



THE HOME BUILDERS FEDERATION

Sub National Review
Bay 1116
Department for Business, Enterprise and Regulatory Reform
1 Victoria Street
London
SW1H 0ET

19 June 2008

Dear Sirs

**PROSPEROUS PLACES: Taking forward the Review of Sub National Economic Development and Regeneration
- A Response by the Home Builders Federation**

1. Thank you for consulting the Home Builders Federation (HBF) on the above. We represent national, regional and local housebuilding companies who, between them, account for nearly 80% of all new dwellings in any one year. Our members therefore, believe that they are critical delivery partners at all levels of government; national, regional and local.
2. HBF has been involved with regional government around the country for many years, through the development of regional economic strategies with regional development agencies, housing strategies with regional housing boards and, most intensively, spatial strategies with regional assemblies. We believe that we are well placed to comment on the proposed new arrangements for delivery of regional strategies and to draw attention to any benefits or difficulties that may arise from the proposed processes.
3. We agree with the aims and objectives of the consultation document in that there would be considerable benefits to:
 - Introducing integrated strategies;
 - Strengthening the local authority role in economic development; and
 - Support for collaboration by local authorities across economic areas.

4. Although the executive summary suggests that the private sector will find less of direct relevance in the context of the proposed changes the consequences of the changes are both far reaching and will have considerable relevance to business.
5. This is because the key aim of any regional strategy should be delivery. In order to ensure delivery both private and public sectors should be clear about their responsibilities, the aims and objectives for an area and the role of partnerships necessary to achieve delivery of any strategy for change.
6. Thus, there must be a clear understanding and, most importantly, buy in, from all of the delivery agencies within a region, be they public or private sector. By disenfranchising any of the key stakeholders from the process of producing regional strategies this consolidation of views and delivery will be doomed to fail, producing instead, acrimonious resentment, a lack of commitment and, ultimately, failure of delivery.
7. Our experience of the integration of strategies and collaborative working between all stakeholders, whether private or public sector, has, to date, varied considerably around the country. It is, therefore, difficult to see how the proposal to give the regional development agencies lead responsibility for regional planning and the production for the regional integrated strategies will be any more inclusive than the current process whereby the responsibility lies with the regional assembly.
8. The consultation paper gives little insight into how RDAs will be changed in their make up to accommodate their new role and powers, particularly with regard to ensuring delivery through the local planning authorities in a region. There is currently no direct link between RDAs and LPAs such as there is between regional assemblies and LPAs and this is of considerable concern since delivery of regional strategies is, ultimately, the responsibility of local authorities, not the regional agency.
9. The suggestion that this role will be adequately be performed by a “forum of local authority leaders” is both naïve and unlikely to succeed since the level of power to be given to the proposed forum appears to be slight, if not totally non-existent. It is difficult to achieve buy in to a strategy for change if stakeholders do not feel that they have any power in the formulation and implementation of that strategy. Since delivery of the integrated strategies will be through local authorities and the private sector it is vital that both sectors have equal power in the formulation and adoption of the regional strategies.
10. There is little detail as to how “effective stakeholder engagement and management”, recognised in the executive summary to be a key element of the current regional assemblies, will be carried through to the new style RDAs. Further detail will, therefore, need to be forthcoming before many stakeholders will be convinced that such engagement will be meaningful and inclusive.

11. The appetite around the country for the review of regional spatial strategies by, the apparently now doomed, regional assemblies is, again, somewhat jaded. We would wish to see the RDAs in all regions taking a much more proactive stance in this review process than in the last round of RSS preparation. It is critical, therefore, that the working arrangements of the new RDAs and the new process is explained as rapidly and as fully as possible in order to allow this process to take place efficiently and effectively, particularly with regard to continuity beyond the transitional review period.
12. It is essential that the integrated regional strategy focuses on delivery. Without such focus the strategy will be merely words. Thus a delivery plan is a vital part of any strategy and must be at the heart of all of the new regional strategies.
13. It is curious as to why there should be a fundamentally different approach to the setting and delivery of a regional strategy in London, save for the fact that there is already a different legislative and political structure within the Capital. There appears to have been no examination of whether or not this different approach is any better or worse than either the existing arrangements in the other English Regions, or the new proposals for integration of regional strategies delivered by RDAs. If the London model is considered to be better than the consultation proposals then surely one option would be to replicate it throughout the country. If it was found to be less robust than the new arrangements elsewhere then it too should be amended to allow for the better delivery of the regional strategy for London.
14. Our specific comments on the detail of the consultation paper are as follows:

Chapter 3: Stronger Partnerships for Regional Growth

15. There is very little detail given in the consultation as to how RDAs will change in what is described in paragraph 3.2 as “significant”. The reference to a “greater role for sub-regions”, while supported in principle by HBF, gives no clues as to how such sub-regions will be defined, nor how they will have a “greater role”.
16. RDAs will continue to be “business led” (paragraph 3.5) yet it will require local delivery to ensure that strategies are implemented and achieve the growth that they set out. Unfortunately, while it is proposed that local authorities will be “closely involved in preparing the strategy” and that “a regional forum of local authority leaders will sign off [the strategy] on behalf of all local authorities in the region” (paragraph 3.7) there appears to be little incentive for such a forum to be successful, given the very limited power and control over the final strategy. Without such political buy in at a local level delivery is likely to be very difficult with few, if any, powers for the RDA to ensure that such delivery takes place locally.

17. Paragraphs 3.13 – 3.17 discuss the setting up of “leader’s forums” in each of the regions. There is, unfortunately, little guidance on how such forums should be set up (indeed, suggesting that this should be left to each region to decide for itself, a recipe for confusion, delay and unworkability) or on how power would be devolved to such a forum. Paragraph 3.13 suggests that “local authorities will have a role in holding to account the RDA and its regional delivery partners” yet makes no suggestion of how such accountability would work in practice (other than, presumably, to withdraw their support for the regional strategy, thereby rendering the RDA impotent in the delivery at a local level).
18. Until we have seen, and can comment upon, the proposed arrangements for the leaders’ forums for each region it is impossible to give support to the proposals set out in paragraph 3.20 regarding the scrutiny of the proposed process by local authorities.
19. HBF obviously supports the government’s commitment to ensuring that its housing targets are reflected in regional strategies and recognise that, in almost all cases, this will require partial review of the current regional spatial strategies. Paragraph 3.28 clearly sets out the government’s desire to see increased collaboration between existing RDAs and regional assemblies in that review process.
20. Unfortunately, to date we have seen very little collaborative work or joint sign up to the proposed process. Where RSS reviews are taking place, while it is acknowledged that they are at their earliest stages, they are being driven solely by the regional assemblies, with little, if any, input from the RDAs. We would wish to see a much greater involvement from RDAs at this stage if we are to believe in the new process delivering an integrated and widely accepted regional strategy.

Chapter 4: Integrating Regional Strategies to promote growth

21. While it is laudable to aim for greater integration of the current plethora of regional strategies it is difficult to envisage what such an integrated strategy would look like given its need to address the issues covered by all of the existing strategies described in paragraph 4.2. While a “strategic overview” is essential within the region there is also a considerable amount of detailed guidance required within such strategies which, it is feared, will lead to overly long, overly complex and internally inconsistent strategies from which very little local direction will be able to be derived.
22. Despite this obvious problem, paragraph 4.5 boldly states that “the strategies should be succinct”. The sentiment is supported. Our experience to date of other regional strategies suggests that it will be a very loose definition of “succinct” that will be required to allow integrated regional strategies to meet this criterion.

23. HBF supports the proposal in paragraph 4.9 that an outside agency such as the National Housing and Planning Advice Unit (NHPAU) should give guidance to the RDA regarding the range of housing provision that should be explored within the regional strategy. This will avoid the huge amount of aborted and duplicated work that took place throughout the last round of regional spatial plan preparation.
24. Paragraph 4.13 (3rd bullet point) requires the regional strategy to include a distribution of housing supply figures. This should be stated clearly as a net housing supply figure, not merely a gross provision figure.
25. The problems regarding setting regional, sub regional and local housing targets are adequately addressed in paragraph 4.15 of the consultation. However, where housing market areas extend beyond regional boundaries the joint working arrangements set out in paragraph 4.16 raise similar issues to those that exist under the present regional arrangements, particularly regarding integration, monitoring and implementation of cross boundary strategies. It is suggested, therefore, that the government looks at redefining regional boundaries to more closely reflect economic geography or other policy initiatives in order to simplify the regional governance of such areas.
26. The role of the independent panel in the process of establishing a regional strategy is interesting, particularly since this role is not adequately explained within the process diagram on page 35 of the consultation.
27. HBF would like to investigate this role and involvement further, with a view to extending such an approach to other areas of policy formulation at a local level such as the development plan process.
28. As discussed above, HBF believes that it is vital for any strategy to have a clear delivery plan, particularly setting out responsibilities for delivery and actions that should be taken in the light of monitoring where delivery is failing to be achieved.

Chapter 5: Strengthening Sub-Regional Economies – the role of Local Authorities

29. Although there is some mention of the proposed changes to sub regional infrastructure being introduced through the Planning Bill there is no specific mention of the Independent Planning Commission or the Community Infrastructure Levy. Both of these proposals will be critical to a regional strategy and considerably more work will need to be undertaken to ensure that both of these new initiatives are adequately reflected in the new style regional strategies.
30. There is no clear guidance as to the type of sub regional arrangements that are proposed in the consultation (paragraphs 5.35 – 5.44). While it is clearly important to ensure that all collaborations work with, rather

than against, the regional strategy there is a real fear that too many sub regional agencies and partnerships will actually render the regional strategy impotent and irrelevant to local delivery which will be controlled through the new sub regional arrangements.

31. While allowing all regions to act independently and to allow local arrangements to differ throughout the country appears, on the face of it, to allow the greatest flexibility to reflect local circumstances, without the over riding control of the regional agency (the RDA) sanctioning such arrangements there is a real fear that sub regions will become almost autonomous and would be difficult to control from the higher level of the RDA.
32. There is no indication of how this interaction would happen, or what status the proposed sub regional collaborations (proposed to be given formal legal status in paragraph 5.44) would have over and above the RDA in the preparation, but more importantly, the implementation and delivery, of the regional strategy.

Conclusion

33. The integration of regional strategies into one single, strategic overview is welcomed. However, HBF is concerned over the levels of inclusion of key stakeholders from both the private and public sectors, in the proposed arrangements for the production of such a strategy.
34. Without this buy in from all partners the new regional strategies will be, at best, hampered in their aims and objectives through lack of local delivery power, and at worst, irrelevant.
35. There is clearly the need for considerable further debate around how to achieve effective, integrated and deliverable regional strategies at a local level. HBF looks forward to continuing to be engaged in such discussions.

I look forward to hearing from you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Andrew Whitaker', with a stylized flourish extending to the right.

Andrew Whitaker
HBF Head of Planning