

Regional Development Agencies and local regeneration

A study of the eight Regional Development Agencies (RDAs) in England aimed to assess the progress being made in developing regional agendas and to see what impact the new structures of regional governance are having on local regeneration practice. The study was carried out by Brian Robson, Jamie Peck and Adam Holden at Manchester University. They found that:

- f** The establishment of the RDAs has begun to stamp a regional dimension onto the thinking and structuring of many key regional local agencies. Each RDA has now produced a Regional Economic Strategy through a process of widespread consultation.
- f** These strategies differ little – partly because of common guidance from the centre, and partly, it is thought, because RDAs have adopted a ‘lowest-common-denominator’ approach.
- f** The role of the RDAs remains ambiguous. It is difficult to see them as devolutionary since they have limited autonomy and the regional chambers have as yet only limited political purchase. It is equally difficult to see them responding effectively to regional inequalities since their tasks are identical.
- f** The regional strategies suggest RDAs’ principal role is to sharpen economic competitiveness. Yet their budgets are primarily drawn from resources targeted at regeneration rather than at economic goals. Moreover, they have relatively little uncommitted resources.
- f** There is little evidence that the RDAs have begun to address how to handle relationships with local regeneration partnerships. There is a danger that the RDAs will be squeezed between central and local demands.
- f** Many regeneration partnerships feel that local voices – from the voluntary sector, community groups and partnerships themselves – have been able to exert only marginal influence on RDA strategies.
- f** The researchers conclude that if regional governance is to become effective:
 - central government would need: to show greater support for RDAs; to clarify the relationship between RDAs and government regional offices; and to accelerate the timetable for statutory elected chambers in order to give greater legitimacy to the regional domain;
 - individual RDAs would need: to show greater readiness to prioritise spending; to develop frameworks for resolving regional-local tensions; and to give greater support to enable voluntary sector bodies to contribute more effectively.

Name of region	RDA budget in £M	Size of staff (expected by 2000)	RDA budget as % of GDP (UK index = 100)	RDA budget per capita	% for regeneration	% for inward investment
North East	121	220	0.42%	£46.54	88.9	1.4
North West	176	180	0.29%	£25.51	89.5	0.8
Yorkshire & Humber	137	155 (200)	0.28%	£27.40	90.5	1.0
West Midlands	114	110 (130)	0.21%	£21.51	88.6	1.1
East Midlands	59	120	0.14%	£14.39	81.6	1.7
East of England	32	50 (60-70)	0.14%	£6.04	71.3	2.9
South West	60	160 (170)	0.12%	£12.50	79.5	2.6
South East	73	70 (130)	0.03%	£9.24	84.6	1.2
Total	772		0.12%	£18.38		

Background

Eight English Regional Development Agencies (RDAs) were established by central government in April 1999. Aspects of their budgets are shown in Table 1.

RDA achievements

In the short space of time since their formal creation, the RDAs have made considerable progress:

- They have appointed to their Boards key regional players who have brought with them dense networks of contacts within their regions. The appointments appear to have succeeded in resolving the need to both involve powerful individuals and maintain a balance across constituencies and sub-regional interests;
- They have largely drawn staff from the agencies whose responsibilities were partly or wholly subsumed into the RDAs (Government Regional Offices, English Partnerships, Rural Development Commission). This has helped to ensure a degree of continuity in managing the agenda of existing programmes within the regions, although there is a widespread view that some of the technical experience in the delivery of regeneration programmes may have been lost;
- They have produced draft and final versions of their Regional Economic Strategies (RESs). The RDAs have attempted to involve other agencies in widespread regional consultation - not as sounding boards to endorse pre-ordained views but as co-authors of evolving strategies;
- Their presence has begun to stamp a regional dimension onto the thinking and structuring of many of the key local agencies within the regions. As part of the regional consensus, the RDAs and regional chambers appear to have begun to work together without as yet creating the tensions that many had anticipated, indeed in at least one case a formal concordat has been agreed;
- They have become the focus for a genuine 'buzz' in

the regions about the opportunity and energy that can be harnessed at a regional level.

These are no small achievements. Nevertheless, there are many unresolved issues about the roles and activities of the RDAs. This means that any verdict about them must as yet be tentative and provisional.

Tensions and dilemmas

Devolution

Many ambiguities underlay the aims of the government's creation of the RDAs. On the one hand, they can be seen as addressing the need to sharpen the competitiveness of regions, all but two of which have GDPs below the EU average. This aim, however, would appear more credible had RDAs been established only in the lagging regions or had the briefs differed from one region to another.

The alternative view is that RDAs are part of a devolutionary process, a regional parallel to the political devolution of Scotland, Wales and Northern Ireland. In practice - at least in this early phase - the devolutionary intent appears more token than real. The similarity of the RESs does not suggest that the specific weaknesses and potentials of different regions have figured strongly in the formulation of strategies of the various RDAs. The hand of the centre seems to have lain heavy on the process. This may be inevitable, a consequence of the fact that the RESs have a common generic quality that reflects a process of synthesising existing policies and rationalising them within the context of an all-embracing and commonly shared vision. But the dilemma of bodies attempting to be *of* their regions while the centre may see them as agencies *in* the regions lies at the heart of an as-yet unresolved tension.

Powers and resources

Closely related to this is the question of the powers and resources that are at the command of the RDAs. Their financial resources are limited and highly

circumscribed since most of their budgets are specifically drawn from ring-fenced regeneration funds, and government has resisted arguments to allow the RDAs to use the range of funding streams as a single pot. Furthermore, the briefs of the RESs have largely concerned economic strategies, even though the resources that will be at their disposal are only indirectly related to economic development. If there are uncertainties about their powers and responsibilities, there is a danger that the RDAs will need to draw up resources and powers from local agencies rather than draw them down from central government. This is a reflection of the dilemma that the reach of the RDAs may currently be greater than their grasp.

Regional agendas

It is hard to discern clear views about what should constitute a regional agenda - about what are the distinctly regional as against national, local or sub-regional issues. Much stress is placed on broader strategic views and on co-ordination and on the 'value added' that should result from wider perspectives. Yet, in practice, most of the RESs only narrowly escape the charge that they adopt a lowest-common-denominator approach in order to ensure that each of the sectional and sub-regional interests within their regions are kept on board the regional agenda. Few RDAs have enumerated clear priorities or suggested specific targeting of resources to defined areas or policy domains. Nor is it clear what will be added to the work of partnerships that already exist at local or sub-regional scales; there is a widespread sceptical view that the RDAs may merely create partnerships of partnerships.

These dilemmas will inevitably become sharper as the RDAs move from the phase of strategy formulation into that of delivery and implementation. And there is as yet little evidence that, with the tight timetable for the delivery of regional strategies, the Boards have been able to address how to reconcile prioritising demands with the need for an inclusive approach to regional governance. The local partnerships which will be responsible for delivering regeneration initiatives have looked for a framework through which regeneration might most effectively be delivered, but as yet the RDAs have not provided this.

There is also some suspicion that the RDAs will fall uneasily between the local implementation of sub-regional regeneration programmes and the national 'big issues' within which regional agendas need to be set. Such pan-regional issues as transport or inter-regional migration and housing demands are clearly highly significant in the development of regional strategies. There is some evidence - for example in the case of east-west transport links - that there has been

cross-regional awareness. The RDA chairs also meet on a regular basis, but this is more concerned with developing a regional lobby to address resourcing issues than with pan-regional strategies. By and large, however, the big issues of regional inequalities have largely been ignored.

Equality of partners

The composition of the boards has been carefully crafted to meet government's aim of producing predominantly private sector bodies with a wide balance across sectional and sub-regional interests (although, discounting chairs, there is an almost equal balance of local authority and private-sector members). Moreover, the consultations over the RESs and the process of relationship-building across the large range of regional and sub-regional bodies have drawn a wide array of stakeholders into the ambit of the RDAs. This is partly a reflection of the fact that many of the board members have brought with them dense networks of pre-existing involvement with other individuals and agencies within their regions. However, doubts remain about the degree to which the voluntary sector and local partnerships in particular have been drawn into meaningful debate with the RDAs. Many of the voluntary bodies and community groups have lacked the capacity (in terms of time or resources) to respond or to contribute to the process of strategy formulation.

This said, a review of the strategies shows that they have a wider perspective than might have been anticipated. Most embody concerns about sustainability and about the social dimensions of regional and sub-regional problems. To this extent, the broad concerns of many of the voluntary sector bodies have been flagged up as important strategic issues. However, interviews suggested that the hearts but not the minds of the RDAs had been won over on such social dimensions, since many interviewees were at something of a loss to specify the implications for policy or actions of these aspects of the RESs.

The phase shift

It is clear that the ultimate test of the success of the RDAs will lie in how they effect the delivery of the strategies set out in their RESs. This will entail some significant shifts of focus. First is the discontinuity between the predominantly 'economic' perspective of their strategies and the overwhelmingly 'regeneration' focus of the resources whose targeting they can influence. Implementation will bring to the fore the difficult choices entailed in focusing limited resources and will call into question the assumption that regional governance can be an uncontentious process of partnership building across consenting sub-regional agencies. Moreover, the roles of the boards will inevitably change. It seems probable that the balance

between the influence of boards, on the one hand, and of staff, on the other, will alter significantly once programmes have started to be implemented. It is as yet unclear what will be the continuing role of board members as this phase shift occurs.

Conclusions

Judgements about the RDAs are as yet bound to be premature. It is clear that there are many ambiguities about their roles within an evolving system of governance. Some of these could only be resolved through the actions of central government – not least through channelling additional resource and powers through the RDAs. Some are a function of the fact that the RDAs have so far concentrated their energies on the production of overarching strategies.

However, it is also clear that, given their brief, the RDAs have achieved a good deal in a very short period. At the very least, their creation has altered the landscape of English governance by bringing to the fore a regional dimension which seems unlikely easily to be reversed. As many interviewees argued, 'the regional genie is out of the bottle and can't be put back'. The RDAs have considerable potential: to co-ordinate strategies; to forge new partnerships where they are weakly developed; to ensure the focusing of resources on a limited range of regional priorities; to address the cross-regional issues that lie at the heart of many national policy priorities.

The researchers conclude that, if the regional agenda in England is to be strengthened, a number of issues need to be addressed:

- Central government would need to show less ambiguity in its support for the role of RDAs;
- Greater scope for virement would be needed across the spending streams at the disposal of the RDAs;
- There would need to be greater clarification of the relationship between the respective roles of RDAs and government regional offices;
- Support would need to be given by central government for a timetable to create statutory elected chambers in order to give greater legitimacy to regional governance;
- Individual RDAs would need to show greater readiness to draw up priorities within their spending plans and to accept that this would entail a degree of political friction within regions;
- RDAs would need to give greater support to enable voluntary sector bodies and local partnerships to contribute more effectively to the evolution of regional priorities and the implementation of programmes.

About the study

The research was conducted between July and December 1999. It drew on two sources. First was the growing body of documentary material produced by the RDAs and by government, regional chambers and other interested bodies. Second was a series of over 50 interviews with key individuals in each of the 8 regions (London being excluded because its RDA is yet to be established). The interviewees included RDA board members and staff, senior staff in GORs, local government officers and members, members of regional chambers, representatives of voluntary-sector organisations, chambers of commerce, key regional agencies and other regional stakeholders.

How to get further information

The full report, **Regional agencies and area-based local regeneration** by Brian Robson, Jamie Peck and Adam Holden, is published for the Foundation by The Policy Press (ISBN 1 86134 257 8, price £13.95).