI undertook a review of the findings in Summer 2000 and embarked upon bilateral meetings with RDAs to discuss preparation of action plans and arrangements for implementation.

Export Strategy. British Trade International requested that RDAs should produce the first draft of their Export Strategies including action plans by February 2000. All RDAs produced draft strategies though BTI was not expecting to see final versions, which could be properly evaluated before the end of 2000.

Regional Inward Investment Strategy. DTI guidance on inward investment asked RDAs, in liaison with partners, to prepare regional inward investment promotion strategies and operational plans. RDAs were required to submit their proposed programmes to the Invest in Britain Bureau on an annual basis and all were approved for 2000/01.

There were significant differences between the RESs in terms of the extent to which the details and framework for implementation was outlined with the result that RDAs had different starting points when addressing the issue of Action Plans. Some RESs, such as in Yorkshire and the Humber included specific details of actions to be undertaken with an indication of “who, what, where, how, when” to outline the timescales, lead partners, delivery mechanisms and timescales. In the East Midlands, short-term “100-day commitments” were set out. Elsewhere, the RESs were less specific about the implementation stage.

There has been no consistent approach towards developing Action Plans in terms of form, content and timetable. Some RDA Strategies set out initial draft action plans/frameworks within the Strategy documents while others indicated how they would take forward the action planning process with lists of plans they intended to develop and potential partners. The variation in approaches should not be considered inappropriate. It reflected the different circumstances and varied levels of partner consensus around delivery frameworks in different region. Understandably in the initial phase there was a greater focus on those action

²⁰ See box 7.2. for an overview of the relevant ‘guidance’. Much of this was not published in a formal sense, and many RDAs were uncertain of its status.

plans where it was clear the RDA would play a key or lead role in implementation. Annex C sets out reported progress as at July 2000.

Some partners (somewhat unfairly) interpreted the lack of prioritisation and the absence of detailed targets and action plans in RES documents, as a sign that the RDAs were not capable of addressing difficult choices. The presence of Action Plans was interpreted as indicating a sense of purpose and direction and their absence a sign of a lack of leadership and ineffectiveness. In taking this view they failed to recognise that it would have been impractical if not counter productive for RDAs to have developed detailed action plans in certain policy areas before broad consensus had been reached amongst partners.

There was also a sense amongst many partners that RDAs having devoted so much time and effort to strategy preparation and consultation were unsure as to how to move forward into the implementation phase. In many cases partners reported being confused as to what the next steps would be and many experienced disappointment that having been actively encouraged to participate in the RES consultation phase there no longer seemed to be a major role for them. Some RDAs failed to set out in a clear and transparent manner the nature of the action planning process and the steps that would be taken. Also, many partners had little understanding of the scope of RDAs and the potential limits of their role and responsibilities in action planning in various policy areas or the specific roles of other government agencies or departments.

7.3 Specific findings and issues in relation to the evaluation criteria

7.3.1 Relationship with the Regional Economic Strategies

In most cases the Action Plans were consistent with and demonstrated clear linkages to the main policies and priorities outlined in the RES, although the RESs differed significantly in terms of setting out the framework for implementation. In some regions, details of specific actions, delivery mechanisms, timescales, milestones, and the role of the RDA were clearly set out, and this enabled the RDA to move quickly to produce detailed and comprehensive action plans that commanded broad support amongst partners. In other regions, the RESs were less specific (often reflecting a less-well developed partnership working context and level of consensus amongst partners) and the RDA was required to adopt a more cautious and evolving approach to developing Action Plans.

A main issue was the level of integration between different Action Plans relating to specific policy areas, cross-cutting themes, and sub-regions. Partners in some regions were unclear whether or how these different Action Plans resulted in a coherent and integrated overall programme for delivery. This was often as much a presentational issues as one of content. A successful approach adopted in some regions was to present all Action Plans in a single document or website.

7.3.2 Demonstration of partner involvement and commitment

A clear finding from the research was the importance that the content of Action Plans were based on effective partner involvement in their production and widespread commitment to their implementation. This meant that the timescales, format and level of detail of Action Plans needed to reflect this wider partnership context. This varied between the regions, and it was clear that a 'one size fits all' approach to Action Plans was not appropriate.

In the initial phase of the Action Plan process it was clear in several regions that early drafts were not based on widespread or quality partner engagement or buy-in²¹.

²¹ "Strategy Development and Partnership Working in the RDAs". DETR, February 2001.

- In many regions the RES did not outline actions or the framework for implementation in any great detail. Whilst this was understandable in the cases where RDAs felt it was inappropriate to focus on implementation at this stage, it resulted in an underdeveloped basis from which to attempt to develop detailed action plans within a short timescale.
- There was confusion amongst RDAs and partners about the format, timescales and outputs that were required in relation to Action Plans. The nature of guidance from government was a factor in this. Several RDAs were under real and perceived pressure from partners and government to produce overly detailed action plans in too a short timescale without adequate partner involvement.
- Several RDAs did not apply the same principles that led to successful partner engagement in the development of the RESs and partners generally commented less favourably on the process. A lack of transparency and clarity in the process was a factor in several regions leading to confusion and dissatisfaction amongst partners.

All of the RDAs that experienced initial problems with Action Plans, responded to partners' criticisms and developed a more pragmatic and cautious approach. Action Plans were developed at timescales and levels of detail commensurate with levels of partner involvement and commitment. Ultimately, this 'fitness for purpose' approach is proving an effective and pragmatic way forward.

Some RDAs were able to deliver detailed and specific Action Plans at an early stage in the process, which reflected appropriate partner involvement and commitment. Where successful, this approach was based on a number of main factors, including:

- a RES that outlined a programme of actions and implementation in a comparatively high level of detail;
- inheritance by the RDA of a well-developed consensus on, and mechanisms for, inter-agency partnership working in the delivery of main regional programmes, and development of particularly strong partnership working in the production of the RES; and
- clear and transparent processes, timescales and formats for producing Action Plans.

7.3.3 Identification of actions and priorities

The Action Plans were considered to outline clearly the main actions and priorities to be pursued. In some regions, there were criticisms that the RDAs were attempting to achieve an unrealistic number and extent of actions, with too little prioritisation, and as a result, the proposed programmes lacked focus and distinctiveness. In general, as the Action Plan documents developed, it became clear that implementation in certain policy areas was able to proceed faster than others, particularly where organisational roles and leads were clear and the RDA was able to work through its main programmes.

7.3.4 Specification of delivery mechanisms

The Action Plans generally successfully outlined the role of main partners and delivery mechanisms critical to the delivery of main objectives. In doing so, the Action Plans generally demonstrated recognition of the need for the RDAs to work with and through others and to adopt a creative approach to developing integration and synergies between distinct RDA programmes to attempt to develop a joined-up response to main issues. However in doing so, clearly the RDAs faced a difficult and uncertain situation for three main reasons.

- RDA powers and resources varied across policy fields and were particularly limited in some respects.

- Secondly, in several main policy areas such as skills or business support, RDAs were operating in an uncertain and unsettled context of organisational change. In most cases, new structures and personnel amongst key partner organisations such as LSCs or the SBS were not yet clear. Also the future of some RDA programmes (such as the SRB), and the detailed future roles of GOs and Regional Chambers were not clear.
- Also, due to the nature of programmes they inherited, both RDAs and partners considered that there was a lack of flexibility and integration in relation to different RDA programmes and as a result it was difficult to address complex and multi-faceted objectives and problems in an integrated manner.

7.3.5 Timescales and milestones for implementation

The Action Plans generally outlined very clearly the timescales, milestones and tangible outputs for delivery. Furthermore, in most regions these have been monitored closely to assess progress. In most cases, the timescales and milestones were considered (and have been proved) realistic and achievable.

7.3.6 Identification of leadership of actions and the role of the RDA.

The Action Plans generally outlined clear lead partners (where it was possible and appropriate to do so) and the role of the RDA (i.e. lead, support, capacity building etc.). In particular, the documents generally demonstrated strong recognition of the need, in some policy areas, for organisations other than the RDA to take the lead in delivery with the RDA playing a mainly support and coordination role. In several regions, this demonstrated a significant change from early drafts of the Action Plans, which partners criticised as implying that the RDA would 'do everything' and not recognising the need to work with and through others. It was important that specification of details of lead roles was based on a clear understanding and consensus on the delivery framework amongst partners. Where this was absent, it proved counter-productive and over-prescriptive to specify lead partners.

7.3.7 Identification of financial inputs and outputs, outcomes and impacts

The main inputs and outcomes of actions were generally set out in only outline format. This tended to focus on tangible, although non-quantifiable inputs and outputs, rather than detailed 'programming' information. This was not surprising for a number of reasons, including:

- RDAs considered that it was important and that at this stage Action Plans should not predicate or prejudge detailed guidance and decisions in relation to specific programmes.
- RDAs and partners experienced delays and uncertainties in ascertaining the details of RDA budgets for the financial year of 2000-2001, and were also unclear on the nature and levels of RDA funding and programmes in future years.
- The monitoring and evaluation framework for RDAs, beyond the limited range of indicators specified in Government Guidance, was only in its early stages of development (see chapter 8). This made it difficult for detailed indicators to be applied to the Action Plans.

7.4 Different approaches to Action Plans

Having outlined some of the underlying pressures and issues faced by RDAs in producing Action Plans, and the main findings in relation to the evaluation criteria, it is instructive to consider some examples of different approaches adopted by RDAs. It was possible to identify two fairly distinctive approaches:

- **Pragmatic Approaches.** This was evident in areas (such as South West, South East and East of England Regions) where RDAs inherited an underdeveloped regional partnership working in comparison with elsewhere. As a result, there was less understanding of roles and responsibilities at this scale to build Action Plans.
- **Strategic Approaches.** In contrast, this approach was adopted in regions there was the institutional and partnership context meant that it was somewhat easier to develop a clear and overarching approach to action planning from the beginning.

7.4.1 Pragmatic Approaches to action planning

Several RDAs recognised and / or experienced the difficulties of pushing the process of action planning too quickly in a situation where the policy or partnership working context dictated a more measured and staged approach. These RDAs have adopted a pragmatic approach being flexible and reworking their approach to action plans commensurate with the degree of consensus on, and understanding of roles and responsibilities for delivery.

Example: South West

The preparation of the regional strategy in the South West was based upon recognition of the diversity and distinctiveness of the sub-regions and the need to provide a practical framework for partnership delivery, recognising that organisational capacity varied in the region. The RES did not include any detailed consideration of priorities for implementation.

Following criticisms from some partners of a lack of detail in the initial working drafts, the RDA then produced more detailed formal Draft Action Plans, without significant consultation or partner input. These were seen as being overly detailed and prescriptive. As a result, SWRDA recognised that it was not necessary or desirable for action plans to go into too much detail too soon and the concept of “Frameworks For Action” were developed in response.

This approach enabled the development of more detailed Action Plans where the RDA or other partners had the lead role in implementation and were able to proceed straightaway, whilst at the same time allowing others to indicate a general intent but enabling partners to develop action plans at the pace which they desired. The Frameworks have an eighteen-month review period and there is a standard template covering responsibility, timescale, delivery mechanism, funding partner outcomes, and RDA role and priority actions. The Regional Chamber has a clear role in overseeing the development and implementation of the framework.

While some partners were critical of the lack of detail in the “Frameworks”, others recognise that in the circumstances and within the short timescale available, the “Frameworks” approach represents the most practical way forward.

Example: South East

In the South East the RES contains seven region-wide programmes with various specific objectives set out under each section of the chapter. Some of the objectives are broad and ambitious and represent aims or targets. More specific detail was contained in Draft Action Plans that were made available with the Strategy as working documents.

These documents were criticised as being too long and complicated and, perhaps, reflecting a desire to do too much too soon. There was felt to be a gap between expectations of involvement raised by the RES process and the subsequent Action Plan process. In response, in May 2000 SEEDA discussed the draft Action Plans with the sub-regional Economic Partnerships. SEEDA proposed to take forward the action plan process in the sub-regions through bilateral meetings and workshops.

This approach was well received. It paralleled the publication of SEEDA's Business Plan for 2000/2001 that outlined the financial details and organisational structures for the delivery of SEEDA's work programme.

Example: East of England

The EEDA Strategy did not outline detailed priorities and actions for delivery. Partners did not see this as a problem - the difficulties of establishing priorities in a new regional context in a short timescale were generally recognised. This was reflected in the "making it happen" section of each chapter in the RES. The main emphasis of these sections is on the relevant partners with whom the RDA will need to work to develop practical implementation mechanisms, rather than on any specific actions. This approach reflects the longer timescale needed to bring partners on board in comparison with the strategy development phase.

The Action Plans, found in the annex to the RES, each related to a specific chapter of the RES, and all translate the broad priorities identified, outlining a description of the action, achievement, milestones and timescales. Most of the actions were for the RDA itself, without any indication of wider partnership commitment to the actions proposed. This reflected the difficulties of tying partners into specific actions in the time available to prepare the Strategy. EEDA indicated that considerable effort was required to get to that position. The two freestanding action plans for innovation and technology and skills were the most detailed and comprehensive, reflecting greater partnership working and earlier development work.

7.4.2 Strategic Approaches to action planning

Unlike the three previous case studies the RDAs in the East Midlands and Yorkshire and the Humber were able to take advantage of a regional institutional structure that had already begun to address the issues of role and responsibilities in regional development and hence helped facilitate transition from RES to Action Plans.

In both these examples, potential actions and details for implementation were well-developed in the RES, and particularly high levels of partner support and buy-in had been developed for the RES and work of the RDA more generally.

Example: Yorkshire and the Humber

Yorkshire Forward had the benefit of being able to build on a strong track record in the region of successful partnership working to develop strategic co-ordination and institutional collaboration. For example, the Regional Assembly (which was established in 1996) developed with partners from public, private and voluntary sectors a set of high-level strategic objectives for the region to provide the strategic framework covering the RES, RPG, EU Structural Funds, Single Regeneration Budget and Regional Cultural Strategy.

The RDA Strategy is based around three strategic aims with six objectives that are to be pursued over a 10 year period to achieve these aims. Each of the objectives was accompanied by short action statements which set out what action would be taken, how it will be delivered, when key milestones will be achieved and who should lead and co-ordinate delivery. There was acknowledgement that Yorkshire Forward's role should vary according to the specific actions and policy fields. It was recognised that the Action Plan process had to be undertaken in a flexible and inclusive manner.

To achieve this Yorkshire Forward, through consultation with partners, produced a single Regional Action Plan. For the main areas of action the plan set out in a clear user friendly format what was being delivered, by whom, by when, and progress made. It is an annual rolling programme that incorporates 5 and 10 year targets. The progress column of the action plan is updated every month and posted on the regional website.

Significant changes to the plan are considered as part of six monthly reviews involving Yorkshire Forward, the Regional Chamber and its partners. This process contributes to the development of shared ownership and enables the partners to ensure that the five operating themes of the RES are being applied in the process of implementation.

Example: East Midlands

In the East Midlands the RDA was able to build successfully on the strong cooperation and partnership working at the regional level that developed in preparation and response to the formation of the RDA. The RES establishes five strategic objectives. They were accompanied by 100-day commitments, which identified lead partners. The RES set out the basis for sub-regional priorities, thematic action plans and associated plans and programmes.

- In May 2000 *emda* published its first *Regional Delivery Plan 2000-2003*. Its main components were: an initial set of commitments and proposals for the first 3 years; an interim set of priorities at sub regional level linked to the regional strategic objectives and based on the plans of sub-regional partners; and an outline of more detailed thematic action plans in the process of development. Partners saw the *Delivery Plan* as useful in bringing together and demonstrating the linkages between the different Action Plans. The Plan is subject to a rolling programme of review and updating every 6 months.

Some partners criticised *emda* for not undertaking extensive partner engagement in the production of the first draft of the delivery plan. In contrast, most partners and *emda* judged that a significant degree of consensus and support had been achieved for the RES and *emda*'s role more generally, and it was appropriate at this stage for *emda* to further fulfil its strategic remit by setting out a clear programme for action.

7.4.3 Different approaches to action planning - conclusions

As demonstrated by the above examples, RDAs have developed successfully a 'fitness for purpose' approach to Action Plans. Different formats and mechanisms have been adopted to reflect the wider institutional context for implementation and partnership working inherited by RDAs and developed through the production of the RESs.

Whilst in several regions the initial experience of producing Action Plans was problematic, ultimately the outputs from the Action Plan process have been positive and provided a clear and appropriate framework for implementation. In regions where there were initial problems, the RDA adopted a revised approach in response to partners' criticisms.

The approach to Action Plans needed to reflect the implementation context developed by the RES. Where the RES outlined well-developed and specific details for implementation (such as main actions, roles, timescales and milestones), RDAs were able to move quickly to produce a detailed set of Action Plans. Strong levels of partner support and 'buy-in' of the RES were also important factors in these examples. Where these aspects of the RES were developed in less detail and broad consensus on roles and mechanisms for implementation did not exist, RDAs needed to adopt a more cautious and pragmatic approach to Action Plans.

7.5 The issue of Government Guidance on Action Plans

Confusion and uncertainties amongst RDAs and partners about the format, role and timescale of Action Plans, was a feature in the problematic early stages of the process. This raises questions about the lack of background advice on the process of preparing Action Plans.

The evidence from this research suggests that more clear and specific government guidance on the process, timescales, and roles of Action Plans would have been helpful. It is vital that RDAs retain the ability to develop different approaches to reflect the varying implementation context across different regions, sub-regions and policy fields.

The Central government guidance on Action Plans is set out in Box 7.2. This was limited compared with that for the preparation of the RESs, and was provided by separate Government Departments. This presented various difficulties associated with a lack of clarity on the respective roles and responsibilities of different organisations in specific policy fields. As such, RDAs and partners in the regions were attempting to resolve matters that were primarily a consequence of decisions taken centrally and which would have been better resolved at that level. A particular difficulty has been the expectation that RDAs should be able to develop Action Plans in policy areas where central government is undertaking major structural changes.

Action Plans require agreement and co-ordination of existing programmes and policies. Many of these programmes and policies will have quite different cycles for development and delivery. For example, SRB programmes have a cycle that is not consistent with that for European Structural Funds. Action Plans need to incorporate mechanisms and programming that will allow for change and inclusion of complementary programmes and their delivery.

There are concerns amongst RDAs and partners that more detailed Central Government prescription on content would constrain the ability of RDAs to develop Action Plans in different formats reflecting the varied partnership and policy context in different regions.

This need not be a concern if Central Government Guidance was to focus on the process of developing Action Plans setting out examples of best practice and resolving ambiguities and conflict. For example, advice could be given where more than one Central Government Agency or public body has an impact on a particular policy area, or in relation to the management of cross cutting issues and programmes such as regeneration, sustainability, and social inclusion. Information may also be needed from central government in respect of the phasing of policy cycles and programmes that may not always coincide with the action planning process.

7.6 Overview of main findings

In general RDAs have developed Action Plans that broadly meet the evaluation criteria and provide a sound basis for implementation of the Regional Economic Strategies. The Action Plans generally demonstrated:

- a consistent relationship with the policies of the RES, although in some cases inclusion in the RES of more specific details of the broad approach to implementation would have assisted in providing a clearer link with the Action Plans;
- reflection of appropriate partner involvement and commitment – despite, in several regions, problems in this area in relation to earlier drafts;
- specification of main programmes and the roles of partners, recognising the need to develop integration between different programmes – some RDAs have developed ‘cross-cutting’ Action Plans (which are relevant to the all RDA programmes) to this effect;
- details of main timescales and milestones for implementation;
- an outline, where appropriate, of the of lead roles in delivery and the specific roles of the RDA – where there was an absence of partner consensus on details for implementation, it was counter-productive to outline lead roles;
- identification of the main actions and areas of priority – although in some cases there were criticisms that RDAs were attempting to achieve too much; and

- specification in only general (and in most cases, non-quantifiable terms) of main inputs and outcomes of actions – this reflected an uncertain and underdeveloped wider context for RDA funding, organisational roles, and monitoring and evaluation.

A main finding is that it is essential that format and level of detail of Action Plans reflected the levels of partner consensus and the nature of the mechanisms for inter-agency working inherited by the RDA and developed through the RES process. Several RDAs attempted to produce documents that included too much detail too soon. In response, these RDAs have developed more successful, pragmatic and evolving approaches. Two main approaches were identified:

- **Pragmatic approach.** Where RDAs developed Action Plans to include detail of action and specific roles and leadership where consensus and clarity in relation to delivery mechanisms permitted, and to proceed at a more cautious pace in other areas.
- **Strategic approach.** Where the RES included a high level of detail in terms of actions and the framework for implementation that commanded partner support, this provided a sound basis for moving to detailed action plans at an earlier stage.

This means that it is important that RDAs continue to develop a tailored ‘fitness for purpose’ approach to Action Plans to reflect varying objectives, organisational roles, and levels of consensus on delivery mechanisms between regions, sub-regions and policy fields.

More detailed and clear government guidance on the roles, timescales and resolution of ambiguities in action plans would be helpful, although it is essential that this is not too prescriptive and does not hinder RDAs' flexibility to develop tailored approaches.

The RDAs faced constraints in relation to the level of detail and specificity that it was appropriate to include in Action Plans. Inclusion of greater detail and more specific information will be appropriate as RDAs move towards a more stable and flexible funding regime, ambiguities of organisational roles are resolved, and monitoring and evaluation frameworks are developed.

Some RDAs need to ensure that there is improved integration between various Action Plans, including those relating to specific policy areas, cross-cutting themes, and sub-regions. Presentation of all Action Plans in a single document has proved useful.

8. MONITORING AND EVALUATION OF RDA STRATEGIES

8.1 Introduction

8.1.1 Background

The Statutory Guidance to RDAs highlighted the importance of the development of relevant procedures so that central government and regional partners could monitor and evaluate RDA progress and achievements.

Central government recognised that developing an overall approach towards monitoring and evaluation would necessarily take time. Each RDA was asked to develop its own integrated monitoring and evaluation system by 31 March 2001 making linkages as far as possible between the RESs, Action Plans and RDA Corporate Plans.

At the time of writing this chapter, these frameworks were still being developed. The evaluation therefore focussed on the targets and details for monitoring and evaluation set out in the RESs, and initial emerging findings in relation to the more recent development of the monitoring and evaluation frameworks.

Box 8.1. Evaluation Criteria: Monitoring and Evaluation

The strategy should set the overall regional context in part by using core state of the region indicators. These should also be proposals or progress in developing a practical framework for monitoring RDA activities. In particular:

- existing regional conditions in terms of core state of the region indicators should be presented at both an aggregate level and where possible disaggregated by ethnic origin, gender and disability. (Core state of the region indicators are set out in Fig 8.2 below).
- proposals or arrangements for the collection of the four aggregate RDA Activity Indicators and region-specific monitoring data should be developing or in place. (Proposed core activity indicators are set out in Fig 8.3 below).
- any targets (e.g. for GDP growth) should be based on independent assessments (by reputable organisations) and or the application of appropriate and demonstrable benchmark experience and should be realistic with respect to other existing forecasts;
- where employment targets are specified, their basis should be clear in terms of job creation and safeguarding, the extent to which they will arise directly from RDA interventions (or the co-ordinated interventions of others) and whether they are net or gross. In all cases definitions should reflect Treasury Guidance on the evaluation of regeneration projects and programmes.

The basis for monitoring and evaluation are sets of regional indicators - quantitative data that are collected to chart change over time and monitor progress towards achieving strategic objectives. Whilst indicators monitor change towards achieving objectives, targets are used to set 'benchmarks' for improvements in performance over a given time period.

The implementation of a RES is heavily dependent on the inputs of partners at regional, sub-regional and local levels. It was therefore necessary to ensure agreement as to how partners' detailed indicators and targets were to be made compatible with those outlined by the RDA.

Clearly the RDAs faced early pressures in developing monitoring and evaluation frameworks. There were significant variations in the quality and availability of relevant data in terms of main policy areas, and different regions and sub-regions. There was a requirement to work with partners in developing the frameworks.

At the time of the research for the study, the monitoring and evaluation frameworks were generally at early stages of development, although the situation varied between regions. It was not therefore possible to undertake a detailed or consistent evaluation. The assessment therefore focussed on emerging issues, and aspects of the approaches adopted by RDAs.

8.1.2 Statutory and Corporate Planning Guidance

To facilitate the development of an appropriate monitoring and evaluation process the Statutory Guidance to RDAs proposed in the first phase a set of core indicators recognising that each region would have different priorities, but there would be common overarching aims. The Statutory Guidance recommended the preparation of two types of core indicators:

- **Core ‘State of the Region’ Indicators** were to provide economic, social and environmental context for the Strategy (see figure 8.1). They covered the five statutory purposes of RDAs and it was hoped that in the longer term the State of the Region Indicators would be influenced by the activities of the RDA.
- **‘RDA Activity’ Indicators** were intended to measure the RDAs' achievement directly by reporting aggregated programme outputs including jobs created/safeguarded and private finance attracted. Statutory Guidance asked the RDAs to report where possible on each of these indicators at a regional level for the worst 10% of local authority districts for the region, for priority Rural Development Areas, and for Assisted Areas.

Where possible the core and activity indicators were to be presented both on aggregate level and disaggregated by ethnic origin, gender and disability. In addition to the core indicators to be used in all regions, RDAs were encouraged to develop their own State of the Region and RDA Activity Indicators to address the particular features of their region. RDAs were also to explore the scope for indicators at the sub regional level and for assessing inequality.

It should be emphasised that this monitoring and evaluation framework specified by the Guidance comprised a limited range of indicators. It was in no way a comprehensive framework, but was to provide a starting point from which RDAs could develop more detailed and wide ranging sets of targets and indicators.

In further developing the performance monitoring framework, an interim framework was set out in the Corporate Planning Guidance issued to RDAs. This stated, *"the aim of the framework is to provide a regional context for the agencies and to show the outcome or impact on a region of an agency's activity. It will also include measurable outputs of particular programmes and projects."* As well as the State of the Region and RDA Activity indicators specified in the Statutory Guidance, the Corporate Planning Guidance also outlined three further categories related to the operational objectives of RDAs:

- **‘Strategic Activities’** were seen as reflecting the role of each RDA in co-ordinating regional development activity and in targeting resources (not just its own) in line with its own regional strategy. Given their nature it was felt that initially at least it was appropriate to set descriptive objectives and targets.
- **‘Programme Activities’** related to the inherited spending programmes and in this context they were to refer to the specific programme guidance issues by relevant Departments.
- **‘Efficiency Activities’** - RDAs were also to report on their internal organisational efficiency, including programme delivery, financial accounting and management systems.

It was intended that RDAs would have a much greater degree of influence over these objectives, and it was against these that RDAs performance would be judged. The operational objectives were to be covered in the corporate plan.

In order to facilitate an overall assessment of RDA performance, and to facilitate comparisons between RDAs and promulgate best practice, RDAs were encouraged to develop key targets that were to reflect the full spectrum of their activity and be relatively few in number. It was suggested that eight key targets would be an appropriate figure. In their Corporate Plans, RDAs were also to provide a brief overarching statement of intended achievements.

It was recognised that the development of monitoring and evaluation frameworks for the RDAs would be an iterative and evolving process. The Statutory Guidance, for example,

stated that agencies would be encouraged to work with each other and with government to develop additional indicators to address the particular features of their regions. It was recognised that government itself would need to work with regional partners to improve the quality and range of indicators such as Regional Competitiveness Indicators, Quality of Life Indicators, Regional Trends and the Index of Local Deprivation.

Figure 8.2. State of the Region Indicators

Indicator	RDA Purpose
GDP per head and GDP per head relative to the EU average	Economic development
Proportion of the population with above average living conditions	Social regeneration
Manufacturing gross value added, and from Autumn 99, services gross value added. But both measures to be replaced by GDP per worker per hour, when this becomes available (2000/2001)	Competitiveness
Business formations and survival rates	Business Support
% of 19 year olds with level 2 qualifications and % of adults with level 3 qualifications	Skills
% employers with hard to fill vacancies	Skills
% employees undertaking work related training in last 13 weeks	Skills
IOL unemployment rate	Employment
% new homes built on previously developed land	Sustainable development

Figure 8.3 RDA Activity Indicators

Indicator	RDA Purpose
Number of jobs created and safeguarded	Economic development and employment promotion
Net hectares of derelict land brought into use	Physical regeneration
Number of business start-ups and survival rates	Business support
% of medium/large organisations recognised as Investors in People	Competitiveness & skills
Value of private finance attracted	Private sector involvement

The specification for the interim monitoring and evaluation framework was prepared by government in a relatively short time frame prior to the establishment of the RDAs. The core State of the Region indicators were drawn from data that were readily available. There was recognition that the interim set of core indicators was weak in respect of environmental and social data and there was a public undertaking to review the choice of indicators in these areas.

8.2 The process of developing monitoring and evaluation frameworks

As indicated previously, due to the iterative and evolving process for the development of monitoring and evaluation frameworks and the varying progress made, it was difficult to undertake a consistent assessment across the regions. It was nevertheless possible to highlight some of the emerging issues and approaches in the early stages of the process. The basic approach to monitoring and evaluation set out in the RES and taken forward in each region is summarised in Box 8.4.

8.2.1 Treatment of monitoring and evaluation in Regional Economic Strategies

All the RDAs met the basic requirements in terms of the use of the core State of the Region indicators in developing their Strategies whilst making progress in developing their own regional indicators. Not surprisingly given the pressures RDAs were working under to be seen to deliver results, the greatest focus of effort in the short term was on identifying the direct impact of the RDAs' own activities and programmes.

Less progress was made in the disaggregation of core indicators by ethnic origin, gender and disability reflecting an absence of appropriate statistical information. In a number of

RES documents RDAs gave illustrative examples of how indicators could be developed and suggested appropriate measures of policy impact.

Box 8.4. Main features of the initial approach to monitoring and evaluation in each region.

East of England. The RES outlined proposals for a Regional Observatory, but did not include details of a monitoring and evaluation framework. Following publication of the RES, work has proceeded on development of a core set of 'State of the Region' indicators. The intention is that these incorporate or are linked to indicators in relation to sustainable development and quality of life. A three-tier framework is being developed to assess the RDA's performance, with indicators relating to: organisational effectiveness, the implementation plans for the RES, and specific RDA programmes.

East Midlands. The RES set out an overall economic vision with targets for GDP per head and for low unemployment. Appendix 2 in the strategy document provides the required Supplementary Guidance 'State of the Region' indicators alongside national comparisons and further elaborates the core indicators using 'Regional Competitiveness Indicators' produced by the DTI. The framework was further developed in the *Regional Delivery Plan*. Three categories of indicators are set out:

- five 'headline indicators' related to the main objectives of the RES;
- a series of 'micro indicators' are outlined in relation to specific programme activities; and
- a series of 'pillar indicators' based around five intermediate thematic 'pillars' (Enterprise and Innovation, Climate for Investment, Learning and Skills, ICT, Sustainable Communities).

The aim was that the framework would ultimately become not only the model for monitoring progress of the RES but also that of the sub-regional Strategies across the East Midlands. In turn this was seen as helping support the evaluation of the impact of the rest of the East Midlands Integrated Regional Strategy of which the RES represents one theme.

North East. The RES outlined 28 main indicators (with targets for 2010) under four broad headings. The RES indicated that this was a temporary evaluation framework. Further clarification was provided in the RDA's Corporate Plan (1999-2000), which also outlined a series of Activity Indicators. The monitoring and evaluation framework was to be developed in collaboration with main partners. The main focus of work was to develop a framework focusing on outcome monitoring.

North West. The RES outlined 22 main Objective and Performance Indicators. 12 of these related to main headings of the RES (Business, People, Infrastructure and Environment) and the remainder were the core State of the Region Indicators specified by Government. NWDA intends to publish an annual report on monitoring of progress and implementation of the RES. It is intended that the Corporate Plan will outline a framework of core and activity indicators.

South East. SEEDA commissioned consultants to advise on a monitoring and evaluation framework. These proposals were set out in a technical paper published for consultation alongside the Strategy. This was considered a sensible approach given the previous limited experience of regional partnership working and collection of data specific to the South East (as now defined). This has been taken forward in conjunction with partners with SEEDA working towards publication of a *Draft Accountability Plan* for the region to include details of the indicators and framework for monitoring and evaluation.

South West. It was generally accepted that milestones and timetables emerging from Action Plans (Frameworks for Action) were only the starting point, and needed further development. SWRDA, while recognising there was still much to be done, nevertheless produced an annual report in January 2000 covering regional and sub-regional activity. SWRDA's intention was that the region specific indicators in the report should be developed with regional partners and so only illustrative data were provided at this stage as a basis for consultation.

Yorkshire and the Humber. Rapid progress has been made, building on the track record of strong inter-agency cooperation in assessing regional performance. A series of priority targets for the region have been set, and the RDA has incorporated performance indicators into its corporate planning process. Yorkshire Forward agreed with the Regional Chamber and partners to extend the application of the RDA's monitoring and evaluation framework. The *Regional Virtual Intelligence Unit* has been established to develop a single monitoring tool on-line. This will monitor the implementation of *Advancing Together*, the overarching regional Strategy providing the strategic context for the RES, RPG and other Strategies including those relating to Structural Funds programmes.

West Midlands. The RESs emphasised the importance of the publication of the draft Action Plan in April 2000 as the basis for developing monitoring and evaluation. Progress was initially slow due to difficulties surrounding the production of action plans. There has since been a move to development of an integrated regional framework for monitoring and evaluation. Recognising the need to avoid duplication of effort between the RES, RPG, the Regional Sustainability Framework, and a variety of other Strategies and programmes AWM has worked towards development of a single authoritative source of information, intelligence and research. A Regional Observatory has been established and a shared evaluation framework has been developed.

8.2.2 Moving forward the monitoring and evaluation framework

In moving forward the monitoring and evaluation framework, RDAs were inevitably faced with a variety of local circumstances that dictated the pace of progress. Main emerging themes in the post RES phase are outlined below.

Most RDAs have put in place some form of annual report system, and have also made use of websites and email for collecting and disseminating data, and reporting back on progress. In the **North West** for example, a document is produced which records key events and achievements, including action programme milestones and general progress in meeting performance targets. Reflecting a recognition that the strategy is developed by, and is being implemented through, a process of partnership, NWDA issues the Annual Report in draft for discussion before being published. This enables further reflection on, and ownership of the emerging indicators and measures of assessment and evaluation arising from the strategy and action planning process.

In regions where regional partnership working and collection of data on the region is less well developed some RDAs are adopting a pragmatic step-by-step approach. While RDA Strategy documents outlined some issues in relation to the technical selection of indicators, less attention was given to how the overall evaluation framework would be developed and reviewed with partners following the approval of the strategy. Faster progress was made in regions where it was possible to build on the work of existing regional partnership structures and inter-agency cooperation in data collection and analysis.

In most regions, the RDA, in conjunction with main partners, have launched Regional Observatories to provide shared intelligence across a range of organisations and strategic planning functions. Another significant feature in a number of regions has been the successful utilisation of Higher Education institutions in undertaking research and monitoring of regional economic performance and wider social and environmental issues.

- In the **North East** the region's universities have played a key role in the development of the regional strategy, including the development of regional indicators and an emerging evaluation methodology. Newcastle University was commissioned to undertake a social inclusion appraisal of the RES whilst the University of Northumbria was asked to examine the commitment of the RES to principles of sustainable development.
- In **Yorkshire and the Humber**, building on the pioneering work undertaken over the previous decade by the Yorkshire and Humber Regional Research Observatory, Yorkshire Forward commissioned Leeds Metropolitan University to undertake an assessment of regional economic, social and environmental conditions. This is now being taken forward by the new *Virtual Regional Intelligence Unit* in an annual State of the Region report, monitoring the core State of the Region Indicators.
- In the **East of England Region**, EEDA appointed a Regional Intelligence Manager to work with partners (including higher education institutions), to develop a Regional Observatory. E-mail has been used to gather and disseminate data and intelligence and engage core partners to establish and maintain two-way flows of information.

8.2.3 Pooling the RDAs' experience and best practice

RDAs have cooperated with each other to develop mechanisms and frameworks for sharing expertise and best practice in monitoring and evaluation across the regions.

SWRDA for example is working with other RDAs to develop benchmarking indicators of UK, European and international regions. One North East has been engaged in an exercise with SWRDA to produce a methodology to assess sustainable development at the project appraisal stage with work focusing on land and property and cluster development activities. In another example, Yorkshire Forward, Advantage West Midlands and other RDAs are working

collaboratively with the University of Bristol to develop and assess a methodology for monitoring community engagement in partnership working.

8.3 Main emerging findings in relation to core ‘State of the Region’ indicators

The main emerging findings in relation to use and application of the core ‘State of the Region’ indicators were in the following main areas:

- use of GDP per-head as a primary indicator;
- benchmarking against other regions; and
- realism of targets.

8.3.1 Use of GDP per head as a primary indicator

In a number of regions, partners questioned the usefulness of a reliance on GDP as a primary measure of success. GDP per head is the most common indicator used to measure relative economic performance and was identified as a core State of the Region indicator by central government. However, it was recognised by partners, and some RDAs, that there were shortcomings to an over-reliance on use of GDP as a primary indicator.

GDP only represents a partial measurement of regional performance and well-being, and fails to fully incorporate factors such as social and environmental conditions, quality of life and cost of living. This was recognised by some RDAs, as indicated by the examples below.

- In the **South East**, SEEDA comment in its RES that regional performance should be measured using a range of indicators to also reflect social and environmental objectives.
- In the **North East**, the RDA suggested that GDP was a useful proxy for measuring how people's quality of life was changing. However, while there was acceptance that the RDA's target of regional GDP convergence to the national average by 2010 was possible, there was a widely held view amongst partners that GDP should not be an end in itself.
- In **Yorkshire and the Humber**, the RDA is moving towards the measurement of its strategy using a variety of measures that include primary ‘Headline Indicators’ and secondary ‘Bundles of Indicators’. It is recognised that work is needed to develop appropriate Primary and Secondary bundles of Indicators of relevance to RDA activities.

Concerns were also raised that over-reliance on use of regional GDP did not reflect sub-regional variations in performance and inter-regional commuting. It is clear that given the importance that RDAs are placing on implementation through sub-regional partnerships, that greater disaggregation of data are needed.

- In the **East of England** there was debate about the use of GDP per head calculated on a workplace basis because of the scale of commuting which takes place outside the region.
- An observation in the **South East** was that the RES and the supporting research failed to outline the significant proportion of the region's GDP that was exported from London.
- In the **North West**, there was recognition in the RES of the extreme diversity of the region and variations in social and economic conditions. Partners indicated that the availability of GDP information at a more local level would be valuable, given the significant variations in the economic health of the North West's various sub-regions.

In several regions partners questioned the extent to which it was possible to directly identify the impact of an RDA using broad based indicators such as GDP and overall unemployment when set against the wide range of potential micro and macro influences. For example, it was

suggested that such indicators could be overwhelmingly affected by a relatively small number of externally controlled actions such as large plant closures.

8.3.2 Benchmarking of performance against other regions

Another aspect of the use of indicators in which further technical development is required concerns benchmarking methodology. It was generally considered that benchmarking was useful and informative; although there were concerns that the comparisons outlined by RDAs were under-developed, inappropriate or unrealistic. In particular, it was felt that the aspirations outlined by some RDAs for improvements in the economic performance ‘league table’ of European regions was of limited relevance and also sometimes unrealistic.

- In the **South West**, SWRDA's *State of the Region* Report, for example, there are comparisons of the South West with other parts of the UK in terms of measures such as levels and growth of GDP, employment, population and educational attainment. However other potentially useful measures such as the degree qualifications of the workforce and male and female activity rates.
- In the **South East**, the RES drew comparisons with other European regions that demonstrated stronger economic performance. However, some partners questioned the relevance of these comparisons given the fact that most of these comparator regions were in effect city-regions containing successful urban economies, whilst the dominant geographic economic driver for the South East, London, lay outside the region.

8.3.3 Realistic versus aspirational targets

In several regions, partners indicated that they considered that the RDA had adopted over optimistic targets for the region – often it was felt as an aspirational device. It was the view of partners that in several regions the targets for economic growth (measured by GDP per head) and aspirations for positions in the ‘league table’ of European regions were unrealistic.

In the **East of England**, for example, EEDA employed consultants to prepare a baseline economic Strategy and forecast: the ‘Regional Economic and Strategic Analysis’. EEDA subsequently queried the GDP target prepared by Cambridge Econometrics. The consultants responded by commenting:

"In order to join the top twenty EU regions and using GDP as a measure, the East of England must grow by about 1.8% per year faster than those regions in the top twenty. Assuming GDP per head growth of around 2% for the twenty richest regions this would require a 3.8% growth rate in the East of England, which is considerably faster than we have achieved in the recent or long term past. Early forecasts suggest that the Region is set to grow faster than EU comparator regions, but in the absence of any radical improvement in our performance, it will not be enough to close the gap."

Given this response it is interesting to note that such an ambitious target was still included. Some partners also commented that it was not entirely clear why such a narrowly focused GDP based approach was desirable or sustainable even on an aspirational basis.

In the **East Midlands**, the target outlined in the RES to become one of the top 20 European regions was widely considered to be unrealistic within the foreseeable future. Partners indicated that this was due to the nature of the region’s economic base, and the levels of growth that would be required, which were not commensurate with most forecasts.

Employment forecasts have also proved controversial both in terms of net jobs created and the impact on unemployment.

In the **North East**, for example, the Government Office was reported to be concerned about the realism of employment forecasts reliant upon inward investment, while other critics pointed to the employment projection in the RES being based on data for the entire North of England (including Cumbria). In response, the RDA claimed that irrespective of this flawed data the forecasts were consistent with forecasts for the region produced by a consultancy company using Cambridge Econometric forecasts. In the event, the RDA and the GO agreed to publish the figures as an aspirational target.

Against the background of these issues it is suggested that RDAs should consider developing their own in-house forecasting capacity. National economic forecasts with regional breakdowns are readily available from various forecasting organisations and can, with relative ease, be adjusted to take on board local and more qualitative information.

There might also be a case for Central Government Guidance to RDAs on the issue of aspirational versus more orthodox forecasting and target setting methods particularly in relation to national and international benchmarking. Attention could also be directed to other forms of long range planning and target setting. For example in the North East there was praise for a thematic scenario planning exercise to map the regions opportunities and threats and to draw upon a vision designed to address these issues.

8.4 Main emerging findings in relation to 'RDA Activity' indicators

At the time of the research, the development of RDA Activity Indicators through RDA Corporate Planning processes was at an early stage of development. There was little documentary evidence on which to base a comprehensive assessment. The following issues and points emerged from the discussions undertaken for the research.

There was some discussion of the need to avoid inconsistencies or ambiguities in terms of the definition of indicators across different regions and programmes. Some ambiguities are to be expected given that different approaches had been adapted to the development of inherited programmes in different regions. An important issue was also the consistency of definitions across different programmes. This will be an important issue for RDAs and Government as the RDAs move to a 'single budget' for programme funding.

Some partners also expressed concerns about the potential for double counting or over-counting through the monitoring and evaluation framework. It was felt that RDAs needed to be careful to ensure that the same outputs were not claimed by different programmes (double counting). Further government guidance on this could potentially be useful. It is also important that Treasury (Green Book) guidance was rigorously applied to ensure deadweight and displacement is taken into account in assessment of employment impacts.

An important issue is integration of monitoring and evaluation within the wider RDA Corporate Planning procedures. At the time of the research, some partners were unsure as to how monitoring and evaluation would be integrated within the wider RDA Corporate Planning procedures. Since the research, the most recent round of RDA Corporate Plans have generally addressed this issue, and RDAs are now moving towards integration of the monitoring and evaluation framework within wider organisational processes.

8.5 Other emerging themes and issues in monitoring and evaluation

8.5.1 Monitoring and evaluation of processes including inclusion, engagement and partnership working

A critical issue in terms of RES strategy development and implementation concerns partnership working and community engagement. The latter is particularly important in the case of regeneration where RDAs have been given the task of leading on economic, social and

environmental regeneration in their areas. The measurement of community engagement is, however, problematic with little in the way of methodological guidance to assist RDAs.

To address this, in **Yorkshire and the Humber**, Yorkshire Forward, the Regional Assembly and the Joseph Rowntree Foundation, with the support of Church, Voluntary and Community Organisations commissioned a consultancy study to develop a method of '*Active Partners Benchmarking and Community Participation in Regeneration*', measuring and assessing community participation in regeneration policies and projects.

A fundamental methodological issue concerned the application of benchmarking as an evaluation technique. Benchmarking in this context usually means measuring an organisation's service processes and performance and systematically comparing them to the performance of others. Typically however, regional development projects and regeneration schemes take place against the background of significant geographical and cultural diversity in an area. Often the needs and purposes of regeneration projects are very different as are the nature and strengths of relationships between stakeholders and the point at which community participation begins. The report argues therefore that evaluating a scheme for community participation is most appropriate *within* and not between schemes. The report has been welcomed by other RDAs, some of whom participated in the project.

In the **East of England** for example, EEDA is working with partners to establish a set of high-level indicators that include measures surrounding engagement and partnership working.

Box 8.4. Example: Benchmarking Community Participation in Yorkshire and the Humber.

Yorkshire Forward in partnership with the Regional Assembly, Joseph Rowntree Trust, the Church's Commission, voluntary and community organisations and Rural Communities Councils have developed a methodology for community participation benchmarking. The approach identifies four core dimensions: influence; inclusivity; communication and capacity. Twelve benchmarks are listed in relation to the four key dimensions together with the questions that need to be pursued. Clear and well-presented worksheets set out how to apply the approach for each benchmark. A series of indicators are provided in a format that permits 'Notes', 'Additional Indicators' and 'priorities for future development' to be recorded. There are suggestions for good practice

8.5.2 Monitoring and evaluation of race and equalities

The race and equalities dimensions of RDA monitoring and evaluation frameworks have generally been underdeveloped – although there are examples of good practice. It has been recognised that RDAs lack staff expertise and awareness amongst Board Directors as to how to address race and equalities issues. The application of this important aspect of public policy to the regional level is a recent development.

There were concerns in several regions that RDAs did not meet the equality expectations of the (then) DETR, (then) DfEE and Home Office in terms of Strategy development, action planning and monitoring and evaluation. It was noted that not all RESs use ethnicity as an indicator, in contrast to the SPD Objective 2 programmes which highlight ethnicity and deprivation in their regions in order to access funding. It was also noted that Regional Chambers and Government Offices were generally not monitoring RDA delivery on equality issues.

It is acknowledged amongst equal opportunities agencies that race equality is difficult to measure in a quantifiable way. It is in part about people's perceptions of whether they are treated equally, but it is also about facts, and both kinds of information need to be assessed. It is for this reason that the Commission for Racial Equality (CRE) favours a 'basket of indicators' approach. The CRE also wishes to see the use of equality and social cohesion as core objectives and measures for RDAs to send out a clear message that race equality and community development must be mainstreamed in economic development activities.

The CRE is available to provide support to RDAs in the development of their approach to race and equality issues. It has pursued a joint initiative with ONE North East to examine the issue

of race equality in the implementation of the RES. In the **East Midlands** and **West Midlands** the CRE regional office is helping the RDAs ensure that race equality issues are mainstreamed throughout their programmes and monitoring and evaluation framework.

In order to effectively implement such proposals however, there is a need for specific commitment and leadership from the Boards and senior staff of the RDAs. To facilitate this, the CRE has developed the 'Leadership Challenge' that invited the leaders of organisations to take a personal lead in promoting race equality. Encouragingly, at the time of the research, *emda* and ONE North East had agreed to adopt the challenge.

8.6 Summary of main findings

8.6.1 Overall finding

In general, RDAs successfully met the requirements of the evaluation criteria and statutory guidance in relation to monitoring and evaluation. Several concerns and emerging issues were identified in the development of the frameworks so far, and it is important that RDAs and government consider these in the further development of guidance, indicators and mechanisms for monitoring and evaluation.

8.6.2 The process of developing the monitoring and evaluation frameworks

- **In developing their monitoring and evaluation frameworks RDAs did not start from a common position.** There was a varying regional inheritance of data, research and experience of collaborative working in monitoring and evaluation. RDAs adopted a pragmatic and appropriate step-by-step approach to addressing these difficulties.
- **There was recognition of the need to work with partners in the development of indicators, benchmarks, targets and evaluation methods.** In most regions, the RDA, in conjunction with partners, have established **Regional Observatories** to take the lead in collecting and disseminating regional data and ensuring consistency and a removal of overlap across different organisations.
- **There is evidence of strong regional integration and coordination of monitoring and evaluation.** In several regions, RDAs, Government Offices, Regional Chambers and their regional partners are working towards, or have already successfully linked together the monitoring and evaluation frameworks of the main regional strategies.

8.6.3 Main findings in relation to core 'State of the Region' and 'RDA Activity' indicators

- **Use of GDP per head.** In some regions there was considered to be an over-reliance on the use of GDP per head as the primary 'State of the Region' indicator, resulting in a partial overview of the full range of regional trends. Other RDAs have developed a 'basket of indicators' approach to provided a more complete assessment.
- **In several cases the targets specified by RDAs were considered overly aspirational, and unlikely to be achieved within the foreseeable future.** In particular, aspirations for growth in GDP and large improvements in positions in the 'league table' of European regions, were considered in several regions to be more aspirational than realistic.
- **Benchmarking of performance against other regions** was seen as a potentially useful technique, although there was a need for this to be developed further, and, in some cases, use of more appropriate comparator regions.
- Development of **RDA Activity indicators** was at an early stage. The main emerging issues identified were the need to: minimise potential ambiguities and inconsistencies

across different regions and programmes; avoid double-counting; and to ensure maximum integration of these indicators within the wider RDA Corporate Planning process.

8.6.4 Other Issues

- **Monitoring of community participation.** Some RDAs have investigated how techniques and frameworks can be developed to measure community involvement in the work and programmes of RDAs. There is potential for RDAs and Government to build on this to take forward monitoring in this area.
- **Race and equalities.** There is a need for mechanisms and procedures for analysing information in relation to race and equalities to be mainstreamed into RDA monitoring and evaluation frameworks. There is evidence that several RDAs are working closely with organisations such as the CRE to address this issue.

9. CONCLUSIONS

9.1 Overall conclusions

9.1.1 The extent to which the Strategies and Action Plans met the requirements of Statutory and Non-Statutory Guidance and the evaluation criteria

In general terms, the RDAs fulfilled the requirements of Statutory and Non-Statutory Guidance on the content of the Regional Economic Strategies and Action Plans, and in most areas, meet satisfactorily the terms of the evaluation criteria for this study.

The RDAs faced challenging timescales and organisational issues at the time that they were producing the RESs and Action Plans. Within this context, the RESs and Action Plans can be considered to meet most of the basic requirements of the evaluation criteria set out for this study.

In most regions the RESs commanded the support and commitment of the majority of partner organisations, and were recognised to provide a clear over-arching vision and framework for taking forward economic development and regeneration within the region.

- There was generally comprehensive coverage of all the main policy areas specified in the Guidance (and outlined in the evaluation criteria). Although often, specific policy areas were considered to varying degrees of detail. Also, consideration of linkages between distinct policy themes (such as skills, regeneration, and competitiveness) and crosscutting issues (such as sustainable development and social inclusion) was often under-developed.
- In most regions, the background research and baseline analysis undertaken represented a fair attempt to develop a robust and comprehensive analytical basis for the RES within the limited timescale available. The quality and extent of this background analysis also reflected the significant variations between regions in the quality and extent of existing baseline research on which to build.
- In general, the visions and broad objectives of the RESs were appropriate (if not particularly distinctive) to their regions, and reflected the analysis upon which they were based. The RESs reflected and achieved broad consensus amongst partners on main themes and objectives. Although often this was at the expense of a regionally distinctive approach.
- No examples were noted of serious inconsistencies with other regional strategies. In many regions the RDA produced the RES in the context of an uncertain and under-developed wider framework of other regional strategies. Consideration of inter-regional and cross-boundary issues was generally under-developed in most of the RESs.
- Following initial problems in some regions, a 'fitness for purpose' approach to Action Plans has since been developed. The timescales and formats for the documents are appropriate to the specific regions, RESs, and varied RDA roles in different policy areas. As such, the Action Plans provide a sound basis for implementation of the RESs.
- The interim monitoring and evaluation frameworks generally met the requirements of Guidance in terms of core indicators. There were some concerns that over-aspirational targets had been set. Most RDAs have built on this early work to work closely with partners to further develop these frameworks.

9.1.2 The main shortcomings and weaknesses identified in the RESs

Whilst the RESs generally met the basic requirements of Guidance and the evaluation criteria, it was considered that there were some specific shortcomings and weaknesses.

Clearly the RDAs faced challenging timescales, and a difficult organisational and partnership working context at the time that they produced their RESs. Whilst recognising this context, it was considered that there were some specific shortcomings common to several of the RESs, and these are outlined below.

- **In general, it was widely considered there was scope for the RESs to demonstrate greater regional distinctiveness.** They did not sufficiently recognise, outline and respond to issues and opportunities specific to their regions. There needed to be greater and more critical consideration of regional and sub-regional characteristics and trends when applying national policy priorities to regional circumstances.
- **There was generally a lack of spatial specificity and awareness in the RESs, particularly in respect of sub-regional or intra-regional differences.** There was not sufficient consideration of how regional objectives and programmes needed to be shaped and applied with regard to sub-regional factors – particularly where there were significant disparities in economic performance and capacity for growth between different parts of the region. This also manifested itself in the underdeveloped consideration of inter-regional and cross-boundary issues. This was, to an extent, understandable given the need to build consensus amongst all sub-regional interests and that, in some regions, RPG (which would set out the framework and important choices for spatial development) was still under development.
- **There was potential for the RESs to more closely reflect and demonstrate clearer linkages with the background analysis.** There was a lack of regional distinctiveness in the development of baseline research to support the strategies. There is scope for greater consideration of underlying causal factors for regional economic performance and change, rather than the effects, as highlighted by headline indicators. There is also scope for the RESs outline more specific policy interventions to address more clearly the barriers to success as indicated by the background research.
- **Whilst the RESs demonstrated comprehensive coverage of main policy areas, there was scope for further analysis and discussion of the critical inter-relationships between different thematic and cross-cutting policy areas.** There was potential for specific policy themes, such as skills, regeneration and competitiveness to be considered in a more integrated manner. There is need for the RESs to outline how synergies and integration could be developed between different RDA programmes, and those of others. Although, at the time that the RESs were produced there were significant difficulties for RDAs in integrating the separate programmes they had inherited.
- **Several of the RESs did not include any detailed consideration of the specific actions and framework for implementation. This contributed to the confusion and problems faced by some RDAs in the subsequent development of Action Plans.** It is recognised that there were variations between regions as to the extent to which RDAs were able to achieve consensus on details for implementation at such an early stage (when they were producing the RESs). In many cases this lack of detail on the implementation framework reflected the *Realpolitik* of the strategy development process at the time.
- **A clear finding relevant to the content, visions, and monitoring and evaluation of the RESs, was that targets and objectives tended to be overly aspirational.** As such, many partners questioned the realism and how achievability (within the foreseeable future). The value and importance of ‘aiming high’ through ambitious objectives and targets for the longer-term was recognised, however it was felt that there should be a more appropriate balance with more achievable goals in the short to medium term.

9.1.3 The role of Government Guidance and national policy

In several policy areas RDAs (and their partners in the regions) have faced a difficult and challenging task of developing integration between different regional strategies, and also the roles and programmes of different organisations. Many of these difficulties have been consequences of policy and initiatives of central government. In several policy areas, in the regions there has been uncertainty, lack of clarity, and duplication as to the respective organisational roles and responsibilities across different government departments and their agencies. Also, timescales specified by Government for the production of the RESs and some specific Action Plans were considered inappropriate, arbitrary, and often inconsistent with the timetable of other relevant policy initiatives.

One way in which Central Government could assist is to ensure that there is a clear and integrated framework of national policy and formal guidance to support the work of RDAs and assist in the development of RESs and Action Plans. Specific issues are discussed in more detail in the following chapter, the main priorities for Government are outlined below.

Guidance from government on the coverage and content of the RESs should reflect and emphasise the importance of RDAs developing distinct regional responses to main priorities, and a critical and tailored application of national policy to regional and sub-regional circumstances. It is important that guidance does not assume a 'one size fits all' approach and that National policies and programmes can be simply 'rolled out' in the regions in similar formats.

It is important that government addresses shortcomings in the current guidance and continues to resolve uncertainties ambiguities and inconsistencies (that stem from national policy) of organisational roles and responsibilities in particular policy areas. Government also needs to ensure that a lack of integration between the policies and programmes of its central departments does not hamper the ability of RDAs to deliver joined-up strategies and programmes. Timescales and requirements for RDA strategies and Action Plans need to reflect the timing of policy cycles and organisational changes on the ground.

There is a need for more clear guidance on the process for developing Action Plans, although this should not compromise the ability of RDAs to develop tailored and flexible formats and timescales to reflect varying regional circumstances.

9.1.4 The context for the review on updating of the Strategies

As the RESs are reviewed and updated, the RDAs will be far better placed to deliver better-developed, more detailed and integrated Strategy documents.

In general the RESs can be considered to be clear and robust documents, and in all but a few respects, they are as specific and detailed as can be expected given the challenging context within which they were produced.

As they review and update their RESs the RDAs will be far better placed to produce more detailed, specific and better-developed documents. It will be important that these reflect and harness the significant recent changes and developments in the wider policy context. This is considered in the following chapter.

9.2 Specific conclusions

9.2.1 Content of the RESs

In general, the RESs met the requirements of statutory and supplementary guidance and the evaluation criteria in terms of content and coverage.

Inevitably given the short time horizons over which the RESs were prepared not all aspects were covered with the same degree of detail. Factors which appeared to have influenced the depth of coverage included, the powers and resources available to the RDAs, the political salience of the issues concerned, and the extent to which it was possible for RDAs to build on existing work in a particular policy field.

Mainstream areas of regional development, including competitiveness, business growth, innovation and skills, were prominent. Detail on how particular policies were to be put into practice varied. In the case of sector and cluster policies, for example, there were considerable differences in the interpretation of the approach and how it could be implemented.

An underdeveloped aspect of the RESs was the extent to which they considered principal linkages and inter-relationships between main policy themes. As such there was a tendency to imply a somewhat compartmentalised approach, when in reality the RDA's intended to develop more joined-up and multi-faceted policy responses to complex challenges and problems in the region.

Given the scale of regeneration funding available to RDAs there was considerable attention to this policy area. However some partners, whilst welcoming the efforts that went into developing the regeneration framework, took the view that it tended to focus the social economy and social inclusion agenda around an area-based programme. There was concern that this deflected the importance for these themes to be incorporated into mainstream RDA policies.

9.2.2 Background research undertaken to underpin the RESs

Given the challenging timescales and regional variations in the availability of existing material, the research and baseline analysis was considered sound and comprehensive, and one of the stronger aspects of the strategy development process.

In preparing the RESs, RDAs relied upon a range of analytical inputs. This included in-house work, support from partners through working groups or secondments, commissioning consultants, engaging Higher Education institutions as well as building on existing available research and analysis. All RDAs undertook some form of SWOT analysis of their regional economies and identified key sectors and clusters, opportunities and constraints.

Understandably given time pressures and dependence on external inputs, the depth of analysis and the relative emphasis on particular issues varied not only between but also within RES documents. Generally, the RES (and associated documents) provided a satisfactory first analytical account of the position of their regions. However several shortcomings were identified, many of which stemmed from the short timescales available to the RDAs to collate and undertake background research.

There was a need to move from essentially descriptive documents to more sophisticated analysis of the underlying dynamics and drivers for social and economic change in the region. In this context it was felt that in the future greater attention needed to be given to the relationships between the regions as well as regions' situation within the context of the national and international economy.

Inevitably much of the analytical work was based upon mainstream indicators and measures such as levels of (un)employment or GDP. Yet certain important issues remained under-explored (e.g. distribution of head office, R&D and other corporate functions, patterns of business ownership and control, the impacts of mergers and rationalisation, and details of supply chains and linkages).

The limited availability of relevant data undoubtedly influenced the extent to which it was possible to pursue an analysis of issues surrounding sustainable development, social inclusion and equal opportunities questions.

All the RESs included, to varying degrees, some analysis of trends, issues and opportunities on a sub-regional analysis. Although, in several regions a general lack of spatial specificity was identified as a weakness in the background research (as well as in the RESs themselves).

9.2.3 Internal Consistency

‘Internal consistency’ is the extent to which the RESs and Action Plans reflected and responded to the specific nature, strengths, weaknesses and opportunities of the region.

Whilst the RESs were generally appropriate to regional circumstances, there was a need for them to demonstrate greater regional distinctiveness, clearer linkages between baseline analyses and the objectives and priorities within the RES, and greater spatial specificity.

A common observation of partners, and a main conclusion from the research, is that policy proposals outlined in the RESs seemed to mirror national policy thinking without any evident transposition to regional circumstances. As a result the RESs appeared somewhat bland and lacking in regional distinctiveness and specificity.

To some extent this was inevitable given that a number of the funding regimes available to RDAs and the associated guidance from Government departments. It is also the case that in building support for the RESs, it sometimes proved necessary to avoid being too prescriptive in the documents themselves in order to avoid contentious issues that would be best resolved within a longer timeframe.

While most of the visions or statements of aspiration reflected the analysis undertaken, there was a concern in some cases that associated targets and objectives were over ambitious and too aspirational.

9.2.4 External consistency

‘External consistency’ is the extent to which the RESs are complementary to, and help contribute to the objectives of the wider framework of other regional strategies.

The RESs generally demonstrated a broad degree of complementarity with the framework of other regional strategies. There were some examples of innovative and sophisticated approaches to regional coordination. The other regional strategies tended to be in their early stages of development. In the future, more detailed consideration of the wider regional strategic framework will be required in the RESs.

Given the catalytic leadership role that RDAs are designed to play it is vital that their RESs should be consistent with those of other relevant institutions at regional, national, and European levels. At the time when the RESs were being prepared a number of new regional frameworks were in the process of being developed. Regional Planning Guidance was subject to ongoing update and review. The expansion in regional strategic activity has presented challenges for all parties concerned particularly regarding the phasing of the various strategy processes.

The RESs addressed in different ways the issue of the wider framework of regional strategies. In some regions, there was evidence of a clear recognition in the RES of the linkages and implications of this wider network of regional strategies. This was considered by partners as a positive feature and helpful in clarifying the role of the RES.

In other RESs this wider context of other regional strategies was barely acknowledged beyond the evident need to be consistent with RPG. This did not necessarily imply inconsistency with other regional strategies. Although in some cases, the RES appeared (perhaps inadvertently) as the dominant regional strategy, rather than as one key element in a wider framework of strategies.

9.2.5 Action Plans and implementation

RDAs have adopted a flexible ‘fitness for purpose’ approach to developing Action Plans with appropriate timescales, levels of detail and formats to reflect varying regional circumstances.

In moving from policy development to implementation, Central Government emphasised the importance of the effective translation of RDA aims and objectives into well thought out action proposals based on shared ownership amongst regional and local partners. Other than the requirement to produce certain core action plans for central government departments, it was left to individual RDAs to determine the matter of the form, content and timing of Action Plans.

Given that RDAs did not start from the same starting point in terms of regional issues, history of inter-agency working or organisational capacity they had to approach Action Plans in different ways and at varying pace. Against this background, it was considered that there was some advantage in producing a single RES Action Plan document which can accommodate the different stages of individual action plans and which can be easily updated and made available to partners (e.g. in loose-leaf format, or on the RDA website).

This can also serve to facilitate linkages with other forms of strategic planning (such as the production of RDA Corporate Plans) contributing to the development of a common regional mission statement and shared processes of consultation, monitoring and evaluation.

An emerging challenge concerns the need to establish the precise roles and relationships of different forms of thematic, regional and sub regional Action Plans. In the case of sub-regional Action Plans, there may be difficult choices to make in initiating or building on existing partnership structures and in determining their scope, geographical coverage, inclusivity and capacity to deliver.

Given the difficulties RDAs experienced in the action planning process, central government needs to ensure that in future policy cycles, regional and local partners are made fully aware of the precise roles and responsibilities of RDAs, government agencies and other parties in the implementation of the RES. Moreover, central government itself should review the way in which its actions directly or indirectly impact on the efficacy of the action planning process and whether greater guidance is needed in this regard.

RDAs should also consider how the RESs can be strengthened to include more details on potential actions and implementation frameworks, and as such provide a better-developed base from which to subsequently develop Action Plans.

9.2.6 Monitoring and Evaluation

RDAs have worked with partners to develop, at an appropriate pace, monitoring and evaluation frameworks that clearly meet the requirements of Government guidance.

It was recognised that it would take some time for RDAs to fully develop comprehensive monitoring and evaluation frameworks. It was recognised that the data, research and mechanisms for monitoring regional performance varied between regions. It was also acknowledged that there was a relative paucity of appropriate statistical measures in important policy areas such as sustainable development, social inclusion and equal opportunities at the relevant geographical scales.

RDAs in general adopted a pragmatic step-by-step approach to these difficulties. There was a recognition of the need to work with partners in the development of the monitoring and evaluation frameworks and wherever possible to develop shared approaches. RDAs have successfully pooled their experience in developing appropriate indicators, benchmarks and evaluation techniques in some of the more technically difficult areas such as sustainable development and community engagement.

There has been an increasing recognition of the value of linking together the monitoring and evaluation frameworks of separate regional strategies to avoid duplication of effort and to achieve economies of scale. These regional initiatives include the establishment of 'Regional Observatories' or 'Intelligence Units'. Most RDAs are also developing their own in house core competencies in undertaking monitoring related activities.

Partners expressed concerns that many of the RESs placed too much reliance on GDP per head as a headline indicator (although it should be recognised that this was a core indicator specified by Government). It was also considered that there was a need for regional benchmarking to be more sophisticated and ensure appropriate selection of comparator regions.

10. RECOMMENDATIONS AND ISSUES FOR FUTURE CONSIDERATION

10.1 Introduction

This section builds on the conclusions of the study outlined in the previous chapter to set out the issues and areas for action for consideration for the future review and revision of the RESs and the further development of Action Plans and frameworks for monitoring and evaluation.

This evaluation of the RESs and Action Plans sought to recognise and take into account the organisational and policy context in which they were produced. The RDAs faced significant organisational challenges in their start-up phases. There was a need to build consensus amongst partners on core principles for the RESs. There were extremely short timescales in which to collate and undertake detailed background research.

Also, RDAs were faced with the challenge of attempting to deliver an integrated response to regional issues with a series of separate funding programmes inherited from other organisations, and funding and guidance drawn from separate government departments. There was also significant ongoing change and uncertainty in respect of external delivery structures in some main policy areas. There was also uncertainty as to future RDA budgets, powers and resources.

10.1.1 Developments in the organisational context for RDAs

When RDAs come to review and update their RESs, there will be far more favourable organisational context and timescales for the production of the new documents. The main points in relation to this are outlined below.

- RDAs will be working from the basis of a strategy document on which there is likely to be general partner consensus on the vision, and main themes and objectives. Furthermore, there will be clearer and more realistic partner expectations as to the roles and capabilities of RDAs.
- RDAs will be able to adopt longer and more flexible and appropriate timescales for reviewing and updating the RESs and Action Plans.
- There is likely to be a more comprehensive and better quality of background research and analysis on which to draw.
- There will be a better-developed and clearer framework of other regional strategies, and more up to date Regional Planning Guidance. This will pose new challenges for RDAs in ensuring the RESs are consistent with the specific policies of RPG.
- The review and updating of the RESs will benefit from the development and implementation of Action Plans. This should provide the basis for RDAs developing clearer linkages between their RESs and Action Plans.
- RDA experience and competencies will be better developed in all areas (several RDAs indicated they will be far further along the 'learning curve').
- RDAs will have increased resources at their disposal in absolute terms, and far greater flexibility in how these are allocated (see below).

10.1.2 Developments in policy and funding context for RDAs

Since the time that the RESs were produced and this evaluation was undertaken, there have been a series of important policy, funding and organisational developments in relation to RDAs. These will pose new challenges to RDAs, and in general should provide a clearer and

more integrated policy and funding framework for the review of the strategies. The main policy developments are outlined below.

- RDAs will have ‘single pot’ funding with vastly increased flexibility in terms of project funding and programmes. This will be an important move away from the fragmented and compartmentalised nature of separate programmes and funding streams.
- RDAs will be operating in the context of evolving and changing relationships with other regional organisations. Government has considered the issue of roles and relationships of regional organisations²² and made several recommendations including an expanded role and remit for Government Offices. Other regional institutions will be better established, and the role of Regional Chambers will be strengthened. The Regional Chambers will be better placed, and better resourced, to undertake a scrutiny role in relation to the work and strategies of RDAs.
- There will be new mechanisms for ensuring greater integration and strategic coordination of mainstream and area-based programmes at the local and district levels. This will include the formation of Local Strategic Partnerships.
- There will be more clear and established organisational structures in relation to various policy fields, particularly in the areas of skills and business support.

This wider policy context for RDAs is likely to continue to undergo change and development, and it will be important for RDAs to adapt to and exploit the opportunities and challenges presented.

10.2 Specific implications and recommendations for the review and updating of RDA Strategies

10.2.1 Consideration of main policy fields

RDAs and Government should focus on how the RESs can better develop and more clearly outline linkages and integration between main policy and crosscutting themes.

There will be increased financial and operational flexibility for RDAs resulting from ‘Single Pot’ funding. There is also an increasing importance in national policy of developing greater integration in programme delivery at the regional and local levels.

- With the move towards ‘single pot’ funding for RDAs, it will be important (and easier) for RDAs to consider the main linkages and areas for integration between policy fields to outline more integrated policy responses and projects. RDAs will be far better placed to address a wide range of issues (such as regeneration, skills, competitiveness, land and property) in respect of particular projects and area and policy priorities.
- RDAs will be better placed to consider crosscutting issues and themes (such as social inclusion, sustainable development, rural development, race and equalities). RDAs will benefit from further guidance from government, better-developed partnership relationships, and improved awareness and competencies in these areas. This should enable these to be seen as mainstream (rather than ‘bolt-on’) themes in the RESs.
- In areas such as skills and business support, the establishment of new organisations such as Learning and Skills Councils and the Small Business Service will provide clearer institutional structures. The RESs should make it clear how RDAs intend to work with, and through, these organisations.

²² *Reaching Out: The role of Central Government at regional and local level.* Cabinet Office Performance and Innovation Unit, February 2000.

- In some policy areas, there is need for clarification by Government of main institutional roles and relationships. In particular, there remains widespread confusion on roles and responsibilities in relation to rural development - despite recent changes in departmental structures and responsibilities (see section 3.7 of this report)²³. Government should also seek to ensure policy is integrated between Departments at the national level. This is needed to minimise the difficulties for RDAs and other regional organisations in resolving confusion and lack of integration in relation to different programmes and the respective roles of different organisations in the regions.

10.2.2 Background research that underpins the RESs and Action Plans

RDAs should develop a more sophisticated and comprehensive base of background research to underpin the review and updating of the RESs, utilising more generous timescales and recent work at the regional and sub-regional levels.

- The establishment and development of RDA monitoring and evaluation frameworks and mechanisms such as Regional Observatories will yield a more detailed, comprehensive and better quality data and intelligence on regional trends and performance. This should include better use and harnessing of research and background work done at the local authority and sub-regional level, as well sharing of background research in relation to other strategies.
- RDAs should build on the inter-regional cooperation that has been developed, to undertake more detailed analysis and consideration of cross-boundary issues.
- There is also scope for RDAs and Government to consider how the RESs and the monitoring and evaluation frameworks can best consider how the RESs and work of the RDAs contribute collectively to raising national economic performance.
- There is an opportunity to address in more detail some of the under-developed aspects in the first stage of background research, including:
 - issues and trends in relation to the social economy, race and equalities, and the environment;
 - the importance of the public sector and mainstream public expenditure (such as health, education etc) and the potential for focussing this on regional priorities;
 - analysis of underlying causal factors for regional change; and
 - consideration of qualitative information, such as business confidence, or the perceptions of potential investors.

10.2.3 Internal Consistency of the RESs

A major priority for RDAs as they review and update their RESs is to develop greater regional distinctiveness in the visions, objectives and policies adopted. This should be based on a more critical approach to the application of national policy at the regional and sub-regional levels, and inclusion of greater spatial specificity in the RESs and supporting analyses.

There should be more clear and better-developed linkages between the RESs and the supporting analysis of regional strengths and weaknesses.

²³ Recent work commissioned by the eight RDAs has sought to help clarify roles and responsibilities in the field of rural development: *RDAs and Rural Development: Priorities for Action*, Centre for Rural Economy, University of Newcastle with Arup Economics and Planning, on behalf of England's RDAs, September 2001.

- The review and updating of the RESs should see the development of greater spatial and regional distinctiveness, and a more distinctive application of national policy priorities at the regional level. The enhanced framework of background research should provide a clearer analytical basis for a more specific and detailed approach in the strategies..
- It is important that guidance from central government recognises the need for, and encourages the development of, greater regional distinctiveness in the RESs, and allows RDAs to develop regionally determined responses to regional priorities.
- The RESs should demonstrate greater spatial awareness and specificity, based on appropriate background research and increased recognition of differences within regions at the sub-regional and local levels. When considering the application of national policy at the regional or sub-regional level, RDAs should assess the relevant spatial issues and geographical factors within the region. A prime example is in the area of cluster development where greater spatial analysis and targeting is required.
- The policies and priorities in the RESs need to better reflect the existing economic structure and nature of businesses within their regions. They should be based on an analysis of the issues and opportunities faced by the main sectors, and ideally this should be cross-referenced with a sub-regional analysis. There should be a more critical approach to fostering high-technology business growth, and aspirations in this area should not deflect from the importance of other sectors.
- The strategies should be more clearly linked and draw on, to a greater extent, supporting background research. Inclusion within or alongside the RES of a summary of background research (in the form of 'State of the Region' reports) would be helpful in this respect.
- The policies outlined in the RES should derive more clearly from the analysis of strengths and weaknesses, of the regional economy. This should focus to a greater extent on underlying causal factors for economic change and barriers to success. This will help better identify the most appropriate and cost-effective policy interventions.
- The RESs should include a more appropriate balance between realistic and achievable targets and objectives in the short to medium term and more aspirational long-term targets. Targets for GDP growth and regional benchmarking should be based on robust analysis and appropriate comparisons.

10.2.4 External consistency

As they are reviewed and updated, the RESs should reflect recent developments in the wider framework of other regional Strategies, as well as changing organisational roles and relationships at the regional and local levels.

There is an increasing emphasis in national policy on the importance of developing better integration and coordination between policies and programmes of different organisations at both the regional and local levels. RDAs have already responded to this by helping develop frameworks for ensuring integration between the various regional strategies and introducing mechanisms for improved coordination of projects and programmes at the local level.

- RDAs should consider undertaking mapping and analysis of partnership capacity, relevant mainstream and special programme spending, and the participation of stakeholder groups with a view to identifying synergies to be developed and priorities for capacity building.
- RDAs and Government will need to consider how best to support, relate to, and work through Local Strategic Partnerships.
- RDAs should continue to work with other main regional organisations to ensure integration and complementarity between the main regional strategies. A priority in the updating of the RESs will be to ensure they reflect, and make reference to, developments

in the wider regional strategic framework. It is particularly important that the RESs build on, and are consistent with, the spatial development framework as outlined by RPG.

- National Government is considering how the Regional Chambers' role in scrutiny of RDAs can be developed and strengthened. RDAs and Government should consider issues in relation to the review and updating of RESs and Action Plans. It is likely that the quality of (and levels of partner commitment to) the RESs would be strengthened through the adoption of more clear and formal processes of scrutiny, particularly in early stages of the strategy development process. Possible models and mechanisms that could be adopted include:
 - a formal process of *ex-ante evaluation* similar to that currently applied to European Structural Funds Single Programming Documents; or
 - mechanisms and processes for scrutiny similar to those that have been developed for the Mayor's economic development Strategy in London.
- There should be far greater consideration of inter-regional and cross-boundary issues and priorities. For the South East and East of England regions, the work and strategies of the Mayor and strategic bodies for London will help enable a better consideration of the cross-boundary and inter-regional issues.
- The RESs should outline the implications of and opportunities presented by recent policy developments at the national level. Examples include:
 - The Ten Year Plan for Transport;
 - new delivery mechanisms developed as part of the urban renaissance agenda, such as Millennium Communities, Centres for Excellence in regeneration, Business Improvement mechanisms, and new fiscal mechanisms for encouraging investment in urban areas;
 - new delivery mechanisms and priorities for rural development under the auspices of the Rural White Paper; and
 - mechanisms aimed at modernising local government and the delivery of government policy at the regional level.

10.2.5 Action Plans

RDAs should continue to adopt flexible and tailored approaches to developing Action Plans to reflect specific regional circumstances, based on more detailed consideration in the RESs of action and delivery frameworks, and more clear government guidance on the action planning process.

- RDAs should continue to develop 'fitness for purpose' approaches to Action Plans with timescales, formats and levels of details that reflect regional circumstances and the level of partner consensus in different policy areas.
- RDAs should be better placed to include in the RESs more detailed specification of subsequent actions and frameworks for implementation. This will greatly assist in the development of the Action Plans that will follow.
- RDAs should continue to consider how Action Plans can best be presented to demonstrate the linkages and integration between different documents, including thematic Action Plans, those for main cross-cutting theses, and sub-regional delivery plans.
- Central Government should provide more clear guidance on the process and basic requirements for the production of Action Plans. It is important that this focuses on providing clarity to RDAs, particularly where lead roles and organisational

responsibilities are unclear. It is vital that guidance does not impair the flexibility of RDAs to develop appropriate and varied timescales, formats and levels of detail appropriate to regional circumstances.

- Government should ensure that timescales specified for Action Plans and delivery plans are less arbitrary, and are more consistent with policy cycles and organisational changes on the ground.

10.2.6 Monitoring and Evaluation Frameworks

Government and RDAs should continue to work together to assess how monitoring and evaluation frameworks can be developed to build on the positive work so far and to address shortcomings and potential inconsistencies in the existing frameworks.

- As the monitoring and evaluation frameworks are developed, RDAs and Government should consider how a broad range of indicators can be adopted to ensure a fully comprehensive and informative assessment of regional performance. Several RDAs have led the way by developing a ‘basket of indicators’ approach.
- RDAs should ensure that realistic and achievable short to medium term targets are included in the RESs, and there is an appropriate balance with more aspirational targets over the longer term.
- RDAs should continue to develop benchmarking of performance against other regions. These comparisons should be appropriate, and the underlying causal factors for regional performance explored in more detail.
- To enable robust comparisons, RDAs and Government should consider how to ensure consistency across different regions and programmes in the definition and use of indicators. This should identify how potential for double-counting can be minimized, how definitions can be harmonised across programmes, and the implications of ‘single pot’ funding and programmes for the development of ‘RDA Activity’ indicators.
- RDAs should continue to develop monitoring and evaluation of community participation and race and equalities. Government should consider whether specific guidance is required in this area.