

**Ten questions to ask for a combined authority
scrutinising economic development**

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strategy housing **progress** policy

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to ask for a combined authority
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TEN QUESTIONS TO ASK FOR A COMBINED AUTHORITY SCRUTINISING ECONOMIC DEVELOPMENT

Introduction

This paper is designed to support councillors sitting on combined authority overview and scrutiny committees to understand the pressures and opportunities that CAs face in tackling economic development and recovery.

It has two parts. The first introduces the overall policy environment around economic development for CAs. In many respects this is similar to the policy environment for individual councils. However, there are important differences and distinctions, and understanding these distinctions is important in ensuring that scrutiny, at CA level, can carry out work of value.

The second part introduces a list of ten questions – key matters which we think will form the basis of effective scrutiny in this area. The questions deliberately focus on CA's central strategies on growth and economic development – the high level, strategic documents underpinning wider plans on economic development on growth.

The document focuses on the use of broad strategies, often tied to devo deals, to determine how local economies will be developed.

This research has been developed alongside the Combined Authorities Governance Network (CAGN) – a network established and facilitated by CfGS through the LGA's sector-support programme, funded by HM Government.

WHY FOCUS ON THE STRATEGY?

This document explicitly focuses on the way that combined authorities develop and deploy strategies to act on economic development. We suggest that CA scrutiny functions frame their work around existing, and planned strategies rather than conducting general scrutiny reviews, or investigations, on economic development more broadly.

Framing work around an existing or planned strategy makes it easier for scrutiny to do its work more effectively. It makes scrutiny work more tangible. It focuses that work on those areas which are most important and leads members to ask important questions about the assumptions that underpin plans, where risks lie, from where evidence has been gathered and how success will be monitored.

Conversely, more general reviews/conversations about economic development, divorced from formal plans and strategies, risk becoming either esoteric or focusing unduly on highly operational matters.

For this to work properly requires that CAs integrate scrutiny into the development and review of their strategies on growth and development. This will be about more than just taking drafts of material through scrutiny committees. It is about recognising that scrutiny is a key partner in successfully delivering the kinds of outcomes that Mayors, CA Boards and Government expect.

The importance of economic development to combined authorities, and the devolution agenda

Economic development is central to most existing devolution deals. Lord Heseltin's "No Stone Unturned In Pursuit of Growth" (2012), generally considered as having provided the underpinning for the deal-making process which began in 2014, was framed entirely around the benefits of Mayor-led devolution for economic development.

The dealmaking period of 2015-17 was focused around creating deals, and combined authorities, focused on functional economic areas. In practice dealmaking tended to follow administrative boundaries rather more, but (with one or two notable exceptions) were framed around large conurbations and their travel-to-work area. Devolution was driven by the perceived need to enhance GVA in local and regional economies.

Substantively, deals have been focused on investment and growth. For example:

- West Yorkshire, involving control of a £38 million per year allocation of gainshare investment funding over 30 years, to drive growth, alongside new housing and planning powers to support the development of a pipelines of development;
- Liverpool, involving the creation of a single investment fund to draw together city regional and national funding streams, benefiting from additional central government funding of £30 million a year for 30 years;
- Greater Manchester, involving control of a £300 million Housing Investment Fund.

From this core activity, other opportunities have emerged – for example, devolution of justice matters and health and care (in Manchester) and the devolution of transport powers in GM and other areas. These broader devolution opportunities can, however, be seen to be in service of the core objectives that Government has had for the last decade around economic growth.

More detail on individual details from 2014 to present can be found on the LGA's devolution hub.

ECONOMIC DEVELOPMENT AND GROWTH AT “SUB-REGIONAL” LEVEL

For most combined authorities, the approach to economic development will be driven by a strategy, and a spatial plan, which will often form the core of an area’s devolution deal.

Such plans are inherently different to economic development strategies drawn up by individual councils:

- They are broader, and more strategic, in nature;
- A wider range of partners is involved in their design and delivery;
- They are generally more holistic – spatial strategies where action on growth and development is the core of a wider range of interventions.

At the time of writing CAs, and the devolution agenda more widely, is in a state of flux. The Levelling-Up White Paper suggests a shift in national approach both in the substance of what economic development will mean for areas, and in the mechanisms and systems available to deliver those changes. The White Paper has a great deal to say about “systems”, in fact – the governance hardwiring that will underpin action on the economy. The White Paper cites governance as a key factor in ensuring the ambitions can be delivered – and sees effective local scrutiny as an important part of this.

Governance is important to government because it provides assurance. The lynchpin appears to be a single point of accountability in the form of the Mayor (as it has been for the last decade) but the White Paper expands on this to encompass an obligation on local leaders and institutions to be “accountable” – and to work together to deliver best value. Government plans to embed these objectives through the setting out of a new “accountability framework” for devolved institutions in England, focusing on:

- a) Setting out key roles and responsibilities for devolved institutions in England, central government and other stakeholders so they are clear to residents;
- b) Ensuring there are appropriate forums for local media, local councillors and local residents to review the performance of authorities with devolved functions – for example, Mayor’s Question Times, regular appearances before local scrutiny and audit committees, and
- c) Allowing the public to make a clear judgement on the performance of Mayors against key outcomes to allow comparisons between areas with devolution.

Taken together these measures anticipate a shift in approach – a focus more on local accountability measures, arguably at odds with Government’s view in 2015-17 that accountability of Mayors through election was sufficient, and that CAs needed to be extremely lean institutions with little external accountability and oversight other than that provided by the deal.

This may be said to lead to a necessary shift in mindset amongst CAs and their partners when it comes to current and future governance arrangements. Certainly, the accountability framework, when introduced, will require serious work to act upon – linked as it will be to stringent requirements around the collection and use of data to support decision-making, another key plank of the White Paper’s proposals.

Future devolution deals are expected to hinge on areas' understanding of needs – but also the ability to put in place strong systems to deliver to meet those needs. This includes the ability to measure and evaluate the impact of a variety of policy interventions.

Current approaches

Under their existing devolution deals, MCAs will have agreed with Government strategies to define how they will meet those deals' objectives. These deals, like MCAs themselves, generally relate to “functional economic areas” (FEAs) – large conurbations and their hinterlands, within which a set of public policy interventions that will contribute to economic development across that area.

Those objectives will generally be framed around local growth, and around the themes and principles set by local industrial strategies, reflecting the policy agenda which prevailed between 2015 and 2019. They will also – for the most part – predate the pandemic. A number are defined as “local industrial strategies” – the national industrial strategy is now, however, defunct, and Government's focus has moved on – suggesting that the time is ripe for a similar rethink at local level.

Current CA economic development plans / spatial strategies

- North of Tyne: “Home of Ambition” (2020): https://www.northoftyne-ca.gov.uk/wp-content/uploads/2020/09/NorthofTyne_EconomicVision_webfinal.pdf - see also NELEP's Strategic Economic Plan (2019): <https://www.northeastlep.co.uk/wp-content/uploads/2019/02/north-east-strategic-economic-plan-jan-2019-final.pdf>
- North East: “North East Strategic Economic Plan” (2019): <https://www.northeastlep.co.uk/wp-content/uploads/2021/03/nel404-sep-refresh-2018-web-new-final.pdf>
- Tees Valley: “Tees Valley Strategic Economic Plan 2016-2026” (2016): <https://teesvalley-ca.gov.uk/wp-content/uploads/2016/12/TVCA207-SEP-Document-Full-WEB.pdf> - see also the CBI's “Tees Valley Revival Plan” (2021): <https://www.cbi.org.uk/media/6247/tees-valley-revival-plan-cbi-2021-business-manifesto.pdf>
- Greater Manchester: “Greater Manchester Strategy 2021-2031” (2021): <https://aboutgreatermanchester.com/the-greater-manchester-strategy-2021-2031/>
- West Yorkshire: “Strategic Economic Framework” (2021): <https://www.westyorks-ca.gov.uk/media/4604/sef-our-vision.pdf>
- South Yorkshire: “Strategic Economic Plan” (2021): https://southyorkshire-ca.gov.uk/explore_strategic-economic-plan
- West Midlands: “Strategic Economic Plan” (2020): <https://www.wmca.org.uk/media/1382/full-sep-document.pdf>
- Cambridgeshire and Peterborough: “Local Industrial Strategy” (2019): <https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/Strategies/LIS/Local-Industrial-Strategy.pdf> and “Local Economic Recovery Strategy” (2021): <https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/Strategies/LERS/Local-Economic-Recovery-Strategy-March-2021-FINAL.pdf>
- West of England: “Local Industrial Strategy” (2019): <https://www.westofengland-ca.gov.uk/about-us/our-strategy/local-industrial-strategy/> - a spatial development strategy is currently under development.
- London: “Economic Recovery Framework for London” (2021): <https://www.londoncouncils.gov.uk/our-key-themes/economic-development/economic-recovery-framework-london> and “Economic Development Strategy” (2018)

Increasingly, plans and strategies look less like traditional standalone “economic development strategies” – with their focus on infrastructure and inward investment - and more like holistic plans for improving the lives of local people and the environment within which they live and work. This reflects both Government’s broader aspirations, and the ambition of MCAs themselves, which have sought to see growth as a way to achieve wider social objectives – “inclusive” growth, as more than one Mayor has put it.

Strategies are invariably backed with high quality evidence and information, frequently updated. Local economic assessments may be regularly carried out, often by independent organisations, to form an ongoing evidence base.

There are a range of interconnected policy areas which might form the basis of an MCA’s economic development strategy, or wider spatial strategy. In a number of these areas there is new Government policy (and fast-developing national thinking), which MCAs will need to take account of:

Skills.

The “Skills for Jobs” White Paper, published in January 2021, involves a focus in FE on the needs of employers, as well as a lifelong approach to enhancing skills. FE Colleges and Independent Training Providers are central to this vision, with significant investment being made in the former in particular.

Transport.

“Bus Back Better”, the national bus strategy for England, was published in March 2021. This strategy accelerates action on improving local bus services; a number of MCAs are introducing or investigating franchise arrangements for bus services, and for others Enhanced Partnerships are being established under the Bus Services Act. The Strategy also references the drafting of Bus Service Improvement Plans, which will need to incorporate measures on traffic prioritisation. Action on suburban rail and light rail is also likely to form an important part of any plan for local growth (linked to the Williams-Shapps Plan for Rail) – all MCAs have ambitious plans on metro travel, which is seen as a way to make economic growth more sustainable. But a focus on transport also presents risks – for example, the Government’s decision not to proceed with HS2 Phase 2b, on which much growth planning in the East Midlands and Yorkshire was predicated, and similar uncertainty around the future of Northern Powerhouse Rail under the new Integrated Rail Plan;

Housing and development.

“Planning for the Future”, the Government’s planning White Paper, was published in summer 2020. It suggested changes to the planning regime, including a consolidated Infrastructure Levy for local devolution. There is not, currently, a separate national Housing Strategy, although Homes England has a Strategic Plan; planning authorities are also subject to housing targets.

DRIVERS FOR CHANGE

This part of the paper explores three particular drivers for change for MCAs' approach on economic development and growth.

- **The pandemic. Post-pandemic growth presents a significant challenge for all areas, but particularly for MCAs, where changes in direction may be seen as constrained by existing devolution deals;**
- **Levelling Up. Government's substantive plans in this area will lead to a shift in focus for many areas;**
- **Future devolution plans, including system change in and relating to CAs (with a particular focus on the system change elements of the White Paper).**

There are two other drivers which are significant but on which this paper does not focus – these are climate change and the impacts of Brexit. Climate change is the subject of a separate CfGS scrutiny guide; the impact of Brexit will be defined, to a greater or lesser extent, by the shape and focus of the UK Shared Prosperity Fund, replacing regional European funding. At the time of writing material relating to the Fund has not been published.

There will also be economic shifts caused by UK moves to diverge from the European regulatory environment. Again, these may at the moment may be difficult to predict.

The pandemic

For many areas, current economic development strategies predate the pandemic.

The pandemic resulted in many significant shifts in our assumptions around growth and the economy. Home working and the decline in demand for office space, shifts in the use of high streets and city centres, the fragile nature of some hospitality and service industries, and the lack of sustainability of some elements of public transport infrastructure given reduced ridership, are all obvious and immediate impacts. But there have been wider effects – in and around education (including further and higher education), health and care outcomes, housing, including shifting attractiveness of different areas as working patterns shift, and demographics.

In the context of economic development, focus on post-pandemic recovery has tended to hinge on the idea of “building back better”, which is itself closely linked to the levelling up agenda. In March 2021 Government produced “Build back better – our plan for growth”, a Command Paper which aims to tackle disadvantage due to the pandemic, but also due to wider systemic challenges.

Local economies will, however, still be fragile – and the fact that the pandemic has not yet ended produces further uncertainty. It is inherently unclear how local economies will develop – whether working and living patterns will return to pre-pandemic levels in some way, whether the pandemic will in the long term be seen as accelerating existing trends (around home working, for example) or whether the pandemic will be seen as the start of a period of economic disruption and uncertainty, which combines with global, national and local efforts to deliver “net zero”.

Authorities are in the extremely challenging position of needing to understand these trends and what different scenarios they might bring about, and having strategies with the flexibility to accommodate those different scenarios. This uncertainty makes risk management difficult in the context of investment decisions – decisions which may have looked prudent in February 2020 may now bring significant risk, and vice versa.

Councils and CA are looking to a range of approaches to take account of the pandemic. Many of these approaches are about spreading risk and enhancing local resilience. This includes:

- Developing models with the private sector which will contribute to local growth. This includes joint investments. More information can be found in “Public-Private Partnerships: Driving Growth, Building Resilience” (LGA, 2022);
- Acting on business engagement. Understanding the needs of businesses – particularly where the local economy is particularly dominated by a particular sector, or where pandemic impacts have highlighted the fragility of certain sectors over others – is an important part of putting new, sustainable plans in place. More information can be found in “Supporting councils with business engagement” (LGA, 2021);
- Speeding up plans to reduce the digital divide. Plans in the LUWP relate directly to the promotion and development of gigabit broadband. More information can be found in “A councillor’s guide to digital connectivity” (LGA, 2019).

Levelling Up

The White Paper provides a wholly new context for debate and decision on local economic and growth priorities.

It is important to recognise that levelling up is about more than “economic development” in the traditional sense, and is also about more than the agenda set by Government when it was developing the now-defunct National Industrial Strategy. This has significant implications for local industrial strategies (LIS) – many of which remain in place, but will now require a degree of reorientation to align with Government’s new expectations.

Understanding Government’s expectations and objectives – and committing to aligning local plans with those national objectives – is important because, amongst other things, it will direct how Government chooses to invest in local areas for the foreseeable future. The overall framework provided by the White Paper is one within which local plans will need to “fit” comfortably.

The capitals framework

Central to the White Paper is the idea that there are consistent drivers for economic development across the country. The Government has described these as six “capitals”.

- Physical capital (the physical capital stock used to produce goods and services, including machinery and equipment);
- Intangible capital (assets without a physical or financial embodiment – this includes research and design);
- Human capital (the stock of knowledge, skills, competencies and other attributes held by people);
- Financial capital (the financial assets needed to provide goods or services);
- Social capital (people’s connections with each other, and the collective attitudes and behaviours that support a close-knit society);
- Institutional capital (relationships and capabilities held by organisations – including local government).

These feed into the Government’s four levelling up objectives (ie these six capitals are what local decision-makers should be using to “invest” in the local area, and to deliver these objectives):

- a) Boost productivity, pay, jobs and living standards by growing the private sector;
- b) Spread opportunities and improve public services;
- c) Restore a sense of community, local pride and belonging;
- d) Empower local leaders and communities.

Government asserts that an ability to measure the presence, and levels, of these six capitals is vital to being able to deliver its levelling up objectives. It has noted that, as of yet, there are not consistent systems for measurement of any of these capitals apart from physical capital.

Government has used the White Paper to introduce the idea of a “mission”-led approach to policymaking over the course of the next decade. Government sees these “missions” – broad policy objectives around growth and development – as providing a framework within which more detailed strategies and policies can be developed. These missions will be written into statute as part of a future Bill. It is worth noting that some of the missions do not relate to matters traditionally considered close to “economic development” policy.

It is safe to assume that ongoing devolution discussions will be framed around the extent to which plans in place at local and regional level will contribute to action on these missions.

The missions

1. By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing;
2. By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third;
3. By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improves services, simpler fares and integrated ticketing;
4. By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population;
5. By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard;
6. By 2030, the number of people successfully completing high quality skills training will have significantly increased in every area of the UK;
7. By 2030, the gap in Healthy Life Expectancy between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years;
8. By 2030, well being will have improved in every area of the UK, with the gap between top performing and other areas closing;
9. By 2030, pride in place will have risen in every area of the UK, with the gap between top performing and other areas closing;
10. By 2030, renters will have a secure path to ownership with the number of first-time buyers increased in all areas; and the Government's ambition is for the number of non-decent rented homes to have fallen by 50%;
11. By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst-affected areas;
12. By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long term funding settlement.

Further devolution, and wider system change

Government sees systems change as an important part of its work to level up England over the course of this decade.

Central to this is the “devolution framework”, a model by which Government plans to makes investment and additional policy flexibilities available across England. The process of dealmaking has been covered in detail elsewhere – and much of it will be less relevant to CAs, where systems and structures are already in place, than to other areas.

However, the framework and the Government's plans for system change sit closely together, and these wider system changes will involve a shift in the Government/CA relationship – particularly in respect of the gathering and use of data.

Government has identified what it sees as “gaps” in sub-national data. The ability to transact further deals – and to deliver on existing deals – is likely to hinge on MCAs being able to demonstrate action on these issues, often in partnership with Government.

Shortcomings identified by Government

“First, data at lower levels of geography beyond the UK, Great Britain, constituent nation or regional level. This is sometimes because of poor data quality due to low coverage or issues around confidentiality.

Second, problems in the quality, frequency or timeliness of subnational statistics. This includes data on public sector finances, business investment (including research and development), firm exports and sectoral labour productivity. Good quality data, monitoring and evaluation are essential to delivering beneficial outcomes for citizens and value for money for taxpayers

Third, coverage across the UK. A strength of devolution is that it allows decision makers to take different approaches in devolved areas. However, if data is not collected in ways that are comparable, it is sometimes not possible to compare performance between each nation on a number of measures. The UK concordat on statistics, which sets out a framework for cooperation between the UK Government and the devolved administrations, recently refreshed in 2021, provides a strong basis for data sharing.

Fourth, new subnational statistics are needed to reflect modern economies and emerging priorities – for example, statistics on climate change or new and rapidly-growing industries, such as the digital and green economy.”

Levelling up White Paper, p149-150

Government therefore plans significant steps to harmonise the gathering and use of data across the country. Part of this is already provided for in the ONS’s Subnational Data Strategy (published in 2021) but Government plans to go further, creating a new body which will focus on data collection and use across local government¹.

¹ The Local Government Association’s “LG Inform” web portal provides existing comparative information across local government in England, as does CIPFA’s “nearest neighbours” service. It is likely that forthcoming announcements relating to the accountability framework for local and combined authorities will result in changes to these services, and to the range of data produced to support comparison.

THE QUESTIONS

Plans for economic development and levelling up will all hinge on the presence and quality of a strategy to identify priorities, and to confidently act on them. Our questions, too, focus on these strategies. Investigation of these strategies – how they are developed, agreed and monitored, are likely to provide the best way for a CA scrutiny function to carry out work that will be productive.

Strategies are high level – there is the risk that they can come across as abstract. While many strategies have easily-read executive summaries, they will be supported with large amounts of technical documentation – some of which will be difficult to wade through for non-professionals. There should not be an expectation that councillors will need to read all of this information – and these questions are designed to help councillors to tease out the most relevant matters.

1. What are our local needs?

- a. What work has been carried out to understand where current, and future, strengths and weaknesses lie in the local economy?**
- b. To what extent is this understanding based on evidence and conversations from local people? Have these conversations been inclusive?**
- c. What do we understand of the key economic drivers at local level?**

Councillors can, and should, challenge on the evidential basis for any plans for economic development and growth. This includes the CA's ability to gather data to reflect how the wider area changes, once a strategy has been agreed.

The most effective strategies are those that have the flexibility to take account of shifts in population, and the relevant strengths and weaknesses of different parts of the economy. Some CAs have formal “data observatories” which exist to gather, collate and use this data – and to refine policies accordingly. Councillors are likely to want to understand what this data tells policymakers about the communities they serve – and how officers and other decision-makers (the CA Board, and the Mayor) use their own insights to supplement this evidence.

Big strategies can be high level – and can feel esoteric. Formal “consultations” on those strategies are likely to yield poor results. Councillors might want to understand where more innovative approaches have been taken – or may need to be taken – to involve people in the development of such plans.

Business engagement is also a part of this conversation. In the near future, LEPs will all be coterminous with combined authority boundaries (and where this has not happened already, LEPs can expect to be integrated within CAs' governance arrangements). Councillors will want to understand what this means for the way that the business voice is listened to and understood.

Councillors will also want to understand how links between business engagement at the local, and sub-regional, levels will be managed. The “Skills for Jobs” White Paper identifies Chambers of Commerce as the main vehicles for articulating the business voice. Councillors will want to ask how MCAs are ensuring that CoCs – a constituent authority level as well as at CA level – are engaged and involved. What are their expectations? What is their capacity and capability to be engaged? Is there a chance of tension and disagreement within and between areas on what priorities ought to be, and how might CoCs help to manage those tensions?

2. To what extent do our local needs align with the Government's priorities and missions on levelling up?

a. Where there is alignment, how can we ensure that we have confidence in our ability to deliver?

The presence of national targets can present a headache for policymakers, especially elected politicians. If those targets are restrictive, they could prevent CAs from action on matters that are demonstrably important for their areas. If the targets are broad, they may as well not exist.

The “mission” model is intended to handle this challenge by providing a set out outcomes as a framework within which a wide variety of local action can fit. The missions do, however, raise questions about where and when CAs should take action on matters that do not actively contribute to their delivery.

Existing or former strategies may engage with matters covered by the missions – but actions currently being undertaken may need to be linked more explicitly to the 2030 outcomes. Resources may need to be reallocated to deliver those outcomes.

3. To what extent do both of these factors (local needs and Government priorities) align with wider trends – climate change, for example, and wider shifts in local people's expectations with regard to their relationship with the institutions that serve them?

a. What do we understand about major trends and how can these risks – and opportunities – be better understood and acted on?

b. Where might trends present us with opportunities to do our work differently?

c. How much can, and should, we attempt to plan in detail for the future?

There are likely to be a range of trends which will help and hinder CAs' ability to deliver for local people. Part of the challenge of delivering change at this specific time is that public services are in a state of turbulent transition. This shifts relationships and expectations which, in the past, would have allowed us to make confident assumptions about the continued existence of the kinds of systems and structures that support us to deliver our objectives.

Much of this has to do with how public services will need to change in order to become more sustainable, and to deliver “net zero” – as well as taking wider action to adapt to the unavoidable impacts of climate change. The expansion and acceleration in use of new technology can also expect to have an impact on local democracy, local government – and local economies.

4. What is the scope of the strategy or strategies that relate to economic development, and who “owns” them?

a. Does the CA's plan sit as part of a more holistic strategy or is economic development – its focus and outcomes – more tightly defined?

b. Is the strategy something seen as owned by the CA itself, or is it seen as owned jointly by a wider range of partners?

As we have noted, the White Paper suggests a broad approach to planning for growth. For many CAs their plans will be intrinsic to their broader vision – there will be no separate “economic development strategy” as such.

While some of these plans may still focus on traditional matters – skills, transport, infrastructure – there are others where (as we have already noted) a more holistic approach will be taken. Health and care outcomes have a profound impact on economic growth, as do (for example) the quality of housing in the renting sector.

Some of these matters may be covered by an area’s devo deal – some may not be, and a Mayor may be inclined to produce strategies which are expansive in scope and focus.

On matters where something is not part of a Mayor’s formal responsibilities they can still exercise their convening power, to bring people together with a common purpose. But how should this best be done? Good scrutiny can help CAs to understand where the key relationships lie, and how a Mayor may choose to deploy their skills and political capital to develop and deliver broad priorities.

This cuts to the heart of whether economic development plans are “MCA plans” – owned and delivered by the combined authority as an institution – or plans collectively owned by a far wider range of partners. The latter is arguably more powerful – but it makes accountability more diffuse. Who, ultimately, is responsible for delivery, and who holds them to account? Clarity on these points is vital in moving action forward, and in evaluating that action once complete.

5. What is the operating model under which this strategy will be managed?

This links to the question above. While arguably a technical question, it raises questions about the mindset and attitude that decision-makers will be bringing to the way that they work together – and about the way that accountability and responsibility for delivery will work.

CAs, and local authorities, have been and continue to shift decisively away from “new public management”-style operating models, heavy on process and measurement, towards more flexible and responsive models which, it is hoped, will make public services more resilient.

Shifts in operating models are also typified from a move away from an institutional focus to one focused on sharing, collaboration and partnership. In truth, this is a trend going back a solid fifteen years or more in the sector, but one which is now becoming an increasingly dominant one in an environment where public policy priorities are seen as overlapping more and more (a trend accelerating through the ultimate cross-cutting policy driver that was the pandemic).

New operating models tend to focus on understanding where demand arises “upstream”, and putting in place arrangements to tackle the source of that demand, rather than “managing” the demand itself. While this is a pressing need mainly for the kind of demand-led services for which CAs lack direct responsibilities, the framework that CAs provide for high level strategy on things like growth, skills, housing, health and care has an impact on the capacity to deliver of those who do hold that operational responsibility.

If a CA plans to shift its operating model – to explore different ways to manage demand, to think of different ways to frame and manage accountability and collaboration – this will have a knock on impact on the way that strategies are designed and delivered. Just as a strategy developed in 2018/19 will be ill-suited to the post-pandemic world, one created on the assumption of the persistence of a particular way of working will lose its salience when an authority decides to shift decisively its approach to governance, decision-making and delivery.

Conversely, it may be that an authority does not plan to bring about shifts and changes to its operating model – in which case a scrutiny committee could legitimately ask, why not? Given the likely stresses and pressures of the coming years, the emergence of new ways of living and working and fundamental shifts in priorities for local growth and local people, why does the authority consider that its existing operating model continues to be fit for purpose? Scrutiny should expect to see that a decision to shift, or to stick with the status quo, is informed by careful thinking, and dialogue, amongst the main system partners as well as between decision-making politicians.

6. How have we ensured a fully inclusive approach in the development, deployment and ongoing review and refinement of a strategy?

a. How have collaboration techniques been used?

b. Whose priorities does, and should, the strategy reflect?

This links to our first question – about the extent to which local people have been involved in discussion on the strategy. But meaningful inclusion goes much further.

For large-scale strategies which propose to have a significant, ongoing impact, traditional consultation is likely not to be enough.

Scrutiny practitioners will need to understand how a wide range of people are involved at every stage. For example:

- Who holds a stake in the economic success in the (sub)-region?
- How are those people being brought into the conversation about what actions we will be taking?
- What are we doing to deal with disagreement about the economic future of the area? This may be about worries about gentrification, about community infrastructure, about the built environment generally, and about ensuring that certain groups are not “left behind” where others reap the benefits of growth.

Ensuring that a plurality of people are involved is about expanding conversations beyond expert professionals, senior elected members and business leaders – important though those partners are. Scrutiny councillors are likely to be well placed to understand how the voice of local people can be listened to most effectively – they can also directly bring their own insights about local people’s expectations to bear on discussions at the CA.

7. How does the strategy account for changes in policy and direction at national, regional and local level?

a. How will the strategy be subject to regular review, and by whom?

b. To what extent will the strategy be able to evolve over time, while still ensuring that overall objectives remain consistent?

Local and national circumstances change. How does the design of a strategy take account of this?

A significant shortcoming of documents and strategies that have vision at their core is that this vision may need to change – often dramatically – in light of events. The pandemic is an obvious example. Sometimes ten-year strategies can be retired after only two or three. The levelling-up challenge demands a different approach of CAs.

Markers of a successful strategy, in this respect, may be:

- Recognising the presence of uncertainty, and putting in place the systems to account for shifting priorities in the future;
- Robust systems for ongoing review – and collective ownership of the document to ensure that keeping it live and active does not rest with the CA alone (and that differing political priorities at the CA will not automatically lead to the strategy’s abandonment);
- Realism around available resources, and the use of scenarios to explore how and where shifts in the approach to risk by the CA and its partners may drive the use of resources in a different way.

Scrutineers may want to ask decision-makers about the assumptions they may have made about current and future policy, and about the kind of trends we talked about earlier in the document, and their impact.

8. How will success in delivering a strategy be evaluated – and by whom?

- a. Do we have information as a baseline, to use to evaluate progress?**
- b. What are the metrics we will use – and how will this be aligned with some of the broader LU metrics?**

In some areas – London, for example – sub-regional bodies have commissioned external organisations to evaluate (and to project) the impact of various different interventions.

We have already noted that data – its collection and use – are particularly important to the Government’s levelling up agenda. From now on there will be expectation that strategies will align with Government’s broader data plans.

Starting out with a good sense of “where we are now” is a critical part of the picture. Scrutiny could ask about where the area standards on key metrics before action has been taken. How is an understanding of the current position used to set targets? How ambitious is the CA and its partners about its ability to deliver change? Are targets all resolutely connected to outcomes, and how will we know for sure whether “intervention a” has led to “outcome b”?

9. How does the strategy (and the way we choose to evaluate it) link in with strategies, plans and priorities in different areas?

- a. How do our economic development plans dovetail with our plans on transport, housing, skills, and other areas?**
- b. How do our plans dovetail with the plans of our partners, including those who we might not immediately identify as partners with a stake in this issue?**

As we noted earlier economic development strategies have knock on impacts on other subjects, service areas, and partnership responsibilities.

Existing strategies may exist in these areas. Scrutiny will need to understand what these plans are, how they are developing, how they are being implemented and what their impact on economic development is likely to be.

For example, moves to franchise bus services will have significant local economic impacts – as will shifts in FE and HE policy. There may be large institutions, agencies or bodies who may operate in this space but who may not recognise themselves as stakeholders in local economic development, and who may need to be brought into the tent. CAs have already proven adept at doing this, but the identity and influence of these institutions varies over time; for private companies, changes in ownership may, for example, produce shifts in enthusiasm for engagement.

10. How will we renew the strategy?

Arrangements are likely to be in place for the periodic evaluation and review of the strategy. Within a general framework minor changes will be possible but more major change may be necessary – especially later on in the strategy’s life.

Scrutiny will want to find out how officers and the CA leadership will judge whether the strategy continues to be fit for purpose, and how more major changes may be made to its priority and focus. Big shifts may include:

- An economic shock or downturn (such as the pandemic or recession brought on by war or other geopolitical reasons such as climate change);
- Substantial changes in living and working patterns – accelerated because of the pandemic but also resting on existing long term trends;
- Changes in our understanding of what “growth” means in its holistic sense – even now, our understanding of what “economic development” is is probably broader than most definitions that might have been used in 2005 or 2010 – how will our framing of needs, and delivery priorities, continue to develop?
- Changes in Government priority (and local priority). Over the course of the decade or so life of a typical economic development strategy it can be predicted that national and local government will shift in political control – leading to a shift in priorities. In a way the “missions” in the Levelling Up White Paper provide a good example of this kind of shift, which is happening even though the governing party is the same.

Scrutiny may want to look for evidence of scenario planning – that strategies are underpinned by a clear sense of where the underlying context might change to such an extent that the fundamentals of an economic development strategy need revisiting, even if the strategy still technically has some years to run.



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