

Revision of the RDAs' Regional Economic Strategies and the integration of sustainable development

01.09.02



Sustainable
Development Commission

Summary report : Revision of the RDAs' Regional Economic Strategies and the integration of sustainable development

1. Introduction:

1.1. What is the purpose of this study?

The Regional Development Agencies (RDAs) have a critical role to play in progressing sustainable development across the English regions. Their powers¹, resources and expertise makes them well placed to rise to this challenge.

The Regional Economic Strategies, produced every three years by the RDAs, act as the main framework for determining each RDA's goals and priorities. They provide the overarching direction for the RDAs from which resources flow through the yearly Corporate Plans. Consequently, ensuring that the principle of sustainable development is at the heart of this strategy will be central to the achievement of sustainable development on the ground.

In some regions, the first round of Regional Economic Strategies, in 1999, showed insufficient regard to sustainable development. This may be in part due to the embryonic nature of the RDAs at that time (many of which did not have sustainable development units/posts in place) or absence in some cases of Regional Sustainable Development Frameworks (RSDFs) which could act as a reference for the RESs. The review of existing RESs by

October 2002 for all regions, with the exception of London, is regarded as an opportunity to ensure sustainable development is firmly integrated into the new priorities and goals of the RDAs.

The RDAs have stated that they do not intend for this to be a major rewrite of their strategies, but more a 'refreshing' or 'revisiting' of the strategies. However, how they revise their strategies and the processes they adopt – consultation, appraisals, use of performance indicators, reference to other regional strategies etc – will have a significant impact on how effectively sustainable development is integrated into the next round of RESs.

We therefore commissioned consultants Environmental Resource Management Ltd (ERM) to undertake a study to explore how different English regions are approaching sustainable development in the review of their RESs. In doing so we intend to highlight good and innovative practices, illustrating different tools and techniques being used by the RDAs.

From this, the study outlines a guide of stages that all RDAs should undertake in reviewing their RESs. This could be applied to not just this round of RESs, but to all future regional plans and strategies.

¹ 'to contribute to the achievement of sustainable development in the UK where it is relevant to do so' (RDA Act 1998).

It is our intention that central government, in particular the DTI, should take ownership of this shopping list, and take it into consideration when assessing each region's revised RES.

This exercise has also raised a number of broader issues for staff within the RDAs on what further assistance can be given to them to enable them to enhance delivery of sustainable development within their regions. We aim to communicate these issues to central government and other regional players.

This paper provides a summary of the key findings of the ERM study. A full version of the ERM study can be found on our website at www.sd-commission.gov.uk.

1.2 Who are we?

The Sustainable Development Commission (SDC) is the Government's independent sustainable development adviser reporting to the Prime Minister and the First Ministers for Scotland, Wales and Northern Ireland. Our mission is to inspire government, the economy and society to embrace sustainable development as the central organising principle. We comprise 24 Commissioners from a range of backgrounds, chaired by Jonathon Porritt, and supported by a cross-sectoral secretariat.

We have five core work programmes themes: food and farming, rethinking the relationship between economic growth and consumption, climate change, regeneration and communication.

We also focus our interest on a number of key sectors of which regional organisations are one, alongside the devolved administrations, local government and the business sector.

In our regional work strand we aim to work with the RDAs, Regional Assemblies, Government Offices for the Regions and Regional Roundtables. One of our key roles is to communicate our core work programme themes to the regions. We also aim to illustrate and share good practice amongst regional practitioners on sustainable development, including linking into the 'Regional Futures network'. We also see ourselves as a useful bridge between regions and central Government and aim to communicate regional perspectives on sustainable development to central government departments.

2. Key findings

2.1 What is the status of the RES in each region?

The study found a great deal of variation amongst the RDAs in both how they are approaching the review of their RES and the current stages they are at. Provided at the back of the main report is a brief status report for each region, which highlights these distinctions.

The London Development Agency, which was established after the other RDAs, is not expected to start this review process until 2003. West Midlands is also not planning to review its RES until 2003 which they will then link to their Agenda for Action strategy.

On the other hand, the East of England completed their RES review in December 2001. Yorkshire & Humberside Development Agency (Y&H DA) and One North East (ONE) have already undertaken first round consultation exercises to discuss key priorities and goals. South East of England Development Agency (SEEDA) has already published its draft revised RES for consultation and

is in the process of conducting sub-regional and thematic consultations.

Although the timing may be different a number of common steps and approaches have emerged amongst the regions in this review process:

- **Visioning process** – baseline assessments or thematic reviews to highlight new priorities or content.
- **Drafting of the initial RES** – led by the RDA this document is the basis for first round external consultation.
- **First round consultation** – broad external consultation often through thematic or sub-regional events.
- **Re-drafting of the RES** – led by the RDA although with some involvement of key partners on specific issues.
- **Second round consultation** – more limited number of consultees, including Regional Assemblies in their scrutiny role.
- **Finalisation of the RES** – this is based on feedback from the second round of consultation.

2.2 Who has been involved in revising these strategies and how?

Consultation and stakeholder engagement has been a key feature of all RES review processes. ONE has focused consultation with a number of active regional partnerships. SEEDA has undertaken a series of thematic events (including sustainable development) to encourage engagement of a number of key stakeholders. Sub-regional consultation events have also been held in a number of regions to ensure higher participation across the regions.

The Internet has been used in several regions to improve transparency and provide wider coverage and access to information on both the consultation process and earlier drafts of the RES.

Following this first round consultation, the RDA, sometimes in collaboration with key partners, re-drafts the RES taking into account key issues raised in the consultation. Afterwards, a number of RDAs have proposed second round consultations with a more limited range of partners, such as the Regional Assemblies or Sub-regional partnerships (SRPs).

This 'two-step' process – initially broad consultation on first draft, followed by more targeted consultation on second and final draft – aims to provide for a more inclusive process than that of the first round of RES which received criticism in some regions for their rather limited consultation.

2.3 What are the key tools at the RDAs disposal?

The study found that there were a number of tools which the RDAs are applying to ensure the integration of sustainable development into the RES. Two of the key tools identified were the RSDFs and sustainable appraisals.

Regional Sustainable Development Frameworks

All English regions, with the current exception of London who are planning to develop theirs, have a RSDF in place. As a minimum, the key objectives and priorities for the drafting of the RESs should link back to the RSDF and the role of the RSDF in formulating priorities should be clearly stated upfront.

In addition, those Regional Assemblies who have taken ownership of these frameworks, intend to use them as the basic tool for assessing the contribution of the RES to sustainable development, via their scrutiny roles.

In the case of East Midlands and Yorkshire and Humberside, where the RSDF forms part of the overarching regional development framework, the RSDFs are seen as both key priority setting documents, and a basis for the assessment of key RDA strategies and action plans.

However, to date there would appear to be a lack of carryover between the RSDFs and revised RESs, and there is some concern that the RSDFs do not always make explicit the links to economic activity. Reflecting shared goals and targets in both these strategies will therefore be necessary to further sustainable development within all regional organisations.

The lack of integration between the RSDFs and RESs in some regions may reflect a lack of ownership of the RSDFs and responsibility for implementation within the regions. However, there has also been criticism from the regions over the uncertainty of central Government's commitment to driving forward these frameworks and holding the regions to account.

Sustainability Appraisals

Sustainability appraisals to date have not really been used for a monitoring or evaluation tool for measuring RDAs' performance. Where these occurred in the formulation of the first round of RESs, they were primarily ex-post or one-off appraisals of the strategies.

However, a number of RDAs have now produced 'customised' sustainability appraisal procedures either as part of their overall project and

programme appraisal systems or as a result of work with advisers (such as the Regional Roundtable in the case of the South West).

Encouragingly, a number of RDAs are also moving away from stand alone 'tick-box' checklists to more integrated appraisal methods.

Although there is a broad range of approaches to the application of these sustainability appraisals, it is preferable that it forms an integral part of the process rather than an ex-post or one-off exercise.

Ideally, the sustainability appraisal process should be planned at the initial or 'visioning' stage, as in the case of Yorkshire Forward. This should include a post-consultation sustainability appraisal to examine how sustainable development issues raised in the consultation are incorporated into the redrafting process, as well as a final sustainability appraisal on the finalisation of the RES. This final appraisal should be made publicly available, perhaps through the RDA or Regional Assembly website.

2.3 What could a guide look like?

Based on this review we have produced a guide on what steps all RDAs should consider in their review process. These steps have been grouped into processes and outcomes:

Processes:

- Publish review process, including key milestones in terms of the publication of drafts, consultation events or consultation response deadlines, on the RDA and/or Regional Assembly websites;
- Publish 'Vision' or background analysis on these websites;

- Conduct external consultation on both the draft and the revised version of the RES;
- Hold regional, sub-regional and thematic consultation events – including sustainable development events;
- Present an analysis in the revised RES of the results of the consultation and how they have been reflected in the re-drafting;
- Commission a sustainability appraisal, ideally carried out by an external team but managed internally; and
- Publish this appraisal of the final version of the RES on the website.

Outcomes:

- Use the objectives/targets of the RSDF as guiding principles within the RES development process;
- Show explicit recognition of the role of the RSDF in the review process and in the framing of priorities and actions for the delivery of the RES;
- Show clear use of sustainability appraisals for RDA Action Plans to deliver the RES;
- Provide guidance within the RES on sustainability appraisal to programme/ project applicants;
- Ensure that sub-regional partnerships (SRPs) carry out sustainability appraisals of their action plans ;
- Ensure that the RDA works with regional partners (GO, RA etc) to develop a common sustainability appraisal method for all regional expenditure programmes;
- Use of social, as well as economic and environmental, performance indicators/targets (e.g. health, crime, diversity and inclusion criteria) within RDA appraisal systems;
- Develop a performance monitoring framework to review progress of the RES which includes sustainable development performance

measures to be reported on a regular basis; and

- Develop key performance indicators for the RES which not only consider economic but also key social and environmental outcomes for the region in key areas such as education and skills, health and resource efficiency/productivity, all of which have direct links to the economic performance of the region.

2.4 What difference can the culture of an RDA make?

How effectively sustainable development is integrated into the review of the RES depends to a strong degree on how well sustainable development is embedded within the RDA itself and how responsibility and resources for sustainable development is shared across the RDA. Once again, the regions show marked differences in this respect.

Where specific sustainable development teams or units operate, these can be especially effective where they are linked into the strategy or policy team responsible for reviewing the strategy.

Here strong commitment to sustainable development from director or board level individuals can also be critical in ensuring sustainable development is integrated into the review process from the beginning.

The key issue remains one of RDA culture and the extent to which sustainable development is embedded within that culture. Where sustainable development is seen as a core business, rather than technical or supporting issue, this process of integrating sustainable development is far easier.

Encouraging all RDAs to view sustainable development as a core business issue should not be left to the individual but encouraged through greater incentive from central government.

3. Where do we go from here?

3.1 What can central government do?

Guidance and incentives: Tier Targets

Much good practice exists within the RDAs showing how they have reviewed RESs and integrated the principle of sustainable development into this. In general, it would appear that sustainable development has been higher placed in this round of strategy development than the drafting of the initial RESs.

In particular, there has been greater use of sustainability appraisals upfront; thematic consultations on sustainable development issues; links to RSDF indicators and use that the Regional Assembly make of the RSDF in scrutinising the RES; and consideration of new indicators such as resource productivity or Green House Gas targets.

However, there is a general view within the regions that these practices depend often upon the commitment of individuals within the RDAs and are not always supported or firmly encouraged by central Government.

In relation to sustainable development, there has been no additional guidance from central Government to the RDAs for the production of this round of RESs. The Tier 2 targets given to the RDAs do not include specific sustainable development indicators/targets. Nor do they provide guidance on how, taken together, they might provide a

measurement of progress against sustainable development objectives.

Although we are keen not to impose many additional indicators on the RDAs, some appropriate measure of sustainable development should be included in these government targets.

We therefore call for new guidance to be considered for reviewing regional strategies, including new supplementary guidance on sustainable development, which could be based on this guide set out in this paper. We would be eager to discuss and work with the relevant government departments further on how this may be achieved.

A review of the Tier 1, 2 & 3 targetary framework, which is in part already in progress, should also consider how appropriate measures for sustainable development could be incorporated.

Data Collection:

Where RDAs have been trying to develop new indicators which aim to measure sustainable development, e.g. resource productivity, energy consumption, waste production and greenhouse gas emissions, support needs to be provided to enable the collection of new regional data.

Initial discussions with the RDAs have shown a strong commitment in some regions to gather new data which can measure sustainable development. However, in many cases this data does not exist in an accessible form. DTI and DEFRA should be supported to improving access to this data.

Recognition of RSDFs:

The lack of certainty within the regions over the status and ownership of the RSDFs has also been viewed as preventing this tool from being used to its greatest advantage. Greater guidance from

central government, and especially DEFRA, over the status of these frameworks in shaping all regional activity, would make this role more explicit.

From principle to practice:

Unless the RDAs are truly committed to the principle of sustainable development, the application of sustainability appraisals, uptake of new consultation techniques and sustainable development measures etc., will be worthless in terms of actual delivery of sustainable development on the ground.

The true test for the integration of sustainable development will be the core goals and objectives set out in the final RESs and, subsequently, how resources are allocated and decisions made on particular projects within the Corporate Plans. Therefore, a follow-up of the final RESs and subsequent Corporate Plans will be necessary to see how the sustainable development processes outlined above have been reflected in practice.

This will be a key role for the Regional Assemblies and their scrutiny role in this respect should be encouraged.

3.2 What role can the SDC play?

We hope that this exercise has been useful to both RDAs and central government in sharing the existing good practice on how the RDAs are applying the principle of sustainable development to the strategy development process, as well as discussing the hurdles which prevents them from going further.

For those regions not so advanced in the review process we hope it will act as a guide, and for

those more advanced we hope it endorses action to date or will influence future strategy reviews.

In terms of our next steps, we will advocate the shopping list of components to DTI with the intention that this will form part of their assessment of the final strategies.

As outlined above, how successfully the RDAs have integrated sustainable development in this strategy review process will be reflected in the content of the final RESs and subsequent priorities of the Corporate Plans. Where possible, we therefore intend to follow this through to the implementation stage and to discuss with the DTI the issue of measurement of sustainable development performance.

We will communicate to the various central government departments the concerns raised by the RDAs over the level of guidance and incentives given to them to further the promotion of sustainable development in their regions, and will discuss with them how these concerns can be addressed.

Through inputting into existing regional networks, we also intend to help the development and uptake of new indicators for measuring sustainable development, such as resource productivity or health in sustainable development.



Appendix 1 – background on the Sustainable Development Commission

We are the Government's independent advisor on sustainable development issues and report to the Prime Minister and devolved administration leaders. Our mission is to inspire government, the economy and society to embrace sustainable development as the central organising principle.

our work programme

The commission published a two-year forward work programme in April 2001. The work programme comprises five individual projects areas: productivity plus (considering economic growth), climate change, food and farming, regeneration and communicating sustainable development. We also have strategies for working with individual sectors of society – business, central and local government, the English regions and the devolved administrations.

members of the Sustainable Development Commission

Jonathon Porritt (Chairman) Director of Forum for the Future; **Maria Adebowale** Director of Capacity; **Rod Aspinwall** Deputy Chairman of the Enviros Group and Professor of Environmental Management at Cardiff University; **Helen Browning** Chairman of the Soil Association; **Councillor Maureen Child** Lead Member for Finance, Edinburgh City Council; **Rita Clifton** Chair of Interbrand; **Lindsey Colbourne** Director of InterAct; **Anna Coote** Director of the Public Health Programme at the King's Fund; **Ed Crooks** Economics Editor, Financial Times; **Valerie Ellis** Assistant General Secretary of Prospect; **Nicky Gavron** Deputy Mayor of London and the Mayor's Advisor on Planning and Spatial Development; **Chris Gibson-Smith** Chairman of National Air Traffic Services; **Brian Hanna** President of the Chartered Institute of Environmental Health; **Deirdre Hutton** Chairman of the National Consumer Council; **Alan Knight** Head of Social Responsibility, Kingfisher; **Walter Menzies** Chief Executive of the Mersey Basin Campaign; **Tim O'Riordan** Professor of Environmental Sciences at the University of East Anglia and Associate Director of the Centre for Social and Economic Research on the Global Environment; **Derek Osborn** Chair of Community Stakeholders Forum; **Anne Power** Professor of Social Policy at the London School of Economics and Deputy Director of the Centre for Analysis of Social Exclusion; **Charles Secrett** Executive Director of Friends of the Earth; **Richard Wakeford** Chief Executive of the Countryside Agency; **Graham Wynne** Chief Executive of the Royal Society for the Protection of Birds; **Raymond Young** Board member of Forward Scotland, a member of the Scottish Welfare to Work Advisory Task Force and Chair of the Environment Task Force in Scotland; **Jess Worth** Campaigner with People and Planet.

To comment on this report please contact:

Deborah Newlands, Sustainable Development Commission, 5th Floor, Romney House, Tufton Street, London SW1P 3RA **Telephone:** 020 7944 4962 **Email:** deborah.newlands@defra.gsi.gov.uk

To find out latest news and information about the Sustainable Development Commission visit our website:

www.sd-commission.gov.uk